PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 15, 2026

NEW ISSUE – BOOK-ENTRY ONLY **RATING+: MOODY'S "Aa2"**

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

$20,065,000*
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 203
ST. CLAIR COUNTY, ILLINOIS
(O'FALLON)
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

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

The General Obligation School Bonds, Series 2026 (the "Bonds"), of Township High School District Number 203, St. Clair County, Illinois (the "District"), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of $5,000 and integral multiples thereof, and will bear interest payable on June 1 and December 1 of each year, with June 1, 2027, as the first interest payment date. UMB Bank, N.A., St. Louis, Missouri, 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 Bonds will be used to (i) pay presently outstanding and unpaid claims against the District, as more fully described herein, (ii) increase the District's working cash fund, (iii) pay certain interest on the Bonds and (iv) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate 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. See "THE BONDS – Security and Payment" herein.

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

The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Inc., 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 Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about October 20, 2026.

STIFEL
AS UNDERWRITER

PMA
Part of PTMA Financial Solutions
AS MUNICIPAL ADVISOR

The date of this Official Statement is September ____, 2026.

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

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

$20,065,000* General Obligation School Bonds, Series 2026

Maturity (December 1)	Amount ($)*	Rate (%)	Yield (%)	CUSIP[1] (788618)
2027	3,250,000			
2028	5,165,000			
2029	5,610,000			
2030	6,040,000			

*Preliminary, subject to change.

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

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

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

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

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

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

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

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

Township High School District Number 203
St. Clair County, Illinois
(O'Fallon 203)
600 South Smiley Street
O'Fallon, Illinois 62269
(618) 632-3507

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Board of Education
Rob Brown, President
Keith Richter, Vice President
Donna Johnson, Secretary
Blake Corners
James Huff
Dennis Isom
Heather LoBue

Superintendent/School Treasurer
Dr. Beth Shackelford

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

Paying Agent/Registrar
UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

Independent Auditors
Dennis Rose & Associates, P.C.
1904 State Street
Alton, Illinois 62002

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

Municipal Advisor
PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

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

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St. Clair County, Illinois
(O'Fallon)
General Obligation School Bonds, Series 2026

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 203, St. Clair County, Illinois (the "District"), in connection with the offering and sale of its $20,065,000* General Obligation School Bonds, Series 2026 (the "Bonds"). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

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

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 1 and December 1, beginning June 1, 2027. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in St. Louis, Missouri. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the "Record Date").

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

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or

*Preliminary, subject to change.

other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

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

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

Authority and Purpose

The Bonds are issued pursuant to the School Code of the State of Illinois (the "School Code"), the Local Government Debt Reform Act of the State of Illinois (the "Debt Reform Act"), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education (the "Board") of the District on September 17, 2026, as supplemented by a notification of sale (together, the "Bond Resolution"). Proceeds of the Bonds will be used to (i) pay presently outstanding and unpaid claims against the District, namely the District's outstanding General Obligation Debt Certificates (Limited Tax), Series 2026A, B, C and D dated July 15, 2026 (the "Certificates" or the "Claims"), (ii) increase the District's working cash fund (the "Working Cash Fund"), (iii) pay certain interest on the Bonds and (iv) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate 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.

The 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 Bonds, except for the interest due on the Bonds up to and including June 1, 2027, which will be paid from Bond proceeds. The Bond Resolution will be filed with the County Clerk of The County of St. Clair, Illinois (the "County Clerk"), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

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

USE OF PROCEEDS

A portion of the proceeds of the Bonds will be used to pay and redeem the Certificates. A portion of the proceeds of the Bonds will also be used to increase the Working Cash Fund. At the closing of the Bonds, such proceeds will be deposited to the Working Cash Fund. After proper abatement and transfer from the Working Cash Fund, such proceeds of the Bonds will be used to pay a portion of the hereinafter-defined Project described below. Proceeds of the Bonds will also be used to pay the interest due on the Bonds on June 1, 2027.

Proceeds of the Certificates were used to alter, repair and equip school facilities, including building and equipping additions to the Milburn Campus for the Student Success Center and a new Administrative Center, and improve school sites (the "Project"). The addition includes space for alternative education, special education and administrative offices. The District anticipates the Project to be completed by August 2028.

The District will call the Certificates for redemption prior to maturity on October 20, 2026*, the closing date for the Bonds. Proceeds of the Bonds in an amount sufficient to pay the principal and interest due on the Certificates will be deposited with the holders of the Certificates (the "Certificateholders") on such date.

*Preliminary, subject to change.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds..	$ -
Original Issue [Premium/(Discount)]...................................	-
Total Sources	$ -

Estimated Uses of Funds

Deposit with Certificateholders...	$ -
Deposit into the Working Cash Fund	
Costs of Issuance.(1)...	-
Total Uses	$ -

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

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 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 Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

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

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in St. Clair County, Illinois (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. In response to these rulings, Public Act 104-0553, which became law on July 10, 2026, makes significant amendments to the Property Tax Code (as hereinafter defined), including: (i) requiring that properties subject to tax deed proceedings be sold at a judicial tax deed auction to the highest bidder, rather than directly to the tax purchaser; (ii) entitling former property owners to receive any surplus proceeds from such auctions that exceed the amount of the tax deed judgment; (iii) establishing a surplus equity fund to compensate former owners who sustained losses from tax deeds recorded in the two years prior to the effective date of the legislation or from outstanding tax certificates issued prior to the effective date; (iv) enhancing notice requirements to property owners regarding tax sales, redemption rights, and tax deed auctions, including multilingual notice requirements in counties with 3,000,000 or more inhabitants; and (v) establishing a pilot program in Cook County under which the county may acquire tax certificates for up to 100 homestead properties with the lowest tax amounts. These provisions apply to tax certificates issued on or after July 10, 2026. The District makes no prediction as to the effect of such rulings or legislation on the State's tax sale process or on the District's receipt of property tax revenues.

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

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

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

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than

50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

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

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

Property Tax Extension Limitation Law

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

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

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

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

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

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

If the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. If the voters approve the proposition, the amount extended by the County Clerk for educational purposes will be reduced as provided in the proposition. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State of Illinois (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. 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.

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.

Construction Risks

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

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

Finances of the State of Illinois

State funding sources constituted 35.92% of the District's combined Educational Fund and Operations and Maintenance Fund (the "General Fund") revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%.

Federal Revenues

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 7.43% 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 Rating

The Bonds have received a credit rating from Moody's Ratings, New York, New York ("Moody's"). The rating 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 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 EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the 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 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 Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the 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 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 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 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 grades 9-12 and is located in the northern portion of the County, approximately seven miles northeast of the City of Belleville, and 22 miles east of St. Louis. The District comprises an area of 50 square miles and serves the City of O'Fallon (the "City") (69.74% of the District's 2025 EAV), portions of the Villages of Shiloh (12.53% of the District's 2025 EAV) and Swansea (1.69% of the District's 2025 EAV) and the City of Fairview Heights (4.86% of the District's 2025 EAV) and a very small portion of the Village of Caseyville. There are three feeder elementary districts located within the District. The current main campus houses grades 10-12. The District completed construction of a 9^{th} grade campus in the summer of 2009.

The District is primarily a residential community for the larger St. Louis metropolitan area and Scott Air Force Base ("Scott AFB"). Interstates 64, 55, 70 and 270, U.S. Highway 50 and State Routes 4, 116, 117, 153 and 159 provide access to the District and the surrounding area. St. Louis Lambert International Airport in St. Louis provides international and commercial air transportation. MidAmerica St. Louis Airport is a public use airport co-located on the grounds of Scott AFB. It is located 14 miles east of the central business district of Belleville.

The District is located within the boundaries of Southwestern Illinois Community College District No. 522 ("SWIC 522"), a two-year junior college with campuses in Belleville, Granite City and Redbud. Other universities and colleges in the area include Southern Illinois University in Edwardsville and McKendree University in Lebanon.

Scott Air Force Base

The District is approximately 7 miles from Scott AFB, which is the largest employer near the District. Established in 1917 as Scott Field, Scott AFB is one of the oldest continuous-service U.S. Air Force installations in the world. Its primary role when it opened during World War I was as a training field for new aviators, radio operators, and mechanics. Over time, this role has evolved and grown to the point that, during a speech in June 2008, the Secretary of Defense referred to Scott AFB as one of the most important bases in the entire United States military.

Scott AFB employs more than 13,000 people and all branches of the armed forces are represented—Army, Navy, Coast Guard, Marines, Space Force and Air Force. Scott AFB's team of service members, contractors and civilian workforce perform a variety of missions spanning a wide range of specialties. They serve as experts in such areas as cyber operations and network defense, global transportation, coordination via land, sea or air, aeromedical evacuation, aerial fueling and executive airlift.

Scott AFB is home to thirty-five major organizations with the 375th Air Mobility Wing serving as the host unit responsible for infrastructure, operational support, and medical and family services for all assigned personnel. According to a Leadership Council of Southwestern Illinois economic study, the business and workforce on Scott AFB contribute over $3 billion a year to the regional economy. Currently, there are construction projects valued over $300 million taking place on Scott AFB that include a new Joint Operations Mission Planning Center, an addition to a data facility, repairs and renovations to the Air Mobility Command Headquarters building and improvements to a flying operations building.

The units and organizations based on Scott AFB include the U.S. Transportation Command; Air Mobility Command; Surface Deployment and Distribution Command; Defense Information System Agency; Eighteenth Air Force; 618th Air and Space Operations Center; Cyberspace Capabilities Center; 635th Supply Chain Operations Wing; 375th Medical Group, 375th Mission Support Group, 375th Operations Group; 932d Airlift Wing; 126th Air Refueling Wing; 435th Training Squadron and more than 20 other associate partners.

Scott AFB survived the 1988, 1991, 1993, 1995, and 2005 rounds of Base Realignment and Closure (BRAC) evaluation, under which Congress made closure or modification of mission recommendations for military installations. This legislation has expired and none is pending in Congress. While numerous other military installations have seen their roles diminish, or have even closed, as a result of the BRAC process, Scott AFB expanded to fill these voids. Since the initial round of BRAC evaluations in 1988, Scott AFB has experienced the following changes: it became a joint use airfield upon construction of MidAmerica Airport in Mascoutah; the 126th Air National Guard Refueling Wing relocated from Chicago to Scott AFB; it gained regional supply squadron manpower positions from Florida and Germany, logistics positions from Arkansas and Oklahoma, and firefighter manpower positions from Missouri; the U.S. Army Surface Deployment and Distribution Command relocated from Virginia to Scott AFB; it gained the 54th Airlift Squadron upon its activation; and it gained the Eighteenth Air Force upon its reactivation.

While Scott AFB is the major regional employer, federal funding to the District related to Scott AFB represents less than 1% of the District's operating revenues. The District has experienced a substantial loss of EAV because of the number of parcels owned by disabled veterans living in the District and who have taken advantage of a disabled veterans' exemption to their local property taxes. See "FINANCIAL INFORMATION-Disabled Veterans Standard Homestead Exemption" herein.

Educational Facilities

The District operates four facilities.

Facility	Grades	Current Enrollment	Capacity Enrollment	Constructed	Years of Additions/Renovations
Milburn Campus.[(1)]	9	652	1,010	2009	N/A
Smiley Campus	10-12	1,858	2,360	1958	1966, 1969, 1973, 1974, 1979, 1994, 1997, 1998, 2000 & 2007
South Campus (self contained Special Education).[(2)]	9-12	30	45	1988	2022
Transition Housed.[(3)]	12+	21	29	1988	2011, 2012

(1) This campus was designed to be expanded to accommodate enrollment growth.
(2) Building purchased in 2022, and initial renovations were made with purchase.
(3) Building purchased in 2012, and initial renovations were made with purchase.
Source: The District

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 upon new planned housing developments and enrollment trends in feeder school districts.

School Year	Enrollment	School Year	Projected Enrollment
2021-2022	2,582	2026-2027	2,561
2022-2023	2,521	2027-2028	2,611
2023-2024	2,572	2028-2029	2,661
2024-2025	2,623	2029-2030	2,711
2025-2026	2,501	2030-2031	2,761

Source: The District

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, Vice President and Secretary from its membership. The present members are as follows:

Title	Name	Current Term Expires
President..........................	Rob Brown	2029
Vice President.................	Keith Richter	2029
Secretary.........................	Donna Johnson	2027
Member...........................	Blake Corners	2027
Member...........................	James Huff	2029
Member...........................	Dennis Isom	2027
Member...........................	Heather LoBue	2027
School Treasurer.............	Dr. Beth Shackelford	Appointed

Administration

In January 2024, Dr. Beth Shackelford became the Superintendent of the District. Dr. Shackelford has served the District for over 20 years in various leadership and administrative positions.

Employees

The District currently has 318 employees, of whom 190 are certified and 128 are non-certified. Of the total number, 178 are represented by the O'Fallon Federation of Teachers Local 3939, and the contract expires in 2029; 60 are represented by the O'Fallon Federation of Teachers Local 3939 – Paraprofessional Council and 33 are represented by the O'Fallon Federation of Teachers Local 3939 – Service Workers Council, both of which contracts expire in 2027. The District considers its relationship with its unions to be positive.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

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

	2000	2010	2020	% Change 2010-2020
The District..........	N/A	39,280	44,615	+13.58
The City...............	21,910	28,281	32,289	+14.17
The County	256,082	270,056	257,400	-4.69
The State	12,419,293	12,830,632	12,812,508	-0.14

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

Income and Housing

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

	The District	The County	The State	United States
Median Home Value.............	$289,300	$180,300	$263,300	$332,700
Median Household Income....	104,651	73,854	83,390	80,734
Median Family Income..........	127,893	97,289	106,018	99,999
Per Capita Income................	53,459	38,942	46,406	44,673

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

Residential Housing Building Permits

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

Year	Reported Number of Building Permits	Construction Cost
2021...............	118	$ 36,523,144
2022...............	95	32,274,151
2023...............	88	27,325,795
2024...............	127	67,457,339
2025...............	125	47,477,061
2026.(1).............	86	29,257,684

(1) Through July 2026.
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 and through the second quarter of 2026.

Calendar Year	The City
2021	$ 1,092,210,046
2022	1,052,008,270
2023	1,042,784,820
2024	1,135,170,648
2025	1,251,292,323
2026 (1)	569,482,784

(1) Through the second quarter of 2026.
Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes ("CPPRT") are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "Personal Property Tax") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "Sharing Act") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2022, through the most recently completed fiscal year of June 30, 2025, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2026 and June 30, 2027:

Fiscal Year Ended June 30	CPPRT Receipts
2022	$426,951
2023	482,580
2024	317,863
2025	210,772
2026	206,193
2027 (1)	251,367

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

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	Description	Location	Approximate employees at location
Scott AFB	Military base	Scott AFB	13,000
Hospital Sisters Health Systems (St. Elizabeth)	Hospital/healthcare	O'Fallon	2,350
Memorial Hospital	General Hospital	Belleville	2,300
SWIC 522	College	Belleville	1,403
Jet Aviation	Aircraft refurbishment	Cahokia	860
The County	County government	Belleville	850
Army & Air Force Exchange Services	Retail, providing goods and services to military and families	Scott AFB	730
Allsup Inc.	National social security disability representative	Belleville	700
Belleville Public School District Number 118	Education	Belleville	700
Lanter Transport Inc	Multi-temperature logistics	Madison	700

Source: 2026 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories, Leadership Council of Southwestern Illinois.

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 July 2025 and July 2026 for the City compared with the County and the State.

	The City	The County	The State
Average, 2021[1]	4.4%	6.2%	6.1%
Average, 2022.......	3.8	4.5	4.6
Average, 2023.......	4.0	4.7	4.5
Average, 2024.......	4.0	4.7	5.0
Average, 2025.......	3.8	4.5	4.6
July, 2025.............	4.3	4.8	4.7
July, 2026.............	3.2	3.8	4.6

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.
Source: Illinois Department of Employment Security

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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.

Property Type	2021	2022	2023	2024	2025
Residential	$ 815,922,151	$ 879,828,982	$ 960,536,606	$ 1,086,833,347	$ 1,197,950,217
Farm	51,171,820	54,835,316	61,532,692	68,749,107	75,197,558
Commercial	242,222,873	267,984,933	292,791,057	327,667,304	325,245,661
Industrial	2,847,113	2,965,183	3,196,066	3,586,893	3,402,339
Mineral	18,409	17,692	18,060	19,597	22,700
Railroad	539,674	639,862	771,289	829,201	916,310
Total(1)(2)	$ 1,112,722,040	$ 1,206,271,968	$ 1,318,845,770	$ 1,487,685,449	$ 1,602,734,785
Percent of Change	5.58% (3)	8.41%	9.33%	12.80%	7.73%
New Property Amounts	$9,407,979	$20,479,187 (4)	$9,677,691	$9,216,531	$14,581,830

(1) Excludes tax increment financing ("TIF") incremental EAV and abated enterprise zone EAV. See "Tax Increment Financing Districts Located within the District" and "Enterprise Zone Located within the District" herein.
(2) The amount of the District's EAV has been materially affected by the Disabled Veterans' Standard Homestead Exemption, as described in the table entitled "-Disabled Veterans' Standard Homestead Exemption" herein. The EAV shown is net of the exemptions.
(3) Based on the District's 2020 EAV of $1,053,906,307.
(4) Increase in new property due to $7.8 million in new commercial property and $7 million in new residential property.
Source: County Clerk's Office

Disabled Veterans' Standard Homestead Exemption

Beginning in tax year 2015, the Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption to veterans (or the veteran's un-remarried surviving spouse) with a service-connected disability based on the percentage of such disability as certified by the U.S. Department of Veterans' Affairs. To qualify for the such Exemption, the veteran must (a) be an Illinois resident who served as a member of the U.S. Armed Forces on active duty or state active duty, the Illinois National Guard, or U.S. Reserve Forces and who has an honorable discharge; (b) have at least a 30% service-connected disability certified by the U.S. Department of Veterans' Affairs; and (c) own and occupy the property as the primary residence on January 1 of the assessment year or lease and occupy a single family residence on January 1 of the assessment year and be liable for the payment of the property taxes to the County. If the person qualifying for the exemption does not occupy the residence as of January 1 of the taxable year, the exemption granted will be prorated on a monthly basis. 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. Pursuant to Public Act 102-0895, effective May 23, 2022, if a veteran has a service-connected disability of 100% and is deemed to be permanently and totally disabled, the taxpayer who has been granted the exemption will no longer be required to reapply for the exemption on an annual basis. The other exemptions require the veteran to apply every year. As long as the market value of the home is less than $750,000, the calculation will adjust according to the value. If the value of the home is more than $750,000 the exemption will void. Because of the proximity of Scott AFB, there is a large number of veterans that live in the District that file for this exemption. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTIONS PROCEDURES—Exemptions" herein.

The following chart sets forth the number of parcels at each exemption level for the last five tax years and the amount of the exemptions granted.

Tax Levy Year	30%-49% Number of Parcels	30%-49% Amount of Exemptions Granted[1]	50%-69% Number of Parcels	50%-69% Amount of Exemptions Granted[1]	70%-100% Number of Parcels	70%-100% Amount of Exemptions Granted[1]	Permanently & Totally Disabled Number of Parcels	Permanently & Totally Disabled Amount of Exemptions Granted[1]
2020/21	177	$427,916	229	$1,099,999	1,249	$103,418,970	N/A	N/A
2021/22	183	$441,040	220	$1,051,669	1,455	$123,982,793	N/A	N/A
2022/23	199	445,003	222	980,003	1,064	93,330,010	561	$54,193,983
2023/24	201	441,457	231	963,750	1,079	103,048,878	761	81,403,818
2024/25	191	416,670	222	927,498	1,128	122,943,827	929	112,331,461
2025/26	179	396,039	225	937,498	1,153	135,642,151	1123	146,814,689

(1) The amount of exemption is shown on a yearly basis, the amounts are not cumulative.
Source: County Clerk's Office

Veterans Property Tax Relief Reimbursement Pilot Program

Public Act 103-008, effective January 1, 2024, provides that, subject to appropriation, for State fiscal years that begin on or after July 1, 2023, and before July 1, 2028, the Department will establish and administer a Veterans Property Tax Relief Reimbursement Pilot Program (the "Program"). Under the Program, the Department will reimburse eligible taxing districts (any unit of local government, school district or community college district with the power to levy taxes), in an amount calculated as described below, for revenue loss associated with providing homestead exemptions to veterans with disabilities. See "—Disabled Veterans' Standard Homestead Exemption" herein. The Program is aimed at helping the three highly impacted areas in the State (St. Clair, Rock Island and Lake Counties). In the County, the EAV, the dollar amount on which taxes are based, eroded more than 20% from 2010 to 2021, according to the Department. In general, subject to State appropriations, taxing districts in these areas will be reimbursed 45% this year and 90% in years moving forward by the State for tax dollars lost due to the exemption. A taxing district is eligible for reimbursement under the Program if (i) application of the homestead exemptions for veterans with disabilities under Sections 15-165 and 15-169 of the Property Tax Code results in a cumulative reduction of more than 2.5% in the total equalized assessed value of all taxable property in the taxing district, when compared with the total equalized assessed value of all taxable property in the taxing district prior to the application of those exemptions, for the taxable year that is 2 years before the start of the State fiscal year in which the application for reimbursement is made and (ii) the taxing district is located in whole or in part in a county that contains a United States military base. "Taxable year" means the calendar year during which property taxes payable in the next succeeding year are levied. Reimbursement payments will be made to the county that applies to the Department on behalf of the taxing district and will be distributed by the county to the taxing district as directed by the Department. If the county clerk determines that one or more taxing districts located in whole or in part in the county qualify for reimbursement, then the county clerk will apply to the Department on behalf of the taxing district for reimbursement in the form and manner required by the Department. The county clerk will consolidate applications submitted on behalf of more than one taxing district into a single application. The Department may audit the information submitted by the county clerk as part of the application for the purpose of verifying the accuracy of that information.

Subject to the maximum aggregate reimbursement amount as described below, the amount of the reimbursement will be as follows:

(1) for reimbursements awarded for the fiscal year that begins on July 1, 2023, 50% of the product generated by multiplying 90% of the total dollar amount of exemptions granted for taxable year 2021 under Section 15-165 or Section 15-169 of the Property Tax Code to property located in the taxing district by the taxing district's property tax rate for taxable year 2021; and

(2) for reimbursements awarded for fiscal years that begin on or after July 1, 2024, and begin before July 1, 2028, 100% of the product generated by multiplying 90% of the total dollar amount of exemptions granted for the base year under Section 15-165 or Section 15-169 of the Property Tax Code to property located in the taxing district by the taxing district's property tax rate for the base year. "Base year" means the taxable year that is 2 years before the start of the State fiscal year in which the application for reimbursement is made.

The aggregate amount of reimbursements that may be awarded for all taxing districts in any calendar year may not exceed the lesser of $15,000,000 or the amount appropriated for the program for that calendar year. If the total amount of eligible reimbursements exceeds the lesser of $15,000,000 or the amount appropriated for the program for that calendar year, then the reimbursement amount awarded to each particular taxing district will be reduced on a pro rata basis until the aggregate amount of reimbursements awarded under the Program for the calendar year does not exceed the lesser of $15,000,000 or the amount appropriated for the program for the calendar year.

For fiscal year 2024, the State appropriated $15,000,000 for the Program. From this appropriation, the District received $1,183,487. For fiscal years 2025 and 2026, the Program was not funded.

Tax Increment Financing Districts Located within the District

A portion of the District's EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The TIF districts are not expected to expire in the near future and the District is not aware of any new TIF districts planned in the immediate future. The District received $194,720 in surplus TIF revenues in fiscal year 2026.

Location	Year Established	Adjusted Base EAV	2025 EAV	Incremental EAV
O'Fallon GR. MT.MED. Campus....................	2013	$ 706,273	$ 17,200,872	$ 16,494,599
O'Fallon Central PK. Allocation......................	2013	674,814	25,122,666	24,447,852
Shiloh TIF A (TFSHA)..................................	2024	24,251,282	56,919,812	32,668,530
Shiloh TIF B (TFSHB)..................................	2024	2,548,263	7,317,383	4,769,120
Three Springs at Shiloh Redevelopment...........	2008	8,921	1,086,506	1,077,585
O'Fallon Rt 50/Scott Troy Redevelopment.......	2015	45,537	7,494,702	7,449,165
O'Fallon Central City Redevelopment..............	2015	6,577,559	13,159,657	6,582,098
Total..		$ 34,812,649	$ 128,301,598	$ 93,488,949

Source: County Clerk's Office

Enterprise Zone Located within the District

A portion of the District's EAV is contained in an enterprise zone ("EZ"), as detailed below. When an EZ is established, all or a portion of taxes on real property located within the EZ and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated may be abated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation.

Name	Abated EAV
Rention Pond..	$ 900,644
Total..	$ 900,644

Source: County Clerk's Office

Tax Rates
(Per $100 EAV)

	2021	2022	2023	2024	2025	Statutory Maximum Rate
Education	$ 0.920	$ 0.920	$ 0.920	$ 0.920	$ 0.920	$0.920
O&M	0.250	0.250	0.250	0.250	0.250	0.250
Special Education............................	0.020	0.020	0.020	0.020	0.020	0.020
Transportation	0.120	0.120	0.120	0.120	0.120	0.120
IMRF	0.045	0.037	0.023	0.012	0.003	N/A
Bond & Interest	0.466	0.437	0.404	0.365	0.346	N/A
Social Security	0.045	0.037	0.023	0.037	0.038	N/A
Lease..	0.050	0.050	0.050	0.050	0.050	0.050
Liability Insurance..........................	0.153	0.166	0.182	0.182	0.175	N/A
Fire Prevention...............................	0.050	0.050	0.050	0.050	0.050	0.050
Working Cash.................................	0.050	0.050	0.050	0.050	0.050	0.050
Total...	$ 2.169	$ 2.137	$ 2.092	$ 2.056	$ 2.021	

Source: County Clerk's Office

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.

Taxing Body	2021	2022	2023	2024	2025
The District..	$ 2.169	$ 2.137	$ 2.092	$ 2.056	$ 2.021
The County - Other............................	1.098	1.080	1.024	0.954	0.896
O'Fallon Township............................	0.068	0.064	0.059	0.053	0.051
O'Fallon Road....................................	0.276	0.269	0.260	0.250	0.245
The City..	0.672	0.661	0.626	0.576	0.553
O'Fallon District Number 90...............	3.049	3.008	2.966	2.884	2.923
O'Fallon District Library......................	0.164	0.153	0.148	0.138	0.130
SWIC 522..	0.444	0.422	0.403	0.379	0.389
Total...	$ 7.939	$ 7.794	$ 7.577	$ 7.289	$ 7.208

Source: County Clerk's Office

Tax Extensions and Collections

	2021	2022	2023	2024	2025
Extensions	$ 24,136,054	$ 25,782,857	$ 27,583,659	$ 30,582,350	$ 32,396,078
Collections	24,143,699	25,598,975	27,250,364	30,304,840	12,947,952(1)
% Collected	100.03%	99.29%	98.79%	99.09%	39.97%

(1) In progress, as of August 25, 2026. Tax bills are due on September 1, 2026.
Source: St. Clair County Treasurer's Office

Largest Taxpayers

The taxpayers listed below represent 5.24% of the District's 2025 EAV which is $1,602,734,785 (which excludes TIF incremental EAV and abated EZ EAV totaling $94,389,593). 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.

Taxpayer	Description	2025 EAV	% of EAV
Green Mount Crossing LLC	Improved commercial	$ 16,228,024	1.01%
Auffenberg Shiloh HHC	Car dealership	14,769,321	0.92%
Lake St Ellen LLC	Improved lots	7,879,737	0.49%
Green Mount Retail Center II LLC	Commercial	7,871,087	0.49%
Keystone PL at Richland Creek	Senior living	7,436,264	0.46%
Green Mount Lakes LLC	Apartments	7,029,899	0.44%
Green Mount Retail Center III LLC	Apartments	6,577,329	0.41%
Timberland Pkwy Lakeside LLC	Apartments	6,052,693	0.38%
Wal-Mart Real Estate	Retail store	5,262,796	0.33%
Landmark Healthcare Facilities	Medical Facility	4,952,597	0.31%
Total		$ 84,059,747	5.24%

Source: County Clerk's Office, other than the taxpayer descriptions, which are derived from publicly-available sources.

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 payment of the Certificates.

Issue Description	Dated Date	Original Amount Of Issue	Current Amount Outstanding	Final Maturity Date
General Obligation Refunding School Bonds, Series 2015............	06/02/15	$ 9,040,000	$ 1,225,000	12/01/26
General Obligation Refunding School Bonds, Series 2016A.........	02/18/16	8,930,000	2,940,000	12/01/27
General Obligation Refunding School Bonds, Series 2017............	12/21/17	7,450,000	465,000	12/01/26
General Obligation School Bonds, Series 2022............................	09/13/22	7,105,000	2,255,000	12/01/26
The Bonds..	10/20/26	20,065,000 *	20,065,000 *	12/01/30 *
Total			$ 26,950,000 *	

*Preliminary, subject to change.

Debt Repayment Schedule

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

Fiscal Year	Principal Outstanding	Less: The Certificates*	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2027	$ 6,245,000	$ (860,000) (1)	$ -	$ 5,385,000	$ 5,385,000	19.98%
2028	2,320,000	(820,000) (1)	3,250,000	4,750,000	10,135,000	37.61
2029	860,000	(860,000) (1)	5,165,000	5,165,000	15,300,000	56.77
2030	900,000	(900,000) (1)	5,610,000	5,610,000	20,910,000	77.59
2031	960,000	(960,000) (1)	6,040,000	6,040,000	26,950,000	100.00
2032	1,000,000	(1,000,000) (1)	-	-	26,950,000	100.00
2033	1,060,000	(1,060,000) (1)	-	-	26,950,000	100.00
2034	1,120,000	(1,120,000) (1)	-	-	26,950,000	100.00
2035	1,200,000	(1,200,000) (1)	-	-	26,950,000	100.00
2036	1,260,000	(1,260,000)	-	-	26,950,000	100.00
	$ 16,925,000	$ (10,040,000)	$ 20,065,000	$ 26,950,000		

(1) Mandatory sinking fund payment.
*Preliminary, subject to change.

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

			Applicable to District	
	Bonded Debt (1)		Percent	Amount
The County	$33,175,000	(2)	28.21%	$ 9,357,009
City of Fairview Heights	20,255,000		14.47%	2,931,709
The City	39,450,000	(3)	99.82%	39,380,174
School District 85	2,833,000		100.00%	2,833,000
Community Consolidated School District 90	38,925,000		100.00%	38,925,000
School District 104	11,285,000		100.00%	11,285,000
School District 105	72,855,000		14.53%	10,584,374
SWIC 522	74,110,000		14.24%	10,550,300
Emerald-Mound Lebanon Fire Prot. Dist.	755,000		4.44%	33,537
Total				$ 125,880,102

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.
(2) Includes bonds issued by the Public Building Commission of St. Clair County that are supported by lease payments of the County for which the County levies taxes.
(3) Does not include outstanding special services area bonds of the City.
Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerk's Office. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Debt	$16,925,000	
Less: The Certificates	($10,040,000)	*
The Bonds	$20,065,000	*
Leases	$70,350	
Net Direct Debt	$27,020,350	*
Overlapping Bonded Debt	$125,880,102	
Net Direct Debt and Overlapping Bonded Debt	$152,900,452	*
EAV (2025) [1][2]	$1,602,734,785	
Statutory Debt Limit (6.9% of EAV)	$110,588,700	
Statutory Debt Margin	$83,568,350	*

(1) Excludes TIF incremental EAV and abated EZ EAV. See "Tax Increment Financing Districts Located within the District" and "Enterprise Zone Located within the District" herein.
(2) The Disabled Veterans' Standard Homestead Exemption 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. Because of the proximity of Scott AFB, there is a large number of veterans that live in the District that file for this exemption. The EAV shown is net of the exemptions. See "–Disabled Veterans' Standard Homestead Exemption" herein.
*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation, 2025	$4,808,204,355	
EAV, 2025.[1]	$1,602,734,785	
2020-2024 American Community Survey Population Estimate	44,393	
Net Direct Debt to EAV	1.69%	*
Net Direct Debt to Estimated Market Valuation	0.56%	*
Net Direct Debt and Overlapping Bonded Debt to EAV	9.54%	*
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	3.18%	*
Net Direct Debt Per Capita	$608.66	*
Net Direct Debt and Overlapping Bonded Debt Per Capita	$3,444.25	*

(1) Excludes TIF incremental EAV and abated EZ EAV. See "Tax Increment Financing Districts Located within the District" and "Enterprise Zone Located within the District" herein.
*Preliminary, subject to change.

Short-Term Financing Record

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

Future Financing

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

Default Record

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

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources

(Years Ended June 30)

Below is a summary of the General Fund revenue sources exclusive of "on-behalf" payments made by the State to TRS, as defined herein. This summary is provided since Moody's combines these funds as the "General Fund" in its report.

	2022	2023	2024	2025	Preliminary 2026
Local Sources	58.38 %	55.46 %	54.63 %	56.65 %	67.70 %
State Sources	31.94	31.27	35.09	35.92	27.78
Federal Sources	9.68	13.27 (1)	10.29 (1)	7.43	4.52
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

(1) Increase in Federal Sources due in large part to the District's receipt of federal COVID-19 funds. See "STATE AID—Federal COVID-19 Funds Distributed to the District" herein.

Source: Compiled from the District's Annual Financial Reports filed with ISBE for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

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Summary of Operating Funds and Debt Service Fund

(Years Ended June 30)

Below is a combined summary of the operating funds of the District (consisting of the Educational Fund, Operations and Maintenance Fund, Transportation Fund, Working Cash Fund, IMRF/Social Security Fund and Tort Fund) in addition to the Debt Service Fund exclusive of "on-behalf" payments made by the State to TRS.

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund (1)	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2022									
Receipts	$ 24,084,746	$ 3,219,682	$ 27,304,428	$ 1,859,838	$ 533,268	$ 976,061	$ 1,694,228	$ 5,120,138	$ 37,487,961
Disbursements	24,240,043	4,522,815	28,762,858	1,791,792	-	870,039	1,594,709	5,192,580	38,211,978
Net Surplus (Deficit)	(155,297)	(1,303,133)	(1,458,430)	68,046	533,268	106,022	99,519	(72,442)	(724,017)
Other Sources (Uses)	(46,930)	-	(46,930)	-	-	-	-	46,930	-
Beginning Fund Balance	3,207,156	3,674,972	6,882,128	2,239,192	5,019,269	1,686,605	1,387,342	941,090	18,155,626
Ending Fund Balance	$ 3,004,929	$ 2,371,839	$ 5,376,768	$ 2,307,238	$ 5,552,537	$ 1,792,627	$ 1,486,861	$ 915,578	$ 17,431,609
2023									
Receipts	$ 28,592,502	$ 2,922,744	$ 31,515,246	$ 2,092,161	$ 810,581	$ 1,159,196	$ 1,757,232	$ 5,285,126	$ 42,619,542
Disbursements	26,132,636	5,384,045	31,516,681	1,941,874	-	847,181	1,869,422	9,718,772	45,893,930
Net Surplus (Deficit)	2,459,866	(2,461,301)	(1,435)	150,287	810,581	312,015	(112,190)	(4,433,646)	(3,274,388)
Other Sources (Uses)	(7,464)	2,750,000	2,742,536	(48,840)	(93,965)	-	-	4,505,269	7,105,000
Beginning Fund Balance	3,004,929	2,371,839	5,376,768	2,307,238	5,552,537	1,792,627	1,486,861	915,578	17,431,609
Ending Fund Balance	$ 5,457,331	$ 2,660,538	$ 8,117,869	$ 2,408,685	$ 6,269,153	$ 2,104,642	$ 1,374,671	$ 987,201	$ 21,262,221
2024									
Receipts	$ 31,217,791	$ 3,324,748	$ 34,542,539	$ 2,450,025	$ 926,993	$ 1,095,288	$ 2,166,514	$ 5,579,299	$ 46,760,658
Disbursements	28,005,760	5,049,560	33,055,320	2,111,226	-	881,631	2,033,632	5,431,943	43,513,752
Net Surplus (Deficit)	3,212,031	(1,724,812)	1,487,219	338,799	926,993	213,657	132,882	147,356	3,246,906
Other Sources (Uses)	(59,884)	-	(59,884)	-	-	-	-	164,883	104,999
Beginning Fund Balance	5,457,331	2,660,538	8,117,869	2,408,685	6,269,153	2,104,642	1,374,671	987,201	21,262,221
Ending Fund Balance	$ 8,609,478	$ 935,726	$ 9,545,204	$ 2,747,484	$ 7,196,146	$ 2,318,299	$ 1,507,553	$ 1,299,440	$ 24,614,126
2025									
Receipts	$ 32,326,285	$ 3,429,032	$ 35,755,317	$ 2,363,499	$ 907,912	$ 721,056	$ 2,452,552	$ 5,355,547	$ 47,555,883
Disbursements	29,430,765	3,776,203	33,206,968	2,524,363	-	976,032	2,102,692	5,404,696	44,214,751
Net Surplus (Deficit)	2,895,520	(347,171)	2,548,349	(160,864)	907,912	(254,976)	349,860	(49,149)	3,341,132
Other Sources (Uses)	(53,269)	-	(53,269)	-	-	-	-	78,825	25,556
Beginning Fund Balance	8,609,478	935,726	9,545,204	2,747,484	7,196,146	2,318,299	1,507,553	1,299,440	24,614,126
Ending Fund Balance	$ 11,451,729	$ 588,555	$ 12,040,284	$ 2,586,620	$ 8,104,058	$ 2,063,323	$ 1,857,413	$ 1,329,116	$ 27,980,814
Preliminary 2026									
Receipts	$ 32,878,300	$ 3,832,383	$ 36,710,683	$ 2,330,102	$ 946,379	$ 811,068	$ 2,748,043	$ 5,567,275	$ 49,113,550
Disbursements	28,496,752	3,672,473	32,169,225	2,493,587	-	1,001,382	2,217,620	5,434,545	43,316,359
Net Surplus (Deficit)	4,381,548	159,910	4,541,458	(163,485)	946,379	(190,315)	530,423	132,730	5,797,191
Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	11,451,729	588,555	12,040,284	2,586,620	8,104,058	2,063,323	1,857,413	1,329,116	27,980,814
Ending Fund Balance	$ 15,833,277	$ 748,465	$ 16,581,742	$ 2,423,135	$ 9,050,437	$ 1,873,008	$ 2,387,836	$ 1,461,846	$ 33,778,005
Fund Balance as % of Disbursements			51.55%						77.98%

(1) See "Working Cash Fund" herein for a description of the Working Cash Fund.

Source: Compiled from the District's Annual Financial Reports for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

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

Fiscal Year	On-Behalf Payments
2021	$ 12,130,788
2022	7,548,578
2023	7,487,034
2024	8,932,385
2025	10,321,596

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 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 preliminary budget summary for the fiscal year ending June 30, 2027.

Fund	Estimated Fund Balances July 1, 2026	FY27 Revenue	FY27 Expenditures	FY27 Other Sources/ (Uses)	Estimated Fund Balances June 30, 2027
Educational..........................	$ 15,962,231	$ 33,830,593	$ 33,372,693	$ -	$ 16,420,131
Operations & Maintenance....	748,466	3,984,200	5,510,200	2,000,000 (1)	1,222,466
Transportation......................	2,423,135	2,706,316	2,905,000	-	2,224,451
IMRF/Social Security...........	1,873,008	734,639	1,093,400	-	1,514,247
Working Cash......................	9,050,437	990,340	-	8,500,000 (1)	18,540,777
Total Operating Funds	$ 30,057,277	$ 42,246,088	$ 42,881,293	$ 10,500,000	$ 39,922,072
Debt Service.........................	$ 1,461,846	$ 5,506,412	$ 5,560,861	$ -	$ 1,407,397
Fire Prevention & Safety.......	1,556,236	815,340	2,075,950	-	295,626
Capital Projects.....................	4,712	-	10,500,000	10,500,000 (2)	4,712
Tort.....................................	2,387,836	2,801,549	2,951,400	-	2,237,985
Total All Funds	$ 35,467,907	$ 51,369,389	$ 63,969,504	$ 21,000,000	$ 43,867,792

(1) Represents estimated proceeds of bonds net of a transfer to the Operations and Maintenance Fund.
(2) Represents estimated proceeds of the Certificates.
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, 35.92% of the District's General Fund revenue came from State funding sources. See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for more information concerning the breakdown of the District's revenue sources.

General State Aid - Evidence-Based Funding Model

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

On June 16, 2026, Governor Pritzker signed the State's $55.9 billion general funds budget (Public Act 104-0464) for the fiscal year ending June 30, 2027 (the "Fiscal Year 2027 Budget"). The Fiscal Year 2027 Budget increased mandated categorical state aid by approximately $68 million. The Fiscal Year 2027 Budget also appropriated General State Aid in an amount $350 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district's "Base Funding Minimum"). The Base Funding Minimum for the District for school year 2017-2018 was $5,822,272 (the "Initial Base Funding Minimum"). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidence-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in fiscal year ending June 30, 2026, and 2027.

Fiscal Year	Base Funding Minimum	Tier Number	Amount of New State Funds	Total Evidence-Based Funding
2021 (1)	$ 7,121,860	N/A (1)	N/A (1)	$ 7,121,860
2022	7,176,173	1	$ 877,213	8,053,386
2023	8,053,386	1	1,190,367	9,243,753
2024	9,243,753	1	1,447,757	10,691,510
2025	10,691,510	1	1,438,918	12,130,428
2026 (2)	12,130,428	1	559,026	12,689,454
2027 (2)	12,689,454	2	200,738	12,890,192

(1) The State fiscal year 2021 budget did not appropriate General State Aid in excess of the amount appropriated in the State fiscal year 2020 budget. Therefore, school districts did not receive New State Funds during State fiscal year 2021.
(2) Estimated FY 2026 and projected FY 2027
Source: ISBE

Property Tax Relief Pool Funds

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

In the Fiscal Year 2027 Budget, $50 million of General State Aid was 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 $192,802 pursuant to ESSER I, $721,452 pursuant to ESSER II and $2,476,390 pursuant to ESSER III. Most of the ESSER funds were spent on text books, Chromebooks, technology enhancements, HVAC upgrades, health supplies, intervention programming and services and a new special education facility. All ESSER funds have been spent.

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	3.90	Financial Recognition	3.90	Financial Recognition
2021	3.90	Financial Recognition	3.90	Financial Recognition
2022	3.45	Financial Review	3.45	Financial Review
2023	3.80	Financial Recognition	3.80	Financial Recognition
2024	4.00	Financial Recognition	4.00	Financial Recognition
2025(1)	4.00	Financial Recognition	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	$ 127,005
2022	110,263
2023	154,337
2024	182,367
2025	160,831

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 2025 was 7.68% of covered payroll.

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

Calendar Year Ended December 31	IMRF Contribution
2021	$ 403,041
2022	359,041
2023	320,031
2024	348,576
2025	387,948

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

Measures of Financial Position

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

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Position as a % of Total Pension Liability	Discount Rate
2021	$ 16,767,907	$ 18,863,640	$ (2,095,733)	112.50%	7.25%
2022	17,447,936	15,908,281	1,539,655	91.18%	7.25%
2023	18,426,809	17,625,124	801,685	95.65%	7.25%
2024	19,355,761	18,826,251	529,510	97.26%	7.25%
2025	20,353,199	21,202,875	(849,676)	104.17%	7.25%

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

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.

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 $115,644 to the THIS fund. For the years ended June 30, 2024 and June 30, 2023, the District paid $112,589 and $103,624, respectively, to the THIS Fund, which was 100% of the required contribution.

TAX EXEMPTION

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

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

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

An investor may purchase a 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 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 Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 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 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 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 Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 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 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 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 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 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 Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult 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 RATING

Moody's has assigned its municipal rating of "Aa2" to the Bonds. The rating reflects only the view of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by Moody's, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating 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 failed to file certain annual financial information for fiscal year ended June 30, 2022. A reportable event for the late filing was posted on Electronic Municipal Market Access ("EMMA") system on January 27, 2023. The District did not timely file the annual financial report for the fiscal years ended June 30, 2022 and 2024, within 30 days of their availability to the District. In fiscal year ended June 30, 2023, the District failed to timely file the budget. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTAIN LEGAL MATTERS

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

UNDERWRITING

Stifel, Nicolaus & Company, Inc., 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 at a price of $________. The Purchase Contract provides, in part, that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals ____ percent of the par amount of the Bonds.

MUNICIPAL ADVISOR

PMA Securities, LLC, Naperville, Illinois, has been retained as municipal advisor (the "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/____
Superintendent
Township High School District Number 203
St. Clair County, Illinois

September ____, 2026

Appendix A

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Township High School District Number 203
St. Clair County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of Township High School District Number 203, St. Clair County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026 (the *"Bonds"*), to the amount of $__________________, dated October ____, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2027	$	%
2028		%
2029		%
2030		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

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

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

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

Annual Financial Report for Fiscal Year Ended June 30, 2025

The Annual 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 Dennis Rose & Associates, P.C., Alton, 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.

O'FALLON TOWNSHIP HIGH SCHOOL
DISTRICT NO. 203
O'FALLON, ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
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JUNE 30, 2025

CERTIFIED PUBLIC ACCOUNTANTS
DENNIS ROSE & ASSOCIATES, P.C.
DONNA HOGGATT, CPA • SHARON KOENIG, CPA
PRINCIPALS
LICENSED IN IL AND MO
DENNIS ROSE (1954-2025)

1904 STATE STREET
ALTON, IL 62002
drosecpa@dra-cpa.com

PH. 618.465.4999
FAX 618.465.5050
www.dra-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
O'Fallon Township High School District No. 203
O'Fallon, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of O'Fallon Township High School District No. 203, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise O'Fallon Township High School District No. 203's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of O'Fallon Township High School District No. 203, as of June 30, 2025, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of O'Fallon Township High School District No. 203, as of June 30, 2025, or changes in net position for the year then ended.

Basis for Qualified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 O'Fallon Township High School District No. 203 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.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The District's financial statements do not disclose all of the disclosures required by Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by O'Fallon Township High School District No. 203, on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provision of the Illinois State Board of Education. Management is also responsible 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 O'Fallon Township High School District No. 203'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 O'Fallon Township High School District No. 203'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 O'Fallon Township High School District No. 203'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise O'Fallon Township High School District No. 203's basic financial statements. The schedules listed in the table of contents as supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The consolidated year-end financial report is presented for purposes of additional analysis as required by the Illinois Grant Accountability and Transparency Act (GATA) and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, the schedule of expenditures of federal awards, and the GATA consolidated year-end financial report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 2024 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us, and our report dated May 2, 2025, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2024 financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2026, on our consideration of O'Fallon Township High School District No. 203'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 O'Fallon Township High School District No. 203'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 O'Fallon Township High School District No. 203's internal control over financial reporting and compliance.

Dennis Rose & Associates, P.C.

Dennis Rose & Associates, P.C.
Certified Public Accountants
Alton, Illinois
February 20, 2026

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drosecpa@dra-cpa.com

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FAX 618.465.5050
www.dra-cpa.com

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*

To the Board of Education
O'Fallon Township High School District No. 203
O'Fallon, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of O'Fallon Township High School District No. 203, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise O'Fallon Township High School District No. 203's basic financial statements, and have issued our report thereon dated February 20, 2026. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. Additionally, our opinion on the regulatory basis financial statements was qualified for the effects of the disclosures required by Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* not being disclosed.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered O'Fallon Township High School District No. 203's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of O'Fallon Township High School District No. 203's internal control. Accordingly, we do not express an opinion on the effectiveness of O'Fallon Township High School District No. 203's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether O'Fallon Township High School District No. 203's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dennis Rose & Associates, P.C.

Dennis Rose & Associates, P.C.
Certified Public Accountants
Alton, Illinois
February 20, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
O'Fallon Township High School District No. 203
O'Fallon, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited O'Fallon Township High School District No. 203's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of O'Fallon Township High School District No. 203's major federal programs for the year ended June 30, 2025. O'Fallon Township High School District No. 203's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, O'Fallon Township High School District No. 203 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of O'Fallon Township High School District No. 203 and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of O'Fallon Township High School District No. 203's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to O'Fallon Township High School District No. 203's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on O'Fallon Township High School District No. 203's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about O'Fallon Township High School District No. 203's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 O'Fallon Township High School District No. 203's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of O'Fallon Township High School District No. 203's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of O'Fallon Township High School District No. 203's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dennis Rose & Associates, P.C.

Dennis Rose & Associates, P.C.
Certified Public Accountants
Alton, Illinois
February 20, 2026

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS - CASH - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES
ASSETS			
Current Assets:			
Cash	$ 10,342,825	$ 567,291	$ 1,325,617
Investments			3,499
Other Receivables	13,322		
Prepaid Items		21,264	
Total Current Assets	10,356,147	588,555	1,329,116
Capital Assets:			
Land			
Building and Building Improvements			
Site Improvements and Infrastructure			
Capitalized Equipment			
Amount Available in Debt Services Fund			
Amount to be Provided for Payment on Long-Term Debt			
Total Capital Assets			
Total Assets	$ 10,356,147	$ 588,555	$ 1,329,116
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payroll Deductions and Withholdings	$ 1,504		
Total Current Liabilities	1,504		
Long-Term Liabilities:			
Long-Term Debt Payable			
Total Long-Term Liabilities			
Fund Balances:			
Reserved	679,991	$ 575,602	
Unreserved	9,674,652	12,953	$ 1,329,116
Investment in General Fixed Assets			
Total Fund Balances	10,354,643	588,555	1,329,116
Total Liabilities and Fund Balances	$ 10,356,147	$ 588,555	$ 1,329,116

Continued on Next Page

							ACCOUNT GROUPS	
TRANS-PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT
$ 2,586,620	$ 2,064,320	$ 3,893	$ 8,103,659	$ 1,857,413	$ 1,211,580			
		819	399					
2,586,620	2,064,320	4,712	8,104,058	1,857,413	1,211,580			
							$ 5,826,600	
							89,016,196	
							5,252,804	
							2,509,814	
								$ 1,329,116
								10,716,234
							102,605,414	12,045,350
$ 2,586,620	$ 2,064,320	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	$ 12,045,350
	$ 997							
	997							
								$ 12,045,350
								12,045,350
$ 2,586,620	2,063,323	$ 4,712	$ 8,104,058	1,857,413	$ 1,211,580			
							$ 102,605,414	
2,586,620	2,063,323	4,712	8,104,058	1,857,413	1,211,580		102,605,414	
$ 2,586,620	$ 2,064,320	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	$ 12,045,350

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS - CASH - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES
ASSETS/LIABILITIES FOR STUDENT ACTIVITY FUNDS			
Current Assets for Student Activity Funds:			
Student Activity Fund Cash and Investments	$ 1,097,086		
Total Student Activity Current Assets for Student Activity Funds	$ 1,097,086		
Reserved Student Activity Fund Balance for Student Activity Funds	$ 1,097,086		
Total Student Activity Liabilities and Fund Balance For Student Activity Funds	$ 1,097,086		
TOTAL ASSETS/LIABILITIES DISTRICT WITH STUDENT ACTIVITY FUNDS			
Total Current Assets District with Student Activity Funds	$ 11,453,233	$ 588,555	$ 1,329,116
Total Capital Assets District with Student Activity Funds			
Total Assets with Student Activity Funds	$ 11,453,233	$ 588,555	$ 1,329,116
Current Liabilities District with Student Activity Funds			
Total Current Liabilities District with Student Activity Funds	$ 1,504		
Long-Term Liabilities District with Student Activity Funds			
Total Long-Term Liabilities District with Student Activity Funds			
Fund Balances:			
Reserved District with Student Activity Funds	1,777,077	$ 575,602	
Unreserved District with Student Activity Funds	9,674,652	12,953	$ 1,329,116
Investments in General Fixed Assets District with Student Activity Funds			
Total Liabilities and Fund Balance District with Student Activity Funds	$ 11,453,233	$ 588,555	$ 1,329,116

							ACCOUNT GROUPS	
TRANS-PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT
$ 2,586,620	$ 2,064,320	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	$ 12,045,350
$ 2,586,620	$ 2,064,320	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	$ 12,045,350
	$ 997							
								$ 12,045,350
$ 2,586,620	2,063,323	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	
$ 2,586,620	$ 2,064,320	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580		$ 102,605,414	$ 12,045,350

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF RECEIPTS,
DISBURSEMENTS, OTHER SOURCES (USES),
AND CHANGES IN FUND BALANCES - CASH - REGULATORY BASIS
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE
Receipts:		
Local Sources	$ 15,404,444	$ 3,379,032
State Sources	12,793,517	50,000
Federal Sources	2,657,922	
Total Direct Receipts	30,855,883	3,429,032
Receipts for "On-Behalf" Payments	10,321,596	
Total Receipts	41,177,479	3,429,032
Disbursements:		
Instruction	19,197,875	
Support Services	7,329,747	3,776,203
Community Services	1,093	
Payments to Other Districts and Governmental Units	1,434,866	
Debt Service		
Total Direct Disbursements	27,963,581	3,776,203
Disbursements for "On-Behalf" Payments	10,321,596	
Total Disbursements	38,285,177	3,776,203
Excess of Direct Receipts Over (Under) Direct Disbursements	2,892,302	(347,171)
Other Sources (Uses) of Funds:		
Other Sources Not Classified Elsewhere	25,556	
Transfer to Debt Service to Pay Principal on GASB 87 Leases	(75,172)	
Transfer to Debt Service to Pay Interest on GASB 87 Leases	(3,653)	
Total Other Sources (Uses) of Funds	(53,269)	
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	2,839,033	(347,171)
Fund Balances:		
Beginning of Year	7,515,610	935,726
End of Year	$ 10,354,643	$ 588,555

Continued on Next Page

DEBT SERVICES	TRANS-PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY
$ 5,355,547	$ 1,734,914	$ 721,056		$ 907,912	$ 2,452,552	$ 752,556
	628,585					
5,355,547	2,363,499	721,056		907,912	2,452,552	752,556
5,355,547	2,363,499	721,056		907,912	2,452,552	752,556
		438,562			217,659	
	2,524,363	537,470			1,885,033	1,117,731
5,404,696						
5,404,696	2,524,363	976,032			2,102,692	1,117,731
5,404,696	2,524,363	976,032			2,102,692	1,117,731
(49,149)	(160,864)	(254,976)		907,912	349,860	(365,175)
75,172						
3,653						
78,825						
29,676	(160,864)	(254,976)		907,912	349,860	(365,175)
1,299,440	2,747,484	2,318,299	$ 4,712	7,196,146	1,507,553	1,576,755
$ 1,329,116	$ 2,586,620	$ 2,063,323	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF RECEIPTS,
DISBURSEMENTS, OTHER SOURCES (USES),
AND CHANGES IN FUND BALANCES - CASH - REGULATORY BASIS
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE
Student Activity Fund Balance - July 1, 2024	$ 1,093,868	
Total Student Activity Direct Receipts	1,470,402	
Total Student Activity Disbursements	1,467,184	
Excess of Direct Receipts Over (Under) Direct Disbursements	3,218	
Student Activity Fund Balance - June 30, 2025	$ 1,097,086	
Receipts (with Student Activity Funds)		
Local Sources	$ 16,874,846	$ 3,379,032
State Sources	12,793,517	50,000
Federal Sources	2,657,922	
Total Direct Receipts	32,326,285	3,429,032
Receipts for "On Behalf" Payments	10,321,596	
Total Receipts	42,647,881	3,429,032
Disbursements (with Student Activity Funds)		
Instruction	20,665,059	
Support Services	7,329,747	3,776,203
Community Services	1,093	
Payments to Other Districts and Governmental Units	1,434,866	
Debt Service		
Total Direct Disbursements	29,430,765	3,776,203
Disbursements for "On-Behalf" Payments	10,321,596	
Total Disbursements	39,752,361	3,776,203
Excess of Direct Receipts Over (Under) Direct Disbursements	2,895,520	(347,171)
Other Sources/(Uses) of Funds (with Student Activity Funds)		
Total Other Sources of Funds	25,556	
Total Other Uses of Funds	(78,825)	
Total Other Sources/(Uses) of Funds	(53,269)	
Fund Balances (All sources with Student Activity Funds) - June 30, 2025	$ 11,451,729	$ 588,555

See Notes to Financial Statements and Independent Auditor's Reports

DEBT SERVICES	TRANS- PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY
$ 5,355,547	$ 1,734,914	$ 721,056		$ 907,912	$ 2,452,552	$ 752,556
	628,585					
5,355,547	2,363,499	721,056		907,912	2,452,552	752,556
5,355,547	2,363,499	721,056		907,912	2,452,552	752,556
		438,562			217,659	
	2,524,363	537,470			1,885,033	1,117,731
5,404,696						
5,404,696	2,524,363	976,032			2,102,692	1,117,731
5,404,696	2,524,363	976,032			2,102,692	1,117,731
(49,149)	(160,864)	(254,976)		907,912	349,860	(365,175)
78,825						
78,825						
$ 1,329,116	$ 2,586,620	$ 2,063,323	$ 4,712	$ 8,104,058	$ 1,857,413	$ 1,211,580

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF RECEIPTS - CASH - REGULATORY BASIS
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE
RECEIPTS FROM LOCAL SOURCES:		
Designated Purposes Levies	$ 12,026,831	$ 3,268,139
Leasing Purposes Levy	653,622	
Special Education Purposes Levy	261,465	
FICA/Medicare Only Purposes Levies		
Corporate Personal Property Replacement Taxes	172,833	
Summer Sch - Tuition from Pupils or Parents (In State)	6,450	
Regular - Transp Fees from Co-curricular Activities (In State)		
Interest on Investments	395,759	87,093
Sales to Pupils - Lunch	312,923	
Sales to Pupils - A la Carte	291,583	
Sales to Adults	6,411	
Admissions - Athletic	54,147	
Fees	330,565	
Other District/School Activity Revenue	249,806	
Student Activity Funds Revenue	1,470,402	
Rentals - Regular Textbooks	318,199	
Rentals		23,400
Contributions and Donations from Private Sources	2,195	
Refund of Prior Years' Expenditures	2,241	
Payments of Surplus Moneys from TIF Districts	152,575	
Proceeds from Vendors' Contracts	74,027	
Other Local Fees	15,712	
Other Local Receipts	77,100	400
Total Receipts from Local Sources without Student Activity Funds	15,404,444	3,379,032
Total Receipts from Local Sources with Student Activity Funds	16,874,846	3,379,032

Continued on Next Page

DEBT SERVICES	TRANS- PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY
$ 5,280,025	$ 1,568,710	$ 298,048		$ 653,622	$ 2,379,217	$ 653,622
		298,048				
		37,939				
	406					
75,522	117,423	87,021		254,290	73,335	98,934
	48,375					
5,355,547	1,734,914	721,056		907,912	2,452,552	752,556
5,355,547	1,734,914	721,056		907,912	2,452,552	752,556

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF RECEIPTS - CASH - REGULATORY BASIS
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE
RECEIPTS FROM STATE SOURCES:		
Evidence Based Funding Formula (Section 18-8.15)	12,130,428	
Special Education - Private Facility Tuition	319,664	
Special Education - Orphanage - Individual	77,900	
CTE - Technical Education -Tech Prep	90,723	
CTE - Secondary Program Improvement (CTEI)	64,272	
State Free Lunch and Breakfast	2,973	
Driver Education	77,708	
Transportation - Regular/Vocational		
Transportation - Special Education		
Technology - Technology for Success	22,800	
School Infrastructure - Maintenance Projects		50,000
Other Restricted Receipts from State Sources	7,049	
Total Receipts from State Sources	12,793,517	50,000

Continued on Next Page

DEBT SERVICES	TRANS-PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY
	134,375					
	494,210					
	628,585					

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF RECEIPTS - CASH - REGULATORY BASIS
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	EDUCATIONAL	OPERATIONS AND MAINTENANCE
RECEIPTS FROM FEDERAL SOURCES:		
Federal Impact Aid	173,284	
Other Restricted Grants-In-Aid Received Directly from the Federal Govt	414,735	
National School Lunch Program	302,080	
School Breakfast Program	27,468	
Food Service - Other	52,820	
Title I - Low Income	261,115	
Title IV - Student Support and Academic Enrichment Grant	19,952	
Fed. - Spec. Education - IDEA - Flow Through	485,327	
Fed. - Spec. Education - IDEA - Room and Board	394,557	
CTE - Perkins - Title IIIE - Tech Prep	63,512	
Title II - Teacher Quality	51,238	
Medicaid Matching Funds - Administrative Outreach	39,919	
Medicaid Matching Funds - Fee-for-Service Program	68,177	
Other Restricted Grants Received from Federal Government through State	303,738	
Total Receipts from Federal Sources	2,657,922	
Total Direct Receipts (without Student Activity Funds)	$ 30,855,883	$ 3,429,032
Total Direct Receipts (with Student Activity Funds)	$ 32,326,285	$ 3,429,032

DEBT SERVICES	TRANS-PORTATION	MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY
$ 5,355,547	$ 2,363,499	$ 721,056		$ 907,912	$ 2,452,552	$ 752,556
$ 5,355,547	$ 2,363,499	$ 721,056		$ 907,912	$ 2,452,552	$ 752,556

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF DISBURSEMENTS - CASH - REGULATORY BASIS
(ACTUAL AND BUDGET)
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES
EDUCATIONAL FUND:			
Regular Programs	$ 8,435,324	$ 2,309,297	$ 133,857
Special Education Programs	3,526,407	885,218	35,460
Remedial and Supplemental Programs K-12	179,879	50,318	20,848
CTE Programs	1,199,881	367,984	9,359
Interscholastic Programs	841,752	76,229	156,263
Summer School Programs	12,500	1,408	
Driver's Education Programs	213,643	30,123	6,578
Student Activity Fund Expenditures			
Attendance and Social Work Services	682,004	161,697	4,297
Guidance Services	676,302	210,886	
Health Services	150,409	20,946	14,447
Psychological Services	65,782	7,991	1,080
Speech Pathology and Audiology Services	58,240	15,536	73,329
Improvement of Instruction Services	117,744	22,171	174,178
Educational Media Services	471,205	89,159	33,466
Assessment and Testing	123,641	25,143	6,158
Board of Education Services			123,695
Executive Administration Services	192,895	47,797	2,548
Special Area Administration Services	180,262	52,925	
Office of the Principal Services	788,772	208,878	21,830
Direction of Business Support Services	120,740	9,497	900
Fiscal Services	154,041	44,065	11,050
Operation and Maintenance of Plant Services			
Pupil Transportation Services			2,051
Food Services			914,997
Data Processing Services	503,911	116,727	147,207
Other Support Services			
Community Services			1,093
Payments for Regular Programs			
Payments for Special Education Programs - Tuition			
Other Payments to In-State Government Units - Tuition			
Provisions for Contingencies			
Total Educational Disbursements (without Student Activity Funds)	$ 18,695,334	$ 4,753,995	$ 1,894,691
Total Educational Disbursements (with Student Activity Funds)	$ 18,695,334	$ 4,753,995	$ 1,894,691
OPERATIONS AND MAINTENANCE FUND:			
Facilities Acquisition and Construction Services			$ 91,077
Operation and Maintenance of Plant Services	$ 1,040,243	$ 219,865	499,971
Provisions for Contingencies			
Total Operations and Maintenance Disbursements	$ 1,040,243	$ 219,865	$ 591,048
DEBT SERVICES FUND:			
Debt Services - Interest on Long-Term Debt			
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)			
Provision for Contingencies			
Total Debt Services Disbursements			

SUPPLIES AND MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	NON-CAPITALIZED EQUIPMENT	TERM-INATION BENEFITS	TOTAL	BUDGET
$ 176,447	$ 49,366	$ 12,070			$ 11,116,361	$ 12,136,666
12,900		3,242			4,463,227	4,453,290
232					251,277	307,044
128,125	110,253				1,815,602	1,727,599
104,069	2,500	43,901			1,224,714	1,241,700
2,115					16,023	19,584
10,269	50,058				310,671	349,840
		1,467,184			1,467,184	
121					848,119	751,701
5,557					892,745	912,300
3,197		700			189,699	182,150
1,954		340			77,147	73,075
					147,105	119,150
20,439		17,896			352,428	570,947
59,139	3,987	584			657,540	667,994
3,355					158,297	179,558
3,677		19,639			147,011	247,750
189		2,921			246,350	280,450
643					233,830	236,300
33,353		3,335			1,056,168	1,183,350
83		340			131,560	137,350
1,628					210,784	230,300
12,150					12,150	25,000
40					2,091	1,200
					914,997	917,600
252,236	30,599				1,050,680	1,132,850
1,046					1,046	1,300
					1,093	2,266
		38,008			38,008	10,000
		1,386,287			1,386,287	1,445,000
		10,571			10,571	160,000
						500,000
$ 832,964	$ 246,763	$ 1,539,834			$ 27,963,581	$ 30,203,314
$ 832,964	$ 246,763	$ 3,007,018			$ 29,430,765	$ 30,203,314
	$ 1,021,294				$ 1,112,371	$ 2,490,000
$ 841,965	61,788				2,663,832	3,275,500
						400,000
$ 841,965	$ 1,083,082				$ 3,776,203	$ 6,165,500
		$ 524,523			$ 524,523	$ 520,870
		4,880,173			4,880,173	4,805,000
						50,000
		$ 5,404,696			$ 5,404,696	$ 5,375,870

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF DISBURSEMENTS - CASH - REGULATORY BASIS
(ACTUAL AND BUDGET)
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES
TRANSPORTATION FUND:			
Pupil Transportation Services	$ 43,478	$ 9,062	$ 2,148,763
Provisions for Contingencies			
Total Transportation Disbursements	$ 43,478	$ 9,062	$ 2,148,763
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND:			
Regular Programs		$ 150,478	
Special Education Programs		214,693	
Remedial and Supplemental Programs - K-12		2,505	
CTE Programs		17,607	
Interscholastic Programs		49,827	
Summer School Programs		181	
Driver's Education Programs		3,271	
Attendance and Social Work Services		35,861	
Guidance Services		17,942	
Health Services		23,960	
Psychological Services		1,100	
Speech Pathology and Audiology Services		873	
Improvement of Instruction Services		5,036	
Educational Media Services		50,415	
Assessment and Testing		4,647	
Executive Administration Services		12,330	
Special Area Administrative Services		9,933	
Office of the Principal Services		30,529	
Direction of Business Support Services		3,698	
Fiscal Services		22,533	
Operation and Maintenance of Plant Services		243,464	
Data Processing Services		75,149	
Total Municipal Retirement/Social Security Disbursements		$ 976,032	

See Notes to Financial Statements and Independent Auditor's Reports

SUPPLIES AND MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	NON-CAPITALIZED EQUIPMENT	TERM-INATION BENEFITS	TOTAL	BUDGET
$ 249,687	$ 73,373				$ 2,524,363	$ 2,864,000
						200,000
$ 249,687	$ 73,373				$ 2,524,363	$ 3,064,000
					$ 150,478	$ 248,990
					214,693	204,037
					2,505	2,800
					17,607	18,500
					49,827	47,720
					181	250
					3,271	4,000
					35,861	35,250
					17,942	20,750
					23,960	14,800
					1,100	1,100
					873	1,300
					5,036	5,818
					50,415	49,050
					4,647	4,550
					12,330	14,000
					9,933	7,050
					30,529	37,000
					3,698	1,900
					22,533	22,100
					243,464	246,250
					75,149	69,700
					$ 976,032	$ 1,056,915

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
STATEMENT OF DISBURSEMENTS - CASH - REGULATORY BASIS
(ACTUAL AND BUDGET)
ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES
TORT FUND:			
Regular Programs	$ 67,115	$ 19,633	
Special Education Programs	15,741	5,893	
CTE Programs	63,268	20,053	
Interscholastic Programs	720	88	$ 10,863
Driver's Education Programs	12,764	1,521	
Attendance and Social Work Services	25,802	6,161	
Health Services	13,617	4,560	290
Pyschological Services	11,608	1,498	
Board of Education Services			60,500
Executive Administration Services	34,063	8,233	
Special Area Administration Services	72,757	25,522	
Risk Management and Claims Services Payments			445,869
Office of the Principal Services	256,857	79,045	
Direction of Business Support Services	27,483	4,933	
Operation and Maintenance of Plant Services	610,894	117,566	40,127
Data Processing Services	24,392	3,816	
Provisions for Contingencies			
Total Tort Disbursements	$ 1,237,081	$ 298,522	$ 557,649
FIRE PREVENTION AND SAFETY FUND:			
Facilities Acquisition and Construction Services			$ 75,941
Operation and Maintenance of Plant Services			
Provision for Contingencies			
Total Fire Prevention and Safety Disbursements			$ 75,941

SUPPLIES AND MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	NON-CAPITALIZED EQUIPMENT	TERM-INATION BENEFITS	TOTAL	BUDGET
					$ 86,748	$ 86,000
					21,634	24,225
					83,321	78,500
					11,671	12,125
					14,285	13,500
					31,963	30,275
$ 180					18,647	34,000
					13,106	13,800
					60,500	100,000
					42,296	62,600
					98,279	92,200
					445,869	541,300
					335,902	382,000
					32,416	34,350
					768,587	831,000
9,260					37,468	32,150
						300,000
$ 9,440					$ 2,102,692	$ 2,668,025
					$ 75,941	81,000
	$ 1,041,790				1,041,790	$ 1,825,000
						200,000
	$ 1,041,790				$ 1,117,731	$ 2,106,000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O'Fallon Township High School District No. 203 (District) accounting policies conform to the regulatory cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements that serve pupils for numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of the administration, ability to significantly influence operations, and accountability for fiscal matters) and special financing relationships.

After applying the manifesting of oversight and special financing relationships criteria, the joint agreements have been determined not to be a part of the reporting entity since the District does not control the assets, operations, or the administration of the joint agreements. Therefore, they are excluded from the accompanying financial statements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, receipts, and disbursements. The District maintains individual funds as required by the State of Illinois. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Special Education and Lease Levy are included in this fund.

The Debt Services Fund accounts for the accumulation of resources for and payment of general long-term debt principal, interest, lease purchase payments, and related costs.

The Operations and Maintenance Fund, the Transportation Fund and the Municipal Retirement/Social Security Fund account for cash received from specific sources (other than those accounted for in the Debt Services Fund, Fire Prevention and Safety Fund, or Fiduciary Funds) that is legally restricted to cash disbursements for specific purposes.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds.

The Tort Fund accounts for financial resources held by the District to be used for risk management.

The Fire Prevention and Safety Fund and the Capital Projects Fund account for funds of the District to be used for capital acquisition and construction projects.

Governmental and Expendable Trust Funds – Measurement Focus

The financial statements of all governmental funds and expendable trust funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported net assets (net current assets) are considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accountability and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from other funds are accounted for in the General Long-Term Debt Account Group, not in the associated funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Basis of Accounting

Basis of accounting refers to when receipts and disbursements are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, receipts are recognized and recorded in the accounts when cash is received. In the same manner, disbursements are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Similarly, liabilities of a fund result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables as well as other accrued and deferred items that do not arise from a previous cash transaction.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

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

Budget and Budgetary Accounting

The budget for all funds is prepared on the cash basis of accounting, which is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Revised Statutes. The original budget was passed on September 19, 2024.

For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

- Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed disbursements and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally adopted through passage of a resolution.
- Formal budgetary integration is employed as a management control device during the year.
- The Board of Education may make transfers between the various items in any fund not exceeding the aggregate 10% of the total for such fund as set forth in the budget.
- The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

Cash and Investments

Cash includes amounts in demand deposit accounts.

Investments are stated at cost. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Fair Value Hierarchy

Fair Value is defined as 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. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

General Fixed Assets and Depreciation

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the individual funds and capitalized at historical cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. The District generally capitalizes assets that cost five thousand dollars or more and have useful lives of more than one year as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Any leased assets as defined under GASB Statements No. 87 and 96 are capitalized as right-to-use assets and depreciated over the life of the lease. Capital assets are depreciated using the straight-line method over the following useful lives established by the Illinois State Board of Education.

Buildings	20-50 years
Improvements other than buildings	20 years
Machinery and equipment and vehicles	3-10 years
Lease and subscription assets	Contract term

When capital assets are disposed, the cost is removed from the respective accounts. Depreciation accounting is not considered applicable per the Illinois State Board of Education Audit Guide, except to determine per capita tuition charge.

Vacation and Sick Pay

Vacation and sick pay is considered to be an expenditure in the year paid. Vacation time is earned based upon negotiated agreements. Employees are required to take their vacation each year; accordingly, no liability exists.

Sick leave is accrued each year for District employees based upon the negotiated agreements and may be accumulated for use in future years. Unused sick leave of certified personnel may be applied to TRS at retirement or resignation. Unused sick leave of noncertified personnel may be applied to IMRF upon retirement or resignation.

Interfund Transactions

Quasi-external transactions are accounted for as receipts or disbursements. Transactions that constitute reimbursements to a fund for disbursements initially made from it that are properly applicable to another fund are recorded as disbursements in the reimbursing fund and as reductions of disbursements in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues received and expenses disbursed during the reporting period. Actual results could differ from those estimates.

NOTE 2: FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity, things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

   Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance. Special Education disbursements for the year were $261,465 from local tax receipts.

2. Leasing Levy

   Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund and Operations and Maintenance Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in restricted fund balances of $679,991 in the Educational Fund and $575,602 in the Operations and Maintenance Fund.

3. State Grants

   Proceeds from state grants and the related expenditures have been included in the Educational Fund. At year end, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

4. Federal Grants

   Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At year end, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.

5. Social Security

   Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Education (Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Board commits fund balance by passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

By Board action, the District has $410,318 as committed funds for construction projects as of year end.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Board itself or (b) the finance committee or by the Superintendent when the Board has delegated the authority to assign amounts to be used for specific purposes. No amounts have been assigned at year end.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the Educational Fund for amounts that have not been restricted, committed, or assigned to specific purposes. In other funds; the unassigned fund balance classification is used to report deficit balances. Unassigned fund balance amounts are shown in the financial statements as unreserved fund balances.

F. Regulatory – Fund Balance Definitions

Reserved fund balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved fund balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

The two following tables represent fund balance reporting according to generally accepted accounting principles, and fund balance reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Generally Accepted Accounting Principles

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational		$ 1,777,077			$ 9,674,652
Operations and Maintenance		575,602			12,953
Debt Services		1,329,116			
Transportation		2,586,620			
Municipal Retirement/Social Security		2,063,323			
Capital Projects		4,712			
Working Cash					8,104,058
Tort		1,857,413			
Fire Prevention and Safety		801,262	$ 410,318		

Regulatory Basis

Fund	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	$ 1,777,077	$ 9,674,652
Operations and Maintenance	575,602	12,953
Debt Services		1,329,116
Transportation		2,586,620
Municipal Retirement/Social Security		2,063,323
Capital Projects		4,712
Working Cash		8,104,058
Tort		1,857,413
Fire Prevention and Safety		1,211,580

H. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 3: CASH AND INVESTMENTS

Cash and Invested Cash at Year End

The District had the following depository accounts:

Depository Account	Bank Balance
Insured	$ 529,232
Collateralized:	
Collateral Held by Pledging Bank's Trust Department in the District's Name	29,686,410
Uninsured and Uncollateralized	
Total	$ 30,215,642

The District’s cash policy is to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the District deposits may not be returned to it.

Investments

Generally, the District investing activities are managed under the custody of the District Board. Investing is performed in accordance with investment policies complying with state statutes and the District Board. The District is allowed to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes. The District’s only investments include Illinois School District Liquid Asset Fund Plus investment pool.

At year end, the District had the following investments and maturities:

Investment Type	Fair Value	Maturities (In Years) Less Than 1
Illinois School District Liquid Asset Fund+ (ISDLAF+ Investment Pool)	$ 4,717	$ 4,717

During the year, the District maintained an account with the Illinois School District Liquid Asset Fund Plus (also known as ISDLAF+). ISDLAF+ is an external investment pool created in cooperation by the Illinois Association of School Boards, the Illinois Association of School Business Officials and the Illinois Association of School Administrators. Its primary purpose is to provide School Districts, Community College Districts and Educational Service Regions with an alternative investment vehicle which will enable them to earn a competitive rate of return, while maintaining immediate access to invested funds.

The Multi-Class Series invests in money market instruments having a maximum remaining maturity of one year (except that U.S. government obligations may have remaining maturities of up to two years). It has earned an AAA rating from Standard & Poor's (S&P). The Multi-Class Series consists of two classes of shares: the Liquid Class and the MAX Class. The Liquid Class offers check writing privileges, while the MAX Class does not.

ISDLAF+ also provides a Fixed Income Investment Program that allows investors to purchase investment instruments including certificates of deposit of banks and thrift institutions (CDs), U.S. Government treasury securities, U.S. Government agency and instrumentality securities, and bankers' acceptances.

At year end, all the District's ISDLAF+ funds were invested with the ISDLAF+ Multi-Class Series of investments.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. At year end, the District had no investments subject to fair value hierarchy disclosure.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The District invests operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk – The District's investment policy is to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes.

Custodial Credit Risk – For an investment, custodial credit risk 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. At year end, the District had no investments with custodial credit risk.

Concentration of Investment Credit Risk – Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments). The District does not have any investments to disclose.

NOTE 4: PROPERTY TAXES/LEGAL DEBT MARGIN

Property taxes are collected and remitted to the District by the St. Clair County government. The 2024 tax levy was approved on December 17, 2024. Property taxes attach as an enforceable lien on property as of January 1 and are due one-half by July 2, 2025 and one-half by September 2, 2025. Major tax payments are received August through January and are recognized as revenue in the year received. Taxes recorded in these financial statements are from the 2023 and prior levies.

The following are the tax rate limits permitted by the Illinois School Code and by local referendum; the actual rates levied per $100 of assessed valuation; and the assessed valuation, tax extensions, and collections:

Tax Rates by Levy:	Rate Limit	2024	2023	2022
		Tax Levy Years		
Educational	0.9200	$ 0.9200	$ 0.9200	$ 0.9200
Operations and Maintenance	0.2500	0.2500	0.2500	0.2500
Transportation	0.1200	0.1200	0.1200	0.1200
Working Cash	0.0500	0.0500	0.0500	0.0500
Municipal Retirement	NO LIMIT	0.0118	0.0228	0.0374
Fire Prevention and Safety	0.0500	0.0500	0.0500	0.0500
Tort Immunity	NO LIMIT	0.1815	0.1820	0.1659
Special Education	0.0200	0.0200	0.0200	0.0200
Social Security	NO LIMIT	0.0370	0.0228	0.0374
Bond and Interest	NO LIMIT	0.3654	0.4039	0.4367
Lease	0.0500	0.0500	0.0500	0.0500
Total		$ 2.0557	$ 2.0915	$ 2.1374
Assessed Valuation		$ 1,487,685,449	$ 1,318,845,770	$ 1,206,271,968
Tax Extensions by Levy:				
Educational		$ 13,686,706	$ 12,133,381	$ 11,097,702
Operations and Maintenance		3,719,214	3,297,114	3,015,680
Transportation		1,785,223	1,582,615	1,447,526
Working Cash		743,843	659,423	603,136
Municipal Retirement		175,547	300,697	451,146
Fire Prevention and Safety		743,843	659,423	603,136
Tort Immunity		2,700,149	2,400,299	2,001,205
Special Education		297,537	263,769	241,254
Social Security		550,444	300,697	451,146
Bond and Interest		5,436,003	5,326,818	5,267,790
Lease		743,843	659,423	603,136
Total		$ 30,582,352	$ 27,583,659	$ 25,782,857
Tax Collections				
Year Ended June 30:				
2024				$ 25,709,395
2025			$ 27,341,349	
Total		$ 0	$ 27,341,349	$ 25,709,395
Percent of Total Levy Collected		0.00 %	99.12 %	99.72 %

The District has a Legal Debt Margin of 6.9% ($102,650,296) of assessed valuation. The District has used 11.73% ($12,045,350) of the Legal Debt Margin.

NOTE 5: CHANGES IN GENERAL FIXED ASSETS AND DEPRECIATION

A summary of changes in general fixed assets is as follows:

Description of Assets	Beginning of Year	Additions	Deletions	End of Year
Land				
Non-Depreciable Land	$ 5,826,600			$ 5,826,600
Buildings				
Permanent Buildings	86,950,614	$ 2,065,582		89,016,196
Improvements Other than Buildings	5,252,804			5,252,804
Capitalized Equipment				
10 Yr.	930,178		$ 26,805	903,373
5 Yr.	752,049	185,219	69,811	867,457
3 Yr.	544,778	194,206		738,984
Total	$ 100,257,023	$ 2,445,007	$ 96,616	$ 102,605,414

The summary of changes in accumulated depreciation is as follows:

Description of Assets	Beginning of Year	Additions	Deletions	End of Year
Buildings				
Permanent Buildings	$ 39,734,401	$ 1,462,707		$ 41,197,108
Improvements Other than Buildings	4,219,646	167,227		4,386,873
Capitalized Equipment				
10 Yr.	377,442	90,337	$ 26,805	440,974
5 Yr.	457,544	173,491	69,811	561,224
3 Yr.	346,686	218,465		565,151
Total	$ 45,135,719	$ 2,112,227	$ 96,616	$ 47,151,330

The assets acquired through capital leases are as follows:

Description of Assets	Cost	Accumulated Depreciation	Net
Capitalized Equipment			
5 Yr.	$ 87,714	70,171	$ 17,543
3 Yr.	214,145	162,108	52,037
Total	$ 301,859	$ 232,279	$ 69,580

See Independent Auditor's Reports

NOTE 6: RETIREMENT FUND COMMITMENTS

Illinois Teachers' Retirement System

TRS Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants 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/fy2023; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

Essentially all Tier 1 retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of the 3% of the original benefit or 0.50% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

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

Contributions

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

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, 2024, was 9.0% of the creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the pension expense associated with the employer, and the employer recognized revenue received and expenditures disbursed of $10,166,252 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were $100,110 and are disclosed as deferred because they were paid after the June 30, 2024 measurement date.

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34% of salaries paid from federal and special trust funds. For the year ended June 30, 2025, salaries totaling $403,361 were paid from federal and special trust funds that required employer contributions of $41,708. These contributions are disclosed as 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% if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid $17,660 to TRS for employer contributions due on salary increases in excess of 6%, and $1,353 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the employer has a liability for its proportionate share of the net pension liability (first amount shown in the following table) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount disclosed by the employer as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's Proportionate Share of the Net Pension Liability	$ 1,523,129
State's Proportionate Share of the Net Pension Liability Associated with the Employer	126,996,320
Total	$ 128,519,449

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was .0017738506%, which was an increase of .0003528932% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the employer recognized pension disbursements of $257,463 and receipts of $10,321,596 for support provided by the state. At June 30, 2025, the employer actuarially determined 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	$ 5,728	$ 3,954
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		13,077
Changes of Assumptions	20,987	808
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	385,139	129,382
Employer Contributions Subsequent to the Measurement Date	257,463	
Total	$ 669,317	$ 147,221

The $257,463 disclosed as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:	Net Deferred (Inflows) Outflows of Resources
2026	$ 71,348
2027	42,499
2028	56,748
2029	68,010
2030	26,028
Total	$ 264,633

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Varies by amount of service credit
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	37.0 %	7.55 %
Private Equity	15.0	10.28
Public Income	18.0	5.81
Private Credit	8.0	9.20
Real Assets	18.0	7.01
Diversifiying Strategies	4.0	5.18
Total	100.0 %	

*Based on the 2024 Horizon Survey of Capital Market Assumptions and TRS's current target asset allocation provided by RVK, TRS investment consultant.

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.00%, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 1,881,108	$ 1,523,129	$ 1,226,381

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 *Comprehensive Annual Financial Report.*

Illinois Municipal Retirement Fund

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. 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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% 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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

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	83
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	157
Active Plan Members	151
Total	391

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution ate for calendar year 2024 was 7.39%. For the fiscal year ended June 30, 2025, the District contributed $374,401 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 Asset/Liability

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

Actuarial Assumptions

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Fair Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%. *
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021 were used.
- 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 were used.

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

Asset Class	Percentage	of Return
Domestic Equity	33.5 %	4.35 %
International Equity	18.0	5.40
Fixed Income	24.5	5.20
Real Estate	10.5	6.40
Alternative Investments	12.5	4.85-6.25
Cash Equivalents	1.0	3.60
Total	100.0 %	

* There were no changes in the discount rate used to calculate the Total Pension Liability (TPL) since the December 31, 2023 valuation.

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2023	$ 18,426,809	$ 17,625,124	$ 1,539,655
Changes for the Year:			
Service Cost	404,291		404,291
Interest on the Total Pension Liability	1,315,208		1,315,208
Differences Between Expected and Actual Experience of the Total Pension Liability	185,775		185,775
Contributions - Employer		348,576	(348,576)
Contributions - Employees		212,254	(212,254)
Net Investment Income		1,746,408	(1,746,408)
Benefit Payments, Including Refunds of Employee Contributions	(976,322)	(976,322)	0
Other (Net Transfer)		(129,789)	129,789
Net Changes	928,952	1,201,127	(272,175)
Balances at December 31, 2024	$ 19,355,761	$ 18,826,251	$ 529,510

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Total Pension Liability/(Asset)	$ 21,601,463	$ 19,355,761	$ 17,533,753
Plan Fiduciary Net Position	18,826,251	18,826,251	18,826,251
Net Pension Liability/(Asset)	$ 2,775,212	$ 529,510	$ (1,292,498)

Pension Disbursements, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the IMRF Pension

For the year ended June 30, 2025, the District recognized pension disbursements of $374,401. At June 30, 2025, the District actuarially determined deferred outflows of resources and deferred inflows of resources related to the IMRF pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences Between Expected and Actual Experience	$ 250,159	$ 2,433
Changes of Assumptions		10,903
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,520,611	1,092,037
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	$ 1,770,770	$ 1,105,373
Pension Contributions Made Subsequent to the Measurement Date	194,659	
Total Deferred Amounts Related to Pensions	$ 1,965,429	$ 1,105,373

The $194,659 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the IMRF pension is projected for future periods as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2025	$ 352,898
2026	631,322
2027	(221,154)
2028	(97,669)
Total	$ 665,397

The following table provides the aggregate amount for all defined benefit plans in which the District participates:

Total Net Pension Liabilities	$ 2,052,639
Total Pension Assets	0
Total Pension Expense for the Period Associated with the Net Pension Liabilities	631,864
Total Deferred Outflows of Resources	2,634,746
Total Deferred Inflows of Resources	1,252,594

Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid $605,876 the total required contribution for the current fiscal year.

NOTE 7: LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year:

	Bonded	All Other	Total
Beginning of Year	$ 16,780,000	$ 102,917	$ 16,882,917
Issued		42,606	42,606
Retired	4,805,000	75,173	4,880,173
End of Year	$ 11,975,000	$ 70,350	$ 12,045,350

The annual requirements to amortize debt outstanding at year end are as follows:

	Bonded		All Other		
June 30,	Principal	Interest	Principal	Interest	Total
2026	$ 5,090,000	$ 320,045	$ 36,026	$ 2,291	$ 5,448,362
2027	5,385,000	125,861	27,884	756	5,539,501
2028	1,500,000	30,000	6,440	40	1,536,480
Total	$ 11,975,000	$ 475,906	$ 70,350	$ 3,087	$ 12,524,343

All debt commitments are collateralized by the assets of the District. The fair market value of these assets is $130,707,935.

At year end, the District had the following general debt service requirements:

The District issued General Obligation School Bonds, Series 2015 of $9,040,000 dated May 15, 2015. The bond issue provides for the retirement of the principal at a rate of $55,000 to $2,640,000 annually beginning December 1, 2015. Interest is payable on these bonds on June 1 and December 1 of each year at a rate of 3.00% to 4.00% per annum. The final payment is due December 1, 2026. The Debt Services Fund makes these payments. The current portion due is $2,640,000.

The District issued General Obligation Refunding School Bonds, Series 2016A of $8,930,000 dated February 18, 2016. The bond issue provides for the retirement of the principal at a rate of $20,000 to $1,790,000 annually beginning December 1, 2016. Interest is payable on these bonds on June 1 and December 1 of each year at a rate of 2.00% to 4.00% per annum. The final payment is due December 1, 2027. The Debt Services Fund makes these payments. The current portion due is $105,000.

The District issued General Obligation School Bonds, Series 2017 of $7,450,000 dated December 21, 2017. The bond issue provides for the retirement of the principal at a rate of $465,000 to $1,170,000 annually beginning December 1, 2018. Interest is payable on these bonds on June 1 and December 1 of each year at a rate of 2.95% per annum. The final payment is due December 1, 2026. The Debt Services Fund makes these payments. The current portion due is $735,000.

The District issued General Obligation Refunding School Bonds, Series 2022 of $7,105,000 dated September 13, 2022. The bond issue provides for the retirement of the principal at a rate of $1,390,000 to $2,255,000 annually beginning December 1, 2022. Interest is payable on these bonds on June 1 and December 1 of each year at a rate of 2.95% per annum. The final payment is due December 1, 2026. The Debt Services Fund makes these payments. The current portion due is $1,610,000.

The District entered into a lease purchase agreement of $69,811 on May 15, 2019 for the purchase of copier equipment. The agreement calls for the serial retirement of principal at the rate of $1,080 to $14,410 per annum. Interest is payable each year at the rate of 3.00%. The final payment was made in July, 2024. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $69,924 on November 15, 2019 for the purchase of copier equipment. The agreement calls for the serial retirement of principal at the rate of $1,082 to $16,569 per annum. Interest is payable each year at the rate of 3.00%. The final payment was made in January, 2025. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $87,714 on October 6, 2021 for the purchase of copier equipment. The agreement calls for the serial retirement of principal at the rate of $3,228 to $19,032 per annum. Interest is payable each year at the rate of 3.00%. The final payment is due August 6, 2027. The current portion due is $18,378. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $30,369 on June 10, 2022 for the purchase of copier equipment. The agreement calls for the serial retirement of principal at the rate of $1,773 to $10,453 per annum. Interest is payable each year at the rate of 3.00%. The final payment is due August 10, 2025. The current portion due is $3,537. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $104,999 on June 7, 2024 for the purchase of computer equipment. The agreement calls for the serial retirement of principal at the rate of $16,176 to $88,823. The final payment was paid in July, 2024. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $17,050 on September 20, 2024 for the purchase of computer equipment. The agreement calls for the serial retirement of principal at the rate of $1,327 to $1,518 per month. Interest is payable each year at the rate of 14.71%. The final payment is due July, 2025. The current portion due is $1,500. These payments were made by the Debt Services Fund.

The District entered into a lease purchase agreement of $25,556 on December 4, 2024 for the purchase of copier equipment. The agreement calls for serial retirement of principal at the rate of $6,900 to $13,800 per annum. Interest is payable each year at the rate of 7.50%. The final payment is due December 4, 2026. The current portion due is $12,611. These payments were made by the Debt Services Fund.

NOTE 8: JOINT AGREEMENTS

The District participates in two joint agreements in which the District appoints a member to the Board of Trustees as the District representative. Both joint agreements require the District to participate in cost sharing of the joint agreement based upon either District size or based upon services to the District on students served. The operating agreements of these joint agreements do not provide for any asset retention by any of the participating Districts. The joint agreements are Belleville Area Special Services Cooperative located at 2411 Pathways Crossing, Belleville, IL 62221, and Southwestern IL Career & Technical Education System located at 600 South Smiley, O'Fallon, IL 62269. During the fiscal year, the District paid $359,221 and $0 to the joint agreements, respectively.

NOTE 9: GRANTS

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 10: RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year, there were no significant reductions in coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

NOTE 11: INTERFUND TRANSFERS

The Educational Fund made a permanent transfer to the Debt Services Fund of $78,825 for payment of lease principal and interest.

NOTE 12: DISBURSEMENTS OVER BUDGET

The following fund's cash disbursements exceeded the budgeted amounts:

	Actual	Budget
Debt Services	$ 5,404,696	$ 5,375,870

NOTE 13: DATE OF MANAGEMENT REVIEW

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 20, 2026, the date of the management representation letter and the date the financial statements were available to be issued.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
ACTIVITY FUNDS
SCHEDULE OF BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	BEGINNING OF YEAR	CASH RECEIPTS	CASH DISBURSEMENTS	END OF YEAR
All - Athletic	$ 49,428	$ 138,619	$ 125,799	$ 62,248
All - School Musical	47,527	30,788	32,377	45,938
All - School Play	24,049	17,550	17,340	24,259
Animal Rescue	504			504
Art Club	3,417	94		3,511
Asian Culture Club		530	112	418
Audio Visual Dept	1,901			1,901
Band	5,810	9,123	9,974	4,959
Baseball	15,631	112,777	99,674	28,734
Basketball - Boys	23,706	18,355	26,495	15,566
Basketball - Girls	5,117	17,411	14,117	8,411
Bass Fishing	1,365	400	584	1,181
Blizzard	8			8
Bowling	1,679	600	2,154	125
Broadcast Club	5,927	13,217	12,805	6,339
Camera Club	7,921	896	213	8,604
Cheer	12,846	95,354	96,699	11,501
Chemistry	739	101	21	819
Choir	23,666	33,349	28,506	28,509
Choir Boosters	25,117	6,221	23,220	8,118
Class of 2000	4,309			4,309
Class of 2004	1,410			1,410
Class of 2005	5,839			5,839
Class of 2006	4,552			4,552
Class of 2007	5,076			5,076
Class of 2008	6,360			6,360
Class of 2009	3,013			3,013
Class of 2010	2,422			2,422
Class of 2011	1,388			1,388
Class of 2012	1,502			1,502
Class of 2013	96			96
Class of 2014	435	1,820	2,086	169
Class of 2015	674		559	115
Class of 2016	647			647
Class of 2018	299			299
Class of 2019	1,125			1,125
Class of 2020	1,302			1,302
Class of 2021	1,059			1,059
Class of 2022	455			455
Class of 2023	120			120
Class of 2024	449			449
Class of 2025	1,196	202	814	584
Class of 2026	1,126		341	785
Class of 2027	1,527		318	1,209
Class of 2028		1,550	924	626
Co-Op	808			808
Cross Country - Boys	2,251	10,342	8,814	3,779
Cross Country - Girls	5,479	8,325	10,316	3,488
Culture Mix	360		96	264
Democrats of America	139			139
Digital Media - Content Creators	2,126	6,825	6,679	2,272
Dr Ed Grant-Mueller	5,034	1,850	909	5,975
Drama Club	2,551			2,551
Ecology Club	1,382			1,382

Continued on Next Page

See Independent Auditor's Reports

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
ACTIVITY FUNDS
SCHEDULE OF BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	BEGINNING OF YEAR	CASH RECEIPTS	CASH DISBURSEMENTS	END OF YEAR
Endeavors	270	166	140	296
Endowment	2,490	123,131	122,022	3,599
Facility Rental	17,779	29,326	7,135	39,970
FBLA	4,901	48,679	54,782	(1,202)
FCA	187	70	97	160
FEA	566	3,068	2,805	829
February Frolics	904	5,881	6,508	277
Feeding The Future	6,147	373		6,520
Fitness Wellness Club	2,461			2,461
Football	35,582	58,058	72,546	21,094
French Club	2,254	484	345	2,393
Friends of Rachel	1,300	1,663	527	2,436
Future Medical Careers	927			927
Geology Club	1,150			1,150
German Club	210	404	295	319
Gold Rush Club	14,279	2,786	412	16,653
Golden Girls	13,083	67,417	61,321	19,179
Golf - Girls	53,142	33,740	36,322	50,560
Golf - Boys	19,168	25,363	29,311	15,220
GSA	496			496
Guidance	39,569	43,570	69,188	13,951
HSA	296	355	450	201
Hands	524	219	367	376
History Club	344			344
Hockey Fan Club	1,051			1,051
Hope	687			687
HOSA	181	768	264	685
IMC Enrichment	223	2,709	1,228	1,704
IMC Gate System	10,500			10,500
Interact Club	1,532		632	900
Intramural	1,760	125		1,885
Jr. Rotc	30,468	10,591	27,995	13,064
Jr. Rotc Booster	20,679	4,194	10,721	14,152
Key	1,462	802	991	1,273
Lacrosse - Boys	(1)			(1)
Lacrosse - Dual		3,305	3,305	
Lacrosse Boys Booster	25,066	18,661	21,146	22,581
Lacrosse - Girls	7,348	12,138	10,972	8,514
Library - IMC	3,780	4,050	6,270	1,560
Martin Luther King Legacy	1,025		502	523
Mary Rieder Boller	7,939		978	6,961
Math Team	89			89
Mock Trial	1,417			1,417
Model UN	9			9
National Honor Society	5,158	2,616	1,760	6,014
Newspaper	1,331			1,331
Odyssey of the Mind	924			924
O'Fallon Jaycees Scholarship	5,246	16		5,262
OTAKU	452			452
OTHS E-Sports	5,296	50	3,467	1,879
OTHS Family	13,148	13,109	12,646	13,611
OTHS Faculty Scholarship	4,701	888		5,589
Outdoor Club	726	141	160	707
PE Dept	2,784			2,784
Political Science	28			28

Continued on Next Page

See Independent Auditor's Reports

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
ACTIVITY FUNDS
SCHEDULE OF BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	BEGINNING OF YEAR	CASH RECEIPTS	CASH DISBURSEMENTS	END OF YEAR
Pre-Voc Training	2,546	8,336	7,917	2,965
Project Climb		196		196
Prom	10,388	48,378	47,434	11,332
Rho Kappa Club	1,426			1,426
Robotics	16,372	10,937	11,602	15,707
SADD	(41)			(41)
Saturday Scholar	2,958	2,125	2,235	2,848
Scholar Bowl	1,024	1,542	1,422	1,144
Scholarship		6,000	6,000	
Science Olympiad	1,180	2,482	1,488	2,174
Seal of Biliteracy	1,094	2,731	3,312	513
Shootout	27,854	54,754	51,074	31,534
Girls Basketball Shootout	246		246	
Science Department		3,551	2,069	1,482
Show Choir	9,956			9,956
Skills USA	107			107
Soar	4,751	4,082	6,352	2,481
Soccer - Boys	11,876	12,392	20,421	3,847
Soccer - Girls	19,526	4,924	10,499	13,951
Soccer Boys Booster	6,815	8,166	7,322	7,659
Social Studies	1,717		35	1,682
Soc Studies Scholarship	4,205			4,205
Social Work	1,925	353		2,278
Softball	(255)	10,543	6,248	4,040
Spanish Club	1,022	1,016	980	1,058
Spanish Honor Society	993	605	361	1,237
Speech Team	297	385	150	532
Sports Complex	26,289	10,000	5,501	30,788
Sports Medicine	914			914
Strategic Gaming	248			248
Student Council	33,621	34,713	22,784	45,550
Student-Teacher Assist	4,586	4,901	7,786	1,701
Swimming - Boys	7,073	489	3,488	4,074
Swimming - Girls	2,171	2,136	2,227	2,080
Table Top Gaming	158			158
Tennis - Boys	1,332	17,207	12,890	5,649
Tennis - Girls	21,077	15,942	21,625	15,394
Thespian Society	10,816	6,887	7,384	10,319
Track - Dual	3,024	669	1,595	2,098
Track - Boys	5,271	9,296	4,658	9,909
Track - Girls	15,481	11,416	5,829	21,068
Trans House Activity	52,591	60,023	40,015	72,599
Trans House Lunch	4,851	4,709	4,743	4,817
Tri-Music Honor Society	508			508
Ultimate Frisbee	740	231	224	747
Union Fundraiser		1,525	1,525	
Veterans Project	357			357
Volleyball - Boys	12,147	5,614	8,727	9,034
Volleyball - Girls	4,143	24,681	14,829	13,995
Walk of Fame	473			473
William Jenner Scholarship Fund	13,025	(481)		12,544
Wrestling	13,350	8,655	13,914	8,091
Yearbook	35,084	23,076	10,717	47,443
Young Conservatives Club	649			649
TOTAL	$ 1,093,868	$ 1,470,402	$ 1,467,184	$ 1,097,086

See Independent Auditor's Reports

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

LAST 10 FISCAL YEARS

	FY24*	FY23*	FY22*	FY 21*	FY 20*	FY 19*	FY 18*	FY 17*	FY 16*	FY 15*
Employer's Proportion of the Net Pension Liability	0.00177 %	0.00142 %	0.00129 %	0.00158 %	0.00166 %	0.00055 %	0.00303 %	0.00357 %	0.00384 %	0.00265 %
Employer's Proportionate Share of the Net Pension Liability	$ 1,523	$ 1,208	$ 1,078	$ 1,234	$ 1,433	$ 446	$ 2,363	$ 2,723	$ 3,028	$ 1,735
State's Proportionate Share of the Net Pension Liability Associated with the Employer	126,996	104,211	93,542	103,385	112,243	31,758	161,847	94,648	99,105	78,349
Total	$ 128,519	$ 105,419	$ 94,620	$ 104,619	$ 113,676	$ 32,204	$ 164,210	$ 97,371	$ 102,133	$ 80,084
Employer's Covered-Employee Payroll	$ 16,845	$ 15,466	$ 14,798	$ 14,262	$ 13,894	$ 13,276	$ 13,276	$ 12,725	$ 12,830	$ 12,437
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	9.04 %	7.81 %	7.28 %	8.65 %	10.31 %	3.36 %	17.80 %	21.40 %	23.60 %	13.95 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.40 %	43.90 %	42.80 %	45.10 %	37.80 %	39.60 %	40.00 %	39.30 %	36.40 %	41.50 %

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

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

LAST 10 FISCAL YEARS

	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15
Statutorily-Required Contribution	$ 98	$ 90	$ 86	$ 83	$ 81	$ 77	$ 77	$ 74	$ 74	$ 72
Contributions in Relation to the Statutorily-Required Contribution	98	90	86	80	81	76	76	126	73	72
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 3	$ 0	$ 1	$ 1	$ (52)	$ 1	$ 0
Employer's Covered-Employee Payroll	$ 16,845	$ 15,466	$ 14,798	$ 14,262	$ 13,894	$ 13,276	$ 13,276	$ 12,725	$ 12,830	$ 12,437
Contributions as a Percentage of Covered-Employee Payroll	0.58 %	0.58 %	0.58 %	0.56 %	0.58 %	0.57 %	0.57 %	0.99 %	0.57 %	0.58 %

For the 2024 measurement year, the assumed investment rate of return was 7.0% including an inflation rate of 2.50% and a real return of 4.50%. 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 7.0%, including an inflation rate of 2.50% and a real return of 4.50%*. 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 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

*For the 2021 measurement year, the assumed investment rate of return was 7.0%, including an inflation rate of 2.25% and a real return of 4.75%.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2025

LAST 10 CALENDAR YEARS

Calendar Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 404,291	$ 386,877	$ 378,662	$ 346,771	$ 359,516	$ 335,346	$ 305,593	$ 341,707	$ 342,235	$ 330,708
Interest on the Total Pension Liability	1,315,208	1,245,096	1,197,514	1,139,534	1,098,620	1,046,155	1,009,768	998,496	858,463	823,392
Differences Between Expected and Actual Experience of the Total Pension Liability	185,775	308,031	(16,527)	166,437	107,009	175,991	41,575	(24,597)	1,314,283	(184,492)
Changes of Assumptions		(25,861)			(146,338)		410,407	(397,260)	(32,612)	14,919
Benefit Payments, Including Refunds of Employee Contributions	(976,322)	(935,270)	(879,620)	(858,327)	(837,860)	(854,001)	(778,137)	(721,845)	(569,353)	444,121
Net Change in Total Pension Liability	928,952	978,873	680,029	794,415	580,947	703,491	989,206	196,501	1,913,016	540,406
Total Pension Liability - Beginning	18,426,809	17,447,936	16,767,907	15,973,492	15,392,545	14,689,054	13,699,848	13,503,347	11,590,331	11,049,925
Total Pension Liability - Ending (A)	$ 19,355,761	$ 18,426,809	$ 17,447,936	$ 16,767,907	$ 15,973,492	$ 15,392,545	$ 14,689,054	$ 13,699,848	$ 13,503,347	$ 11,590,331
Plan Fiduciary Net Position										
Contributions - Employer	$ 348,576	$ 320,031	$ 359,041	$ 403,041	$ 422,875	$ 376,347	$ 383,460	$ 303,878	$ 335,767	$ 309,935
Contributions - Employees	212,254	195,195	180,122	168,716	160,192	152,247	137,956	134,689	221,208	135,146
Net Investment Income	1,746,408	1,768,879	(2,452,156)	2,829,363	2,106,878	2,399,398	(771,252)	2,368,292	646,182	51,526
Benefit Payments, Including Refunds of Employee Contributions	(976,322)	(935,270)	(879,620)	(858,327)	(837,860)	(854,001)	(778,137)	(721,845)	(569,353)	(444,121)
Other (Net Transfers)	(129,789)	368,008	(162,746)	(53,833)	35,490	51,658	596,685	(661,333)	688,962	(310,979)
Net Change in Plan Fiduciary Net Position	1,201,127	1,716,843	(2,955,359)	2,488,960	1,887,575	2,125,649	(431,288)	1,423,681	1,322,766	(258,493)
Plan Fiduciary Net Position - Beginning	17,625,124	15,908,281	18,863,640	16,374,680	14,487,105	12,361,456	12,792,744	11,369,063	10,046,297	10,304,790
Plan Fiduciary Net Position - Ending (B)	$ 18,826,251	$ 17,625,124	$ 15,908,281	$ 18,863,640	$ 16,374,680	$ 14,487,105	$ 12,361,456	$ 12,792,744	$ 11,369,063	$ 10,046,297
Net Pension Liability/(Asset) - Ending (A) - (B)	$ 529,510	$ 801,685	$ 1,539,655	$ (2,095,733)	$ (401,188)	$ 905,440	$ 2,327,598	$ 907,104	$ 2,134,284	$ 1,544,034
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.26%	95.65%	91.18%	112.50%	102.51%	94.12%	84.15%	93.38%	84.19%	86.68%
Covered Valuation Payroll *	$ 4,716,869	$ 4,340,227	$ 4,002,679	$ 3,749,218	$ 3,559,830	$ 3,378,326	$ 3,050,598	$ 2,996,821	$ 3,130,257	$ 3,003,248
Net Pension Liability as a Percentage of Covered Valuation Payroll	11.23%	18.47%	38.47%	(55.90)%	(11.27)%	26.80%	76.30%	30.27%	68.18%	51.41%

Notes to Schedule:
* Covered Valuation Payroll does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

Changes in assumptions:
For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.
For 2023, changes are primarily from updates to mortality tables and other demographic data based on the experience study covering the years 2020-2022.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2025

LAST 10 CALENDAR YEARS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	$ 309,935	$ 309,935	$ 0	$ 3,003,248	10.32 %
2016	326,486	335,767	(9,281)	3,130,257	10.73
2017	303,878	303,878	0	2,996,821	10.14
2018	383,460	383,460	0	3,050,598	12.57
2019	376,346	376,347	(1)	3,378,326	11.14
2020	402,617	422,875	(20,258)	3,559,830	11.88
2021	403,041	403,041	0	3,749,218	10.75
2022	359,040	359,041	(1)	4,002,679	8.97
2023	320,309	320,031	278	4,340,227	7.37
2024	348,577 *	348,576	1	4,716,869	7.39

Notes to Schedule:

Information reported on a calendar year basis.

* Estimated based on contribution rate of 7.39% and covered valuation payroll of $4,716,869.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
NOTES TO SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2025

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

Valuation Date:	December 31, 2024
Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

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:	Non-taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 19 year closed period. Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.75% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	For non-disabled 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; note two year lag between valuation and rate setting.

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2025

DISTRICT/JOINT AGREEMENT NAME	RCDT NUMBER	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER	
O'FALLON TOWNSHIP HIGH SCHOOL DISTRI	**50-082-2030-17**	**066-005060**	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM **DENNIS ROSE & ASSOCIATES, P.C.** **1904 STATE STREET** **ALTON, IL 62002**	
ADDRESS OF AUDITED ENTITY *(Street and/or P.O. Box, City, State, Zip Code)* **600 SOUTH SMILEY STREET** **O'FALLON, IL 62269**		E-MAIL ADDRESS: DROSECPA@DRA-CPA.COM	
		NAME OF AUDIT SUPERVISOR **SHARON KOENIG**	
		CPA FIRM TELEPHONE NUMBER **618-465-4999**	FAX NUMBER **618-465-5050**

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:

- ☐ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to the GATA Portal (either with the audit or under separate cover).
- ☐ Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- ☐ Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- ☐ Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- ☐ Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- ☐ Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- ☐ Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- ☐ Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- ☐ Corrective Action Plan(s) (Title 2 CFR §200.511 (c))

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- ☐ A Copy of each Management Letter
- ☐ A copy of the Consolidated Year-end Financial Report (CYEFR) and In-relation to opinion

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17

RECONCILIATION OF FEDERAL REVENUES
Year Ending June 30, 2025
Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-**9**, Line 7	Account 4000	$	2,657,922
Flow-through Federal Revenues			
Revenues **10-15**, Line **115**	Account 2200		
Value of Commodities			
ICR Computation **37**, Line 11			52,820
Less: Medicaid Fee-for-Service Program			
Revenues **10-15**, Line **266**	Account 4992		(68,177)
AFR TOTAL FEDERAL REVENUES:		$	2,642,565

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

COMMODITIES	$	(52,820)

ADJUSTED AFR FEDERAL REVENUES	$	2,589,745
Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues — Column D	$	2,589,745

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

ADJUSTED SEFA FEDERAL REVENUE:	$	2,589,745
DIFFERENCE:	$	-

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203

50-082-2030-17

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenditure/Disbursements[4] Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. DEPARTMENT OF AGRICULTURE:										0	
PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION:										0	
CHILD NUTRITION CLUSTER (10.555, 10.553)										0	
										0	
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2024-4210-00	295,890	68,914	295,890		68,914			364,804	
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2025-4210-00		233,166			233,165			233,165	
										0	
SCHOOL BREAKFAST PROGRAM	10.553	2024-4220-00	24,317	4,526	24,317		4,526			28,843	
SCHOOL BREAKFAST PROGRAM	10.553	2025-4220-00		22,942			22,942			22,942	
										0	
COMMODITIES (NON-CASH ASSISTANCE)	10.555	2025-4299-00		38,214			38,214			38,214	
										0	
U.S. DEPARTMENT OF DEFENSE:										0	
COMMODITIES (NON-CASH ASSISTANCE)	10.555	2025-4299-00		14,606			14,606			14,606	
										0	
TOTAL CHILD NUTRITION CLUSTER (10.555, 10.553)			320,207	382,368	320,207		382,367			702,574	0
										0	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the Assistance Listing (AL) number is not available, the auditee should indicate that the AL number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenditure/Disbursements[4] Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. DEPARTMENT OF EDUCATION:										0	
PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION:										0	
										0	
TITLE I - LOW INCOME	84.010A	2024-4300-00	151,911	115,154	239,422		27,643			267,065	267,587
TITLE I - LOW INCOME	84.010A	2025-4300-00		145,961			214,758		72,869	287,627	289,212
										0	
TITLE II - TEACHER QUALITY	84.367A	2024-4932-00	28,505	19,271	40,925		6,851			47,776	55,297
TITLE II - TEACHER QUALITY	84.367A	2025-4932-00		31,967			48,099		2,537	50,636	66,077
										0	
TITLE IVA - STUDENT SUPPORT & ACADEMIC ENRICHMENT	84.424A	2024-4400-00	3,600	14,858	18,458					18,458	21,621
TITLE IVA - STUDENT SUPPORT & ACADEMIC ENRICHMENT	84.424A	2025-4400-00		5,094			22,492		2,904	25,396	25,396
										0	
SPECIAL EDUCATION CLUSTER - GRANTS TO STATES (IDEA PART B)										0	
										0	
IDEA FLOWTHROUGH (M)	84.027A	2024-4620-00	329,020	152,865	470,959		10,926			481,885	598,307
IDEA FLOWTHROUGH (M)	84.027A	2025-4620-00		319,843			478,870		131,236	610,106	610,305
										0	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

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[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the Assistance Listing (AL) number is not available, the auditee should indicate that the AL number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203

50-082-2030-17

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenditure/Disbursements[4] Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
IDEA FLOWTHROUGH - EI (M)	84.027A	2024-4620-EI	5,950	378	6,328					6,328	8,450
IDEA FLOWTHROUGH - EI (M)	84.027A	2025-4620-EI		12,241			12,262		396	12,658	12,658
										0	
IDEA ROOM & BOARD (M)	84.027A	2024-4625-00	3,061	282,161	3,061		282,161			285,222	
IDEA ROOM & BOARD (M)	84.027A	2025-4625-00		112,396			112,396			112,396	
										0	
TOTAL SPECIAL EDUCATION CLUSTER (84.027A)			338,031	879,884	480,348		896,615		131,632	1,508,595	1,229,720
										0	
ESF CLUSTER (84.425U, 84.425W)										0	
ESSER III (M)	84.425U	2024-4998-E3	559,800	203,512	686,650		76,662			763,312	763,312
ESSER III (M)	84.425U	2023-4998-D3	173,012	17,713	190,725					190,725	190,725
										0	
ARP HOMELESS (M)	84.425W	2024-4998-HL	628	338	933		33			966	966
										0	
TOTAL ESF CLUSTER (84.425U, 84.425W)			733,440	221,563	878,308	0	76,695	0	0	955,003	955,003
										0	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the Assistance Listing (AL) number is not available, the auditee should indicate that the AL number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203

50-082-2030-17

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor		ISBE Project #	Receipts/Revenues		Expenditure/Disbursements[4]						
Program or Cluster Title and Major Program Designation	AL Number[2] (A)	(1st 8 digits) or Contract #[3] (B)	Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
PASS THROUGH ST. CLAIR CO/SWIC REG FOC SYS										0	
CTE PERKINS TITLE III - TECH PREP	84.048A	2025-4770-00		63,512			63,512			63,512	
PASSED THROUGH ILLINOIS DEPARTMENT OF HUMAN SERVICES:										0	
S.T.E.P.	84.126	46CDF00028		82,175			82,175			82,175	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:										0	
PASS THROUGH STATE OF ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES:										0	
MEDICAID MATCHING	93.778	2025		39,919			39,919			39,919	
										0	
U.S. DEPARTMENT OF EDUCATION:										0	
TITLE VIII - IMPACT AID	84.041	25-IL-25		173,284			173,284			173,284	
										0	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

---

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O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenditure/Disbursements[4] Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
U.S. DEPARTMENT OF DEFENSE:										0	
CTE DODEA GRANT PROGRAM	12.556	HE-1254-21-1-4005	418,815	156,094	425,750		149,159			574,909	750,000
WORLD LANGUAGE DODEA GRANT PROGRAM	12.556	HE-1254-22-1-2007	277,631	86,542	291,662		72,511			364,173	750,000
C3 DODEA GRANT PROGRAM	12.556	HE-1254-23-1-5013	65,160	139,035	68,089		136,106			204,195	750,000
CLIMB DODEA GRANT PROGRAM	12.556	HE-1254-24-1-5038		33,064	11,000		22,064			33,064	500,000
										0	
TOTAL FEDERAL PROGRAMS			2,337,300	2,589,745	2,774,169		2,414,250		209,942	5,398,361	5,659,913
										0	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

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O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenditure/Disbursements[4] Year 7/1/23-6/30/24 (E)	Year 7/1/23-6/30/24 Pass through to Subrecipients	Year 7/1/24-6/30/25 (F)	Year 7/1/24-6/30/25 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
INFORMATION ONLY:										0	
CFDA 10.555			295,890	354,900	295,890	0	354,899	0	0	650,789	0
CFDA 10.553			24,317	27,468	24,317	0	27,468	0	0	51,785	0
CFDA 84.010A			151,911	261,115	239,422	0	242,401	0	72,869	554,692	556,799
CFDA 84.367A			28,505	51,238	40,925	0	54,950	0	2,537	98,412	121,374
CFDA 84.424A			3,600	19,952	18,458	0	22,492	0	2,904	43,854	47,017
CFDA 84.027A			338,031	879,884	480,348	0	896,615	0	131,632	1,508,595	1,229,720
CFDA 84.425U			732,812	221,225	877,375	0	76,662	0	0	954,037	954,037
CFDA 84.425W			628	338	933	0	33	0	0	966	966
CFDA 84.048A			0	63,512	0	0	63,512	0	0	63,512	0
CFDA 93.778			0	39,919	0	0	39,919	0	0	39,919	0
CFDA 84.126			0	82,175	0	0	82,175	0	0	82,175	0
CFDA 84.041			0	173,284	0	0	173,284	0	0	173,284	0
CFDA 12.556			761,606	414,735	796,501	0	379,840	0	0	1,176,341	2,750,000
TOTAL FEDERAL PROGRAMS			2,337,300	2,589,745	2,774,169	0	2,414,250	0	209,942	5,398,361	5,659,913

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

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O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2025

Note 1: Basis of Presentation[5]
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of O'Fallon Township High School District No. 203 and is presented on the regulatory cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Indirect Facilities & Administration costs[6]
Auditee elected to use 15% de minimis cost rate? ____ YES X NO

Note 3: Subrecipients
Of the federal expenditures presented in the schedule, O'Fallon Township High School District No. 203 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal AL Number	Amount Provided to Subrecipient
NONE		

Note 4: Non-Cash Assistance
The following amounts were expended in the form of non-cash assistance by O'Fallon Township High School District No. 203 and should be included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (AL 10.555)**:	$38,214		
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	$14,606	Total Non-Cash	**$52,820**

Note 5: Other Information
Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	No
Auto	No
General Liability	No
Workers Compensation	No
Loans/Loan Guarantees Outstanding at June 30:	No
District had Federal grants requiring matching expenditures	No
	(Yes/No)

****** The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

[5] This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))

[6] The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 15% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Adverse
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? ____ YES __X__ None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? ____ YES __X__ None Reported
- Noncompliance material to the financial statements noted? ____ YES __X__ NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? ____ YES __X__ None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? ____ YES __X__ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer[7])

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? ____ YES __X__ NO

IDENTIFICATION OF MAJOR PROGRAMS:[8]

AL NUMBER(S)[9]	NAME OF FEDERAL PROGRAM or CLUSTER[10]	AMOUNT OF FEDERAL PROGRAM
84.027A	Special Education Cluster	896,615
84.425U, 84.425W	Education Stabilization Fund Cluster	76,695
	Total Amount Tested as Major	$973,310

Total Federal Expenditures for 7/1/2024 - 6/30/2025 $2,414,250

% tested as Major **40.32%**

Dollar threshold used to distinguish between Type A and Type B programs: $750,000.00

Auditee qualified as low-risk auditee? ____ YES __X__ NO

[7] If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

[8] Major programs should generally be reported in the same order as they appear on the SEFA.

[9] When the AL number is not available, include other identifying number, if applicable.

[10] The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

NOTE 1: BASIS OF PRESENTATION AND ACCOUNTING

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awarded programs of O'Fallon Township High School District No. 203. The District's reporting entity is defined in Note 1 to the District's financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the cash basis of accounting and is described in Note 1 to the District's financial statements.

Relationship to Financial Statements

Federal awards received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts from programs reported in the Program Financial Reports.

NOTE 2: OTHER DISCLOSURES

No audit findings to major federal award programs for O'Fallon Township High School District No. 203 were reported on the Schedule of Findings individual findings sheets for the year ended June 30, 2025.

The following programs were identified as major programs in accordance with requirements described in Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Program	CFDA Number
Special Education Cluster	84.027A
Education Stabilization Fund Cluster	84.425U, 84.425W

The threshold for distinguishing types A and B programs was $750,000.

The District was determined not to be a low risk auditee.

The District does not provide any loans or loan guarantees.

The District received $52,820 in noncash assistance – Food Commodities.

No Federal Funds were expended for insurance during the year.

The District did not provide funds to any subrecipients.

The District elected not to use the 10% de minimus cost rate as covered in § 200.414 Indirect (F&A) costs.

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:[11] **2025 -** ____ **2. THIS FINDING IS:** ☐ New ☐ **Repeat from Prior Year?**
Year originally reported? ____

3. Criteria or specific requirement

None

4. Condition

5. Context[12]

6. Effect

7. Cause

8. Recommendation

9. Management's response[13]

[11] A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year **2025** would be assigned a reference number of **2025-001, 2025-002**, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

[12] Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

[13] See §200.521 *Management decision* for additional guidance on reporting management's response.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:[14] **2025 -** ______ **2. THIS FINDING IS:** ☐ New ☐ Repeat from Prior year?

Year originally reported? ______

3. Federal Program Name and Year: ______

4. Project No.: ______ **5. AL No.:** ______

6. Passed Through: ______

7. Federal Agency: ______

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

None

9. Condition[15]

10. Questioned Costs[16]

11. Context[17]

12. Effect

13. Cause

14. Recommendation

15. Management's response[18]

[14] See footnote 11.
[15] Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
[16] Identify questioned costs as required by §200.516 (a)(3 - 4).
[17] See footnote 12.
[18] To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

O'FALLON TOWNSHIP HIGH SCHOOL DISTRICT NO. 203
50-082-2030-17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS[19]
Year Ending June 30, 2025

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

Finding Number	Condition	Current Status[20]
None		

When possible, all prior findings should be on the same page
[19] Explanation of this schedule - §200.511 (b)
[20] Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

Grantee Name	O'Fallon Township High School District 203
ID Numbers	**Audit:**57996 **Grantee:**673495 **UEI:**WRFZD2QVRND8 **FEIN:**376004523
Audit Period	7/1/2024 12:00:00 AM - 6/30/2025 12:00:00 AM
Last Update	2/11/2026 9:50:11 AM
Program Count	14

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
586-18-0517	Career and Technical Ed Improvement (CTEI)	154,995.00	0.00	154,995.00	0.00
586-69-0418	CTE - Perkins Secondary: CTE Consolidated Application	0.00	63,512.00	63,512.00	0.00
586-82-1466	Fed - Sp Ed - IDEA - Room and Board	0.00	394,557.00	394,557.00	0.00
586-64-0417	Fed. - Sp. Ed. - I.D.E.A. - Flow Through	0.00	502,058.00	502,058.00	0.00
586-62-2578	Federal Programs: ARP - LEA American Rescue Plan	0.00	76,662.00	76,662.00	0.00
586-18-2610	Federal Programs: ARP - McKinney-Vento Homeless Grant	0.00	33.00	33.00	0.00
478-00-0251	Medical Assistance Program	0.00	39,919.00	39,919.00	0.00
586-18-0407	National School Lunch Program	0.00	302,079.00	302,079.00	0.00
586-18-2330	Non-Cash Commodity Value	0.00	52,820.00	52,820.00	0.00
586-18-0406	School Breakfast Program	0.00	27,468.00	27,468.00	0.00
586-43-3543	State Programs: District Literacy Plan Implementation	4,828.00	0.00	4,828.00	0.00
586-62-0414	Title I - Low Income: Improving the Academic Achievement of the Disadvantaged	0.00	242,401.00	242,401.00	0.00
586-62-0430	Title II - Teacher Quality: Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders	0.00	54,950.00	54,950.00	0.00
586-62-1588	Title IVA Student Support and Academic Enrichment	0.00	22,492.00	22,492.00	0.00
	All other federal expenditures		635,299.00	635,299.00	
	TOTALS	159,823.00	2,414,250.00	2,574,073.00	0.00

EXPENDITURES BY CATEGORY

Amount	Category
63,125.00	Personal Services (Salaries and Wages)
13,537.00	Fringe Benefits
33.00	Supplies
9,386.00	1st Quarter (Jul.-Sept.) Admin. Expenditures
2,927.00	2nd Quarter (Oct.-Dec.) Admin. Expenditures
20,059.00	3rd Quarter (Jan.-Mar.) Admin. Expenditures
7,547.00	4th Quarter (Apr.-Jun.) Admin. Expenditures
994,988.00	Expenditure-Grant Projects during the Audit Period

329,547.00	Food costs and supplies
45,420.00	Prior year project lapse expends in CY
282,161.00	Prior year project revenues in CY
165,216.00	Revenues-Grant Projects during the Audit Period
1,933,946.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0517
Program Name	Career and Technical Ed Improvement (CTEI) *This program was added by the grantee*
Popular Name	CTE Consolidated Application: Career and Technical Education Improvement (CTEI); FRIS 3220(00); Career and Technical Ed Improvement (CTEI)
Program Contact	**Name:**Marci Johnson **Phone:**217-524-4832 **Email:**marjohns@isbe.net
State Amount Expended	154995.00
Federal Amount Expended	0.00

Expenditures by Category

154,995.00	Expenditure-Grant Projects during the Audit Period
154,995.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-69-0418
Program Name	CTE - Perkins Secondary: CTE Consolidated Application *This program was added by the grantee*
Popular Name	CTE Consolidated Application (Strengthening Career and Technical Education (CTE) for the 21st Century Act (Perkins V) Grant); CTE - Perkins Secondary
Program Contact	**Name:**Erica Thieman **Phone:**217-782-3495 **Email:**ethieman@isbe.net
State Amount Expended	0.00
Federal Amount Expended	63512.00

Expenditures by Category

63,512.00	Expenditure-Grant Projects during the Audit Period
63,512.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-82-1466
Program Name	Fed - Sp Ed - IDEA - Room and Board
Popular Name	Special Education - IDEA Part B Sec 611 Flow Through - Room and Board
Program Contact	**Name:**Andrew Krupin **Phone:**217-782-5256 **Email:**akrupin@isbe.net
State Amount Expended	0.00
Federal Amount Expended	394557.00

Expenditures by Category

112,396.00	Revenues-Grant Projects during the Audit Period
282,161.00	Prior year project revenues in CY
394,557.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-64-0417
Program Name	Fed. - Sp. Ed. - I.D.E.A. - Flow Through *This program was added by the grantee*
Popular Name	IDEA Part B Flow-Through; Fed. - Sp. Ed. - I.D.E.A. - Flow Through
Program Contact	**Name:**Twylia Bennett **Phone:**312-814-0943 **Email:**tbennett@isbe.net
State Amount Expended	0.00
Federal Amount Expended	502058.00

Expenditures by Category

491,132.00	Expenditure-Grant Projects during the Audit Period
10,926.00	Prior year project lapse expends in CY
502,058.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-2578
Program Name	Federal Programs: ARP - LEA American Rescue Plan
Popular Name	ARP – LEA American Rescue Plan (ARP-ESSER III)
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	76662.00

Expenditures by Category

63,125.00	Personal Services (Salaries and Wages)
13,537.00	Fringe Benefits
76,662.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-2610
Program Name	Federal Programs: ARP - McKinney-Vento Homeless Grant
Popular Name	ARP - McKinney-Vento Homeless Grant; Other Federal Programs
Program Contact	**Name:**Tiffany Burnett **Phone:**312-814-3995 **Email:**tburnet@isbe.net
State Amount Expended	0.00
Federal Amount Expended	33.00

Expenditures by Category

33.00	Supplies
33.00	TOTAL

State Agency	Department Of Healthcare And Family Services
CSFA Number	478-00-0251
Program Name	Medical Assistance Program
Popular Name	Medicaid
Program Contact	**Name:**Health Benefits Hotline **Phone:**217-785-8036 **Email:**https://www2.illinois.gov/hfs/MedicalClients/Pages
State Amount Expended	0.00
Federal Amount Expended	39919.00

Expenditures by Category

9,386.00	1st Quarter (Jul.-Sept.) Admin. Expenditures
2,927.00	2nd Quarter (Oct.-Dec.) Admin. Expenditures
20,059.00	3rd Quarter (Jan.-Mar.) Admin. Expenditures
7,547.00	4th Quarter (Apr.-Jun.) Admin. Expenditures
39,919.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0407
Program Name	National School Lunch Program
Popular Name	National School Lunch Program (NSLP)
Program Contact	**Name:**Roxanne Ramage **Phone:**217-782-2491 **Email:**rramage@isbe.net
State Amount Expended	0.00
Federal Amount Expended	302079.00

Expenditures by Category

302,079.00	Food costs and supplies
302,079.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-2330
Program Name	Non-Cash Commodity Value *This program was added by the grantee*
Popular Name	Commodity Assistance
Program Contact	**Name:**Mark Haller **Phone:**217-782-2491 **Email:**mhaller@isbe.net
State Amount Expended	0.00
Federal Amount Expended	52820.00

Expenditures by Category

52,820.00	Revenues-Grant Projects during the Audit Period
52,820.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0406
Program Name	School Breakfast Program
Popular Name	School Breakfast Program; School Breakfast Program
Program Contact	**Name:**Emily Durbin **Phone:**217-524-1819 **Email:**edurbin@isbe.net
State Amount Expended	0.00
Federal Amount Expended	27468.00

Expenditures by Category

27,468.00	Food costs and supplies
27,468.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-43-3543
Program Name	State Programs: District Literacy Plan Implementation *This program was added by the grantee*
Popular Name	District Literacy Plan Implementation
Program Contact	**Name:**Tiffany Burnett **Phone:**312-814-3995 **Email:**tburnet@isbe.net
State Amount Expended	4828.00
Federal Amount Expended	0.00

State Agency	State Board Of Education
CSFA Number	586-62-0414
Program Name	Title I - Low Income: Improving the Academic Achievement of the Disadvantaged *This program was added by the grantee*
Popular Name	Title I - Improving the Academic Achievement of the Disadvantaged; Title I - Low Income
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	242401.00

Expenditures by Category

214,758.00	Expenditure-Grant Projects during the Audit Period
27,643.00	Prior year project lapse expends in CY
242,401.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-0430
Program Name	Title II - Teacher Quality: Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders *This program was added by the grantee*
Popular Name	ESEA of 1965: Title II, Part A - Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders; Title II - Teacher Quality
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	54950.00

Expenditures by Category

48,099.00	Expenditure-Grant Projects during the Audit Period
6,851.00	Prior year project lapse expends in CY
54,950.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-1588
Program Name	Title IVA Student Support and Academic Enrichment *This program was added by the grantee*
Popular Name	Title IV Student Support and Academic Enrichment (SSAE); Title IV Student Support and Academic Enrich
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	22492.00

Expenditures by Category

22,492.00	Expenditure-Grant Projects during the Audit Period
22,492.00	TOTAL

Appendix C

Form of Continuing Disclosure Undertaking

FORM OF
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Township High School District Number 203, St. Clair County, Illinois (the *"District"*), in connection with the issuance of $___________ General Obligation School Bonds, Series 2026 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 17th day of September, 2026, as supplemented by a notification of sale (together, 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 DISTRICT
Enrollments
FINANCIAL INFORMATION
Trend of EAV
Tax Rates
Tax Extensions and Collections
Summary of Outstanding Bonded Debt
Debt Repayment Schedule
Debt Statement (with respect to the District's debt only)
Debt Ratios (with respect to the District's debt only)
SUMMARY OF OPERATING RESULTS
General Fund Revenue Sources
Summary of Operating Funds and Debt Service Fund
On-Behalf Payments Summary (table only)
Budget Summary
SCHOOL DISTRICT FINANCIAL PROFILE (last paragraph only)

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

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

Commission means the Securities and Exchange Commission.

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

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

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

Financial Obligation 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 September __, 2026, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III.* All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds. 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.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 203,
ST. CLAIR COUNTY, ILLINOIS

By ____________________________________
President, Board of Education

Date: October __, 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 an Official Statement, the Official Statement must be available on EMMA; the 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 ended 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 mandated by the Illinois State Board of Education.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (788618)
2027	
2028	
2029	
2030	