

**RED BUD COMMUNITY UNIT
SCHOOL DISTRICT 132
RED BUD, ILLINOIS**

**AUDITED FINANCIAL STATEMENTS
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2026

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of
Red Bud Community Unit School District 132

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Red Bud Community Unit School District 132, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Red Bud Community Unit School District 132's basic financial statements as listed in the table of contents.

In our opinion, the modified cash basis financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Red Bud Community Unit School District 132, as of June 30, 2026, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Red Bud Community Unit School District 132 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Red Bud Community Unit School District 132's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Red Bud Community Unit School District 132'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 the Red Bud Community Unit School District 132's basic financial statements. The accompanying consolidated year-end financial report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated year-end financial report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining schedules and budgetary comparison schedules and related notes, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026, on our consideration of the Red Bud Community Unit School District 132's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Red Bud Community Unit School District 132'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 Red Bud Community Unit School District 132's control over financial reporting and compliance.

F.E.W. CPAs

F.E.W. CPAs

Columbia, Illinois

October 15, 2026

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 26,871,841
Certificates of deposit	6,523,331
Investments	7,001,627
Total assets	<u>\$ 40,396,799</u>
LIABILITIES	
None	\$ -
Total liabilities	<u>\$ -</u>
NET POSITION	
Restricted for:	
Student activity	\$ 688,078
Transportation	1,897,903
Municipal retirement and social security	100,265
Working cash	2,744,045
Tort immunity	330,743
Debt service	755,329
Capital projects	1,828,922
Unrestricted	32,051,514
Total net position	<u>\$ 40,396,799</u>

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction					
Regular programs	\$ 5,253,066	\$ -	\$ 486,393	\$ -	\$ (4,766,673)
Special education programs	1,593,034	-	452,248	-	(1,140,786)
Other instructional programs	1,272,700	442,617	-	-	(830,083)
Support services					
Pupils	590,422	-	-	-	(590,422)
Instructional staff	238,481	-	-	-	(238,481)
General administration	604,554	-	-	-	(604,554)
School administration	664,304	-	-	-	(664,304)
Business services	5,502,261	1,451,796	210,023	-	(3,840,442)
Central services	250,281	50,000	-	-	(200,281)
Nonprogrammed charges	730,118	-	-	-	(730,118)
Debt service					
Interest and fiscal charges	358,395	-	-	-	(358,395)
Principal	893,662	-	-	-	(893,662)
Total governmental activities	<u>\$ 17,951,278</u>	<u>\$ 1,944,413</u>	<u>\$ 1,148,664</u>	<u>\$ -</u>	<u>(14,858,201)</u>
General revenues:					
Property taxes, levied for general purpose					7,638,994
Property taxes, levied for debt service					417,819
Replacement taxes					3,193,716
School facility occupation tax proceeds					973,532
Interest income					1,423,362
Grants and contributions not restricted to specific purposes					825,557
Bond proceeds					2,790,000
Miscellaneous					998,993
Total general revenues and bond proceeds					<u>18,261,973</u>
Changes in net position					<u>3,403,772</u>
Net position - beginning					<u>36,993,027</u>
Net position - ending					<u>\$ 40,396,799</u>

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2026

	Special Revenue Funds							Total Governmental Funds
	General Fund	Transportation Fund	Municipal Retirement and Social Security Funds	Working Cash Fund	Tort Immunity Fund	Debt Service Fund	Capital Projects Fund	
ASSETS								
Cash and cash equivalents	\$ 18,514,400	\$ 1,897,903	\$ 100,265	\$ 2,744,045	\$ 330,743	\$ 755,329	\$ 2,529,156	\$ 26,871,841
Certificates of deposit	6,523,331	-	-	-	-	-	-	6,523,331
Investments	7,001,627	-	-	-	-	-	-	7,001,627
Due from other funds	2,098,532	-	-	-	-	-	-	2,098,532
Total assets	<u>\$ 34,137,890</u>	<u>\$ 1,897,903</u>	<u>\$ 100,265</u>	<u>\$ 2,744,045</u>	<u>\$ 330,743</u>	<u>\$ 755,329</u>	<u>\$ 2,529,156</u>	<u>\$ 42,495,331</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,098,532	\$ 2,098,532
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,098,532</u>	<u>2,098,532</u>
FUND BALANCES								
Restricted	688,078	1,897,903	100,265	2,744,045	330,743	755,329	1,828,922	8,345,285
Unassigned	33,449,812	-	-	-	-	-	(1,398,298)	32,051,514
Total fund balances	<u>34,137,890</u>	<u>1,897,903</u>	<u>100,265</u>	<u>2,744,045</u>	<u>330,743</u>	<u>755,329</u>	<u>430,624</u>	<u>40,396,799</u>
Total liabilities and fund balances	<u>\$ 34,137,890</u>	<u>\$ 1,897,903</u>	<u>\$ 100,265</u>	<u>\$ 2,744,045</u>	<u>\$ 330,743</u>	<u>\$ 755,329</u>	<u>\$ 2,529,156</u>	<u>\$ 42,495,331</u>

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2026

Total fund balances - governmental funds	\$ 40,396,799
Amounts reported for <i>governmental activities</i> in the statement of net position - modified cash basis are different than amounts reported in the statement of assets, liabilities, and fund balances - modified cash basis due to the following items:	
None	<u>-</u>
Net position of governmental activities per the statement of net position - modified cash basis - government wide	<u><u>\$ 40,396,799</u></u>

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Funds								
	General Fund	Transportation Fund	Municipal Retirement and Social Security Funds	Working Cash Fund	Tort Immunity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	
REVENUES									
Local sources									
Property taxes	\$ 6,021,342	\$ 501,226	\$ 290,292	\$ 125,305	\$ 575,524	\$ 417,819	\$ 125,305	\$ 8,056,813	
Replacement tax	3,014,716	-	179,000	-	-	-	-	3,193,716	
School facility occupation tax proceeds	-	-	-	-	-	654,677	318,855	973,532	
Interest earned	1,165,601	73,419	1,886	90,287	9,823	23,167	59,179	1,423,362	
Food services	295,754	-	-	-	-	-	-	295,754	
Pupil activities	476,708	-	-	-	-	-	-	476,708	
Other local	1,821,042	124,039	-	-	-	-	-	1,945,081	
State sources									
Unrestricted grants-in-aid	825,557	-	-	-	-	-	-	825,557	
Restricted grants-in-aid	295,332	212,163	-	-	-	-	-	507,495	
Federal sources									
Unrestricted grants-in-aid	-	-	-	-	-	-	-	-	
Restricted grants-in-aid	867,032	-	-	-	-	-	-	867,032	
Total direct revenues	14,783,084	910,847	471,178	215,592	585,347	1,095,663	503,339	18,565,050	
Revenues for on-behalf sources	2,861,580	-	-	-	-	-	-	2,861,580	
Total revenues	17,644,664	910,847	471,178	215,592	585,347	1,095,663	503,339	21,426,630	
EXPENDITURES									
Instruction									
Regular programs	5,111,442	-	76,794	-	64,830	-	-	5,253,066	
Special education programs	1,225,360	-	68,504	-	299,170	-	-	1,593,034	
Other instructional programs	1,256,829	-	15,871	-	-	-	-	1,272,700	
Total instruction	7,593,631	-	161,169	-	364,000	-	-	8,118,800	
Support services									
Pupils	569,917	-	20,505	-	-	-	-	590,422	
Instructional staff	228,330	-	10,151	-	-	-	-	238,481	
General administration	383,984	-	11,855	-	208,715	-	-	604,554	
School administration	636,303	-	28,001	-	-	-	-	664,304	
Business services	2,864,341	912,168	254,269	-	-	-	1,471,483	5,502,261	
Central services	223,889	-	26,392	-	-	-	-	250,281	
Total support services	4,906,764	912,168	351,173	-	208,715	-	1,471,483	7,850,303	
Nonprogrammed charges	689,118	-	-	-	-	-	41,000	730,118	
Debt service	-	192,290	-	-	-	1,021,467	-	1,213,757	
Total direct expenditures	13,189,513	1,104,458	512,342	-	572,715	1,021,467	1,512,483	17,912,978	
Disbursements for on-behalf payments	2,861,580	-	-	-	-	-	-	2,861,580	
Total expenditures	16,051,093	1,104,458	512,342	-	572,715	1,021,467	1,512,483	20,774,558	
OTHER FINANCING SOURCES (USES)									
Bond proceeds	-	-	-	-	-	-	2,790,000	2,790,000	
Debt insurance costs	-	-	-	-	-	-	(38,300)	(38,300)	
Net change in fund balances	1,593,571	(193,611)	(41,164)	215,592	12,632	74,196	1,742,556	3,403,772	
Fund balances - beginning	32,544,319	2,091,514	141,429	2,528,453	318,111	681,133	(1,311,932)	36,993,027	
Fund balances - ending	\$ 34,137,890	\$ 1,897,903	\$ 100,265	\$ 2,744,045	\$ 330,743	\$ 755,329	\$ 430,624	\$ 40,396,799	

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES
DISBURSED, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

Net change in fund balances - governmental funds	\$ 3,403,772
Amounts reported for <i>governmental activities</i> in the statement of activities - modified cash basis are different because:	
None	<u>-</u>
Change in net position of governmental activities	<u><u>\$ 3,403,772</u></u>

The notes to the financial statements are an integral part of this statement

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting as described below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required under the modified cash basis of accounting, these financial statements present the results of the District's cash transactions.

The District has developed criteria to determine whether outside agencies with activities that benefit the District should be included within its financial reporting entity. The criteria for including organizations within the District, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability.

The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approved the budget, the issuance of debt or the levying of taxes. The District has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements report financial information for the District as a whole. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers. The District does not maintain any business-type activities.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's main operating fund. The fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that are legally restricted to cash disbursements for specified purposes. The major special revenue funds are the Transportation Fund, Municipal Retirement and Social Security Fund, Working Cash Fund, and Tort Immunity Fund.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Debt Service Fund (Bond and Interest Fund) accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The Capital Projects Fund accounts for and reports financial resources to be used restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. The capital project funds are the Fire Prevention and Life Safety Fund and the Site Construction Fund.

The District has no business-type activities.

Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and contractual provisions.

Funds are classified into one category: governmental.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The General Fund, which consists of the Educational Fund and the Operations, Building, and Maintenance Fund, is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Special Education Levy and Lease Levy are also included in these funds.

Special Revenue Funds, which include the Transportation Fund, Municipal Retirement and Social Security Fund, Working Cash Fund, and Tort Immunity Fund are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund or Capital Projects Fund) that are legally restricted to cash disbursements for specified purposes. The Working Cash Fund accounts for financial resources held by the District to be used for temporary loans to other funds.

The Debt Service Fund (Bond and Interest Fund) accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund, which includes Fire Prevention and Life Safety Fund and Site Construction Fund, accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the modified cash basis of accounting. The modifications to the cash basis include certificates of deposit, investments, and interfund balances. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from property taxes, grants, and donations are recognized when received consistent with the cash basis of accounting.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting, which is described in the previous paragraph.

Capital asset acquisitions are reported as expenditures in the governmental funds and the government-wide financial statements. Proceeds from long-term debt and finance leases are reported as other financial sources.

Cash, Cash Equivalents and Investments

The District's cash includes demand deposits. The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Short-term investments and investments in general obligation bonds are reported at cost which approximates fair value. Cash deposits are reported at carrying amount.

Certificates of deposit held at local banks with an original maturity of more than three months are valued at cost and listed as certificates of deposit. Certificates of deposit held through ISDLAF with an original maturity of more than three months are valued at cost and recorded as investments. United States Treasury securities held through ISDLAF are valued at cost and recorded as investments.

Capital Assets

Capital assets include property, plant, and equipment. Under the modified cash basis of accounting used by the District, capital acquisitions are not recorded as assets. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental Funds. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

Compensated Absences

Teachers and school building office personnel are paid only for the number of days they are required to work and do not receive paid vacations. Principals, administrative and maintenance personnel are granted vacation leave in varying amounts. Vacation pay is charged to operations when paid to the employees of the District.

Employees can accumulate unused sick leave. Accumulated sick leave is not reimbursable upon termination. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses, for which amounts cannot be reasonably estimated, a liability for unused sick leave has not been calculated.

Common Bank Account

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

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board. As of June 30, 2026, no funds had overdrafts.

Long-Term Obligations

Under the District's modified cash basis of accounting, bond proceeds, premiums, discounts, and issuance costs are recognized in the current period. In the government-wide financial statements, proceeds and premiums, net of discounts, are reported as bond proceeds, and issuance costs are reported as debt service expenses. In the fund financial statements, proceeds and premiums are reported as other financing sources, while discounts and issuance costs are reported as other financing uses. The Educational Fund, Transportation Fund, and Fire Prevention and Life Safety Fund are also used to liquidate long-term liabilities.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis:

Restricted - the portion of a Governmental Fund's fund balance that is subject to external enforceable legal restrictions. The following fund balances are restricted by Tax Levy, bond agreement, and grant funding: General for student activities, Transportation, Municipal Retirement and Social Security, Working Cash, Tort Immunity, Debt Service and Capital Projects.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following funds comprise the unassigned fund balances: General and Capital Projects.

The District uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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

NOTE 2 - OTHER POSTEMPLOYMENT BENEFITS

The District participates in the Teachers' Health Insurance Security (THIS) Fund, which finances health insurance benefits for eligible retired teachers and their dependents. Under the modified cash basis of accounting, the District's contributions are recognized as expenditures or expenses when paid. No other postemployment benefit liability is reported in the financial statements.

NOTE 3 - RISK MANAGEMENT - INSURANCE

The District purchases commercial general liability, auto, crime, property, and workers compensation insurance and is covered for all risks. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for any of the three prior years.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 4 - PROPERTY TAXES

The District's property tax is levied each year on or before the last Tuesday in December on all taxable real property located in the District. The 2025 tax levy was passed by the Board in December 2025. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments, generally July and September. The District begins receiving distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements include the 2024 tax levy and prior tax levies.

The following are the tax rate limits permitted by the Illinois School Code and by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	<u>Limit</u>	<u>2025 Levy</u>	<u>2024 Levy</u>
Educational	1.8400	1.76085	1.80158
Bond and Interest	As needed	0.14610	0.15895
Building	0.5000	0.47359	0.50000
Municipal Retirement	As needed	0.04122	0.01588
Transportation	0.2000	0.18944	0.20000
Working Cash	0.0500	0.04736	0.05000
Fire Prevention and Safety	0.0500	0.04736	0.05000
Special Education	0.0400	0.03789	0.04000
Tort Immunity	As needed	0.19889	0.22821
Social Security	As needed	0.08959	0.09923
Lease	0.0500	0.04736	0.05000
		<u>3.07965</u>	<u>3.19385</u>
Assessed Valuation		<u>\$ 279,048,288</u>	<u>\$ 251,961,121</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

The District is authorized by state statute to invest in various instruments, subject to statutory requirements, including deposits in insured financial institutions, obligations of the United States of America, qualifying money market funds, repurchase agreements, qualifying short-term commercial paper, and the Illinois Funds Investment Pool. The District does not enter into reverse repurchase agreements.

The District's policy requires deposits and investments with financial institutions exceeding applicable insurance limits to be collateralized. The preferred method of safekeeping is for securities to be registered in the District's name and held by a third-party custodian.

Deposits

At year-end, the carrying amount of the District's bank deposits totaled \$19,698,530, including \$6,523,331 in certificates of deposit held at local banks. This amount excludes \$13,696,642 held in the Illinois Funds investment pool, which is reported as cash and cash equivalents in the financial statements.

Investments

At year-end, the District's investments held through ISDLAF consisted of \$5,153,700 in certificates of deposit and \$1,847,927 in United States Treasury securities, for a total of \$7,001,627. These holdings are reported as investments in the financial statements. Under the District's modified cash basis of accounting, investments are reported at cost.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Illinois Funds - The District participates in The Illinois Funds external investment pool, which is available to Custodians of Public Funds, as defined by the Illinois Municipal Code (30 ILCS 235/1). The pool is not registered with the SEC. It is the policy of the Treasurer of the State of Illinois to invest funds pooled by local governments in the Money Market Fund within Illinois Funds in a manner which will provide the highest investment return using authorized instruments, while meeting the daily cash flow demands of participants and conforming to all state statutes governing the investment of public funds. It is the policy of Illinois Funds to operate in a manner consistent with SEC Rule 2a7. The fair value of the position in the pool is the same value as the pool shares.

Custodial Credit Risk - Deposits - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At June 30, 2026, all deposits were secured by Federal Deposit Insurance Coverage (FDIC) or pledged securities.

Custodial Credit Risk - Investments - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk - The District has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments 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 and by investing operating funds primarily in shorter-term securities.

Investment Credit Risk - The District has no policy in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer.

NOTE 6 - INTERFUND BALANCES

The composition of interfund balances as of June 30, 2026 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Operations, Building, and Maintenance Fund	\$ 2,098,532	\$ -
Site Construction Fund	-	2,098,532
	<u>\$ 2,098,532</u>	<u>\$ 2,098,532</u>

The interfund balances relate to construction costs. The balances are expected to be repaid within one year.

NOTE 7 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

The District participates in the Teachers' Retirement System of the State of Illinois (TRS), a cost-sharing, multiple-employer defined benefit pension plan providing retirement, disability, and survivor benefits to eligible public school teachers and other licensed personnel employed outside the City of Chicago. Benefit provisions are established by the Illinois Pension Code and may be amended only by legislative action. Additional information is available in TRS's Annual Comprehensive Financial Report at www.trsil.org.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 7 - RETIREMENT FUND COMMITMENTS (continued)

TRS members are required to contribute 9.0% of their annual covered salary. The State of Illinois is primarily responsible for funding employer pension costs on behalf of school districts. The District also makes contributions on federally funded salaries and other contributions required by statute. The District contributed \$654,485 for the year ended June 30, 2026, which equaled the required contribution.

For the year ended June 30, 2026, the District recognized \$2,861,580 of on-behalf revenues and expenditures representing its allocated share of the State of Illinois' pension expense associated with the District.

Illinois Municipal Retirement Fund

The District participates in the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan providing retirement, disability, death, and survivor benefits to eligible employees. Benefit provisions are established by statute and may be amended only by the Illinois General Assembly. Additional information is available in IMRF's Annual Comprehensive Financial Report at www.imrf.org.

Regular plan members are required to contribute 4.5% of their annual covered salary. The District contributes at an actuarially determined employer rate, which was 9.31% for calendar year 2025. The District contributed \$273,348 for the year ended June 30, 2026, which equaled the required contribution.

Social Security

Employees not qualifying for coverage under the Illinois Teacher's 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 \$154,004 the total required contribution for the current fiscal year.

NOTE 8 - CONTINGENCIES

Grants

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from those audits will not be significant to District operations.

Legal Matters

The District is subject to various claims and potential litigation arising in the ordinary course of operations. While the outcome of such matters cannot be predicted with certainty, District management and legal counsel are not aware of any pending litigation that would have a material effect on the District's financial statements as of June 30, 2026.

NOTE 9 - SUBSEQUENT EVENT

In preparing these financial statements, management evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which was the date on which the financial statements were available to be issued.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 10 - COMMITMENTS

Under the District's modified cash basis of accounting, long-term debt is not recorded as a liability in the government-wide or fund financial statements. Outstanding debt and related payment requirements are disclosed below:

Governmental Activities	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Bonded indebtedness	\$ 9,446,000	\$ 2,790,000	\$ 713,000	\$ 11,523,000	\$ 739,000
Finance lease	180,662	-	180,662	-	-
	<u>\$ 9,626,662</u>	<u>\$ 2,790,000</u>	<u>\$ 893,662</u>	<u>\$ 11,523,000</u>	<u>\$ 739,000</u>

Bonds payable consists of the following at June 30, 2026:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2026
Series 2016	\$ 1,500,000	2027	1.95% - 3.00%	\$ 220,000
Series 2020	1,700,000	2033	1.40% - 3.00%	1,258,000
Series 2022	8,275,000	2042	3.00%	7,255,000
Series 2025	2,790,000	2039	3.65%	2,790,000
	<u>\$ 14,265,000</u>			<u>\$ 11,523,000</u>

Debt Service Requirements to Maturity

The annual requirements to amortize general obligation bonds are as follows as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 739,000	\$ 342,761	\$ 1,081,761
2028	656,000	323,638	979,638
2029	672,000	305,006	977,006
2030	695,000	285,655	980,655
2031	715,000	265,440	980,440
2032-2036	3,906,000	979,521	4,885,521
2037-2041	3,580,000	331,356	3,911,356
2042	560,000	8,400	568,400
	<u>\$ 11,523,000</u>	<u>\$ 2,841,777</u>	<u>\$ 14,364,777</u>

Finance Lease

As of June 30, 2026, the District's Lease Purchase Agreement for student transportation vehicles was paid in full.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 11 - LEGAL DEBT MARGIN

Legal Debt Margin

The District's statutory debt limitation is 13.8% of its equalized assessed valuation. The Series 2022 General Obligation Bonds are excluded from indebtedness subject to this limitation under the Local Government Debt Reform Act. The legal debt margin at June 30, 2026, was as follows:

ASSESSED VALUATION - 2025 LEVY	\$ 279,048,288
Statutory debt limitation	\$ 38,508,664
13.8% of assessed valuation	
Plus: 2022 General Obligation Bond	7,255,000
Less: Total bonded debt	(11,523,000)
LEGAL DEBT MARGIN	\$ 34,240,664

NOTE 12 - DEFICIT FUND BALANCE

At June 30, 2026, the Site Construction Fund has a deficit fund balance of \$1,398,298. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) in the future.

Supplementary Information

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
CONSOLIDATED YEAR-END FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026

Program Name	CSFA #	State	Federal	Match	Total
Medical Assistance Program	478-00-0251	-	31,216	-	31,216
Agriculture Education	586-18-1015	3,587	-	-	3,587
Agriculture Education - Three Circles	586-00-1581	17,204	-	-	17,204
Early Childhood Block	586-18-0868	403,620	-	-	403,620
School Breakfast Program	586-18-0406	-	36,029	-	36,029
National School Lunch Program	586-18-0407	-	172,107	-	172,107
Non-Cash Commodity Value	586-18-2330	-	40,365	-	40,365
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	586-64-0417	-	309,040	-	309,040
Fed. - Sp. Ed. - Pre-School Flow Through	586-57-0420	-	8,778	-	8,778
Title I - Low Income	586-62-0414	-	347,394	-	347,394
Title II - Teacher Quality	586-62-0430	-	31,816	-	31,816
Title IV - Student Support and Academic Enrichment	586-62-1588	-	7,113	-	7,113
Total Expenses		\$ 424,411	\$ 983,858	\$ -	\$ 1,408,269

Other Information

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND
 FUND BALANCES - MODIFIED CASH BASIS
 MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
 JUNE 30, 2026

	Educational Fund	Operations, Building, and Maintenance Fund	Total
ASSETS			
Cash and cash equivalents	\$ 7,662,566	\$ 10,851,834	\$ 18,514,400
Certificates of deposit	6,523,331	-	6,523,331
Investments	810,208	6,191,419	7,001,627
Due from other funds	-	2,098,532	2,098,532
Total assets	<u>\$ 14,996,105</u>	<u>\$ 19,141,785</u>	<u>\$ 34,137,890</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	688,078	-	688,078
Unassigned	14,308,027	19,141,785	33,449,812
Total fund balances	<u>14,996,105</u>	<u>19,141,785</u>	<u>34,137,890</u>
Total liabilities and fund balances	<u>\$ 14,996,105</u>	<u>\$ 19,141,785</u>	<u>\$ 34,137,890</u>

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND
 FUND BALANCES - MODIFIED CASH BASIS
 MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUND
 JUNE 30, 2026

	Site Construction Fund	Fire Prevention and Life Safety Fund	Total
ASSETS			
Cash and cash equivalents	\$ 700,234	\$ 1,828,922	\$ 2,529,156
Total assets	<u>\$ 700,234</u>	<u>\$ 1,828,922</u>	<u>\$ 2,529,156</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 2,098,532	\$ -	\$ 2,098,532
Total liabilities	<u>2,098,532</u>	<u>-</u>	<u>2,098,532</u>
FUND BALANCES			
Restricted	-	1,828,922	1,828,922
Unassigned	(1,398,298)	-	(1,398,298)
Total fund balances	<u>(1,398,298)</u>	<u>1,828,922</u>	<u>430,624</u>
Total liabilities and fund balances	<u>\$ 700,234</u>	<u>\$ 1,828,922</u>	<u>\$ 2,529,156</u>

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
 COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2026

	Educational Fund	Operations, Building, and Maintenance Fund	Total
REVENUES			
Local sources	\$ 9,207,668	\$ 3,587,495	\$ 12,795,163
State sources	1,120,889	-	1,120,889
Federal sources	867,032	-	867,032
Total direct revenues	11,195,589	3,587,495	14,783,084
Revenues for on-behalf sources	2,861,580	-	2,861,580
Total revenues	14,057,169	3,587,495	17,644,664
EXPENDITURES			
Instruction			
Regular programs	5,111,442	-	5,111,442
Special education programs	1,225,360	-	1,225,360
Other instructional programs	1,256,829	-	1,256,829
Total instruction	7,593,631	-	7,593,631
Support services			
Pupils	569,917	-	569,917
Instructional staff	228,330	-	228,330
General administration	383,984	-	383,984
School administration	636,303	-	636,303
Business services	797,933	2,066,408	2,864,341
Central services	223,889	-	223,889
Total support services	2,840,356	2,066,408	4,906,764
Nonprogrammed charges	689,118	-	689,118
Total direct expenditures	11,123,105	2,066,408	13,189,513
Disbursements for on-behalf payments	2,861,580	-	2,861,580
Total expenditures	13,984,685	2,066,408	16,051,093
Excess (deficiency) of revenues over expenditures	72,484	1,521,087	1,593,571
Fund balances - beginning	14,923,621	17,620,698	32,544,319
Fund balances - ending	\$ 14,996,105	\$ 19,141,785	\$ 34,137,890

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
 COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2026

	Site Construction Fund	Fire Prevention and Life Safety Fund	Total
REVENUES			
Local sources	\$ 323,967	\$ 179,372	\$ 503,339
Total revenues	<u>323,967</u>	<u>179,372</u>	<u>503,339</u>
EXPENDITURES			
Support services			
Business services	318	1,471,165	1,471,483
Total support services	<u>318</u>	<u>1,471,165</u>	<u>1,471,483</u>
Nonprogrammed charges	<u>41,000</u>	<u>-</u>	<u>41,000</u>
Total expenditures	<u>41,318</u>	<u>1,471,165</u>	<u>1,512,483</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	2,790,000	2,790,000
Debt issuance costs	<u>-</u>	<u>(38,300)</u>	<u>(38,300)</u>
	<u>-</u>	<u>2,751,700</u>	<u>2,751,700</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	282,649	1,459,907	1,742,556
Fund balances - beginning	<u>(1,680,947)</u>	<u>369,015</u>	<u>(1,311,932)</u>
Fund balances - ending	<u>\$ (1,398,298)</u>	<u>\$ 1,828,922</u>	<u>\$ 430,624</u>

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes					
Regular levy	\$ 4,572,585	\$ (35,719)	\$ 4,536,866	\$ 4,529,320	\$ (7,546)
Special education levy	93,000	7,412	100,412	100,245	(167)
Mobile home tax	14,000	(1,000)	13,000	13,410	410
Replacement tax	2,435,000	15,328	2,450,328	2,450,329	1
Interest earned	640,000	(106,000)	534,000	563,739	29,739
Food services	294,000	(4,000)	290,000	295,754	5,754
Pupil activities	91,000	7,100	98,100	476,708	378,608
Other	894,000	131,000	1,025,000	778,163	(246,837)
Total local sources	9,033,585	14,121	9,047,706	9,207,668	159,962
State sources					
Unrestricted grants-in-aid					
General state aid	820,000	(70,000)	750,000	825,557	75,557
Restricted grants-in-aid					
Special education	137,000	(98,500)	38,500	36,420	(2,080)
Voc-Ed agriculture	11,000	-	11,000	13,973	2,973
School lunch program	1,200	-	1,200	1,887	687
Drivers education	10,000	-	10,000	13,700	3,700
Early childhood block grant	423,000	(214,000)	209,000	229,352	20,352
Total state sources	1,402,200	(382,500)	1,019,700	1,120,889	101,189
Federal sources					
Other restricted grants-in-aid					
School lunch and breakfast	233,000	(29,000)	204,000	208,136	4,136
Title I	198,000	(41,000)	157,000	157,300	300
Title IV	7,000	(2,000)	5,000	5,060	60
IDEA Flow Through	221,000	183,000	404,000	415,828	11,828
Title II - Teach Quality	28,000	3,000	31,000	31,252	252
Medicaid matching funds	51,000	(9,000)	42,000	49,456	7,456
Total federal sources	738,000	105,000	843,000	867,032	24,032
Total direct revenues	11,173,785	(263,379)	10,910,406	11,195,589	285,183
Revenues for on-behalf sources	-	3,299,036	3,299,036	2,861,580	(437,456)
Total revenues	11,173,785	3,035,657	14,209,442	14,057,169	(152,273)
EXPENDITURES					
Instruction					
Regular programs					
Salaries	3,705,762	(5,580)	3,711,342	3,702,346	8,996
Employee benefits	830,971	85,721	745,250	787,250	(42,000)
Purchased services	10,800	(6,500)	17,300	14,970	2,330
Supplies and materials	133,218	(66,000)	199,218	179,850	19,368
Capital outlay	9,700	(29,300)	39,000	37,130	1,870
Other objects	700	-	700	389,896	(389,196)
Total regular programs	4,691,151	(21,659)	4,712,810	5,111,442	(398,632)

(continued on next page)

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
EXPENDITURES (continued)					
Instruction (continued)					
Special education programs					
Salaries	936,910	(44,373)	981,283	984,754	(3,471)
Employee benefits	243,663	16,443	227,220	233,555	(6,335)
Purchased services	50	-	50	-	50
Supplies and materials	4,970	(3,500)	8,470	7,051	1,419
Capital outlay	500	-	500	-	500
Total special education programs	1,186,093	(31,430)	1,217,523	1,225,360	(7,837)
Other instructional programs					
Salaries	778,673	51,973	726,700	716,772	9,928
Employee benefits	127,631	-	127,631	122,994	4,637
Purchased services	130,050	(21,500)	151,550	124,644	26,906
Supplies and materials	130,500	3,400	127,100	101,982	25,118
Capital outlay	29,500	(9,500)	39,000	36,823	2,177
Other objects	110,750	(43,950)	154,700	153,614	1,086
Total other instructional programs	1,307,104	(19,577)	1,326,681	1,256,829	69,852
Total instruction	7,184,348	(72,666)	7,257,014	7,593,631	(336,617)
Support services					
Support services - pupils					
Salaries	459,808	(34,691)	494,499	478,274	16,225
Employee benefits	73,957	(580)	74,537	79,715	(5,178)
Purchased services	1,000	(200)	1,200	1,423	(223)
Supplies and materials	7,400	2,400	5,000	7,800	(2,800)
Capital outlay	500	(2,100)	2,600	2,100	500
Other objects	-	-	-	605	(605)
Total support services - pupils	542,665	(35,171)	577,836	569,917	7,919
Support services - instructional staff					
Salaries	129,421	(6,858)	136,279	136,191	88
Employee benefits	29,268	(4,314)	33,582	33,319	263
Purchased services	31,800	(9,000)	40,800	40,363	437
Supplies and materials	24,000	3,300	20,700	17,650	3,050
Capital outlay	4,500	3,000	1,500	787	713
Other objects	-	-	-	20	(20)
Total support services - instructional staff	218,989	(13,872)	232,861	228,330	4,531
Support services - general administration					
Salaries	207,600	(9,678)	217,278	223,406	(6,128)
Employee benefits	48,950	(1,877)	50,827	51,711	(884)
Purchased services	58,400	(32,700)	91,100	77,263	13,837
Supplies and materials	17,000	(8,000)	25,000	24,112	888
Capital outlay	8,000	7,000	1,000	-	1,000
Other objects	6,600	-	6,600	7,492	(892)
Total support services - general administration	346,550	(45,255)	391,805	383,984	7,821

(continued on next page)

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
EXPENDITURES (continued)					
Support services (continued)					
Support services - school administration					
Salaries	510,260	(32,041)	542,301	547,304	(5,003)
Employee benefits	89,277	(1,182)	90,459	85,532	4,927
Purchased services	1,500	(500)	2,000	1,507	493
Supplies and materials	4,200	-	4,200	394	3,806
Other objects	2,100	-	2,100	1,566	534
Total support services - school administration	607,337	(33,723)	641,060	636,303	4,757
Support services - business services					
Salaries	320,024	817	319,207	318,001	1,206
Employee benefits	34,588	-	34,588	34,477	111
Purchased services	405,105	(43,000)	448,105	444,050	4,055
Supplies and materials	3,740	-	3,740	1,405	2,335
Capital outlay	2,300	1,800	500	-	500
Total support services - business services	765,757	(40,383)	806,140	797,933	8,207
Support services - central services					
Salaries	120,916	(8,709)	129,625	117,248	12,377
Employee benefits	8,206	-	8,206	7,556	650
Purchased services	15,000	(10,000)	25,000	22,724	2,276
Non-capitalized equipment	120,000	40,000	80,000	76,361	3,639
Total support services - central services	264,122	21,291	242,831	223,889	18,942
Total support services	2,745,420	(147,113)	2,892,533	2,840,356	52,177
Nonprogrammed charges					
Purchased services	380,000	-	380,000	358,968	21,032
Other objects	167,500	(169,800)	337,300	330,150	7,150
Total nonprogrammed charges	547,500	(169,800)	717,300	689,118	28,182
Total direct expenditures	10,477,268	(389,579)	10,866,847	11,123,105	(256,258)
Disbursements for on-behalf payments	-	(3,299,036)	3,299,036	2,861,580	437,456
Total expenditures	10,477,268	(3,688,615)	14,165,883	13,984,685	181,198
Excess (deficiency) of revenues over expenditures	\$ 696,517	\$ (652,958)	\$ 43,559	72,484	\$ 28,925
Fund balance - beginning				14,923,621	
Fund balance - ending				\$ 14,996,105	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
OPERATIONS, BUILDING, AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes					
Regular levy	\$ 1,242,550	\$ -	\$ 1,242,550	\$ 1,253,062	\$ 10,512
Leasing purposes levy	124,255	-	124,255	125,305	1,050
Replacement tax	745,000	(191,000)	554,000	564,387	10,387
Interest earned	680,000	(130,000)	550,000	601,862	51,862
Other	49,000	993,879	1,042,879	1,042,879	-
Total revenue	<u>2,840,805</u>	<u>672,879</u>	<u>3,513,684</u>	<u>3,587,495</u>	<u>73,811</u>
EXPENDITURES					
Support services					
Support services - business services					
Salaries	765,368	50,611	714,757	726,190	(11,433)
Employee benefits	113,678	16,678	97,000	97,513	(513)
Purchased services	715,200	(59,000)	774,200	735,135	39,065
Supplies and materials	110,500	(57,000)	167,500	166,836	664
Capital outlay	740,000	384,900	355,100	340,734	14,366
Total expenditures	<u>2,444,746</u>	<u>336,189</u>	<u>2,108,557</u>	<u>2,066,408</u>	<u>42,149</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 396,059</u>	<u>\$ 1,009,068</u>	<u>\$ 1,405,127</u>	1,521,087	<u>\$ 115,960</u>
Fund balance -beginning				<u>17,620,698</u>	
Fund balance - ending				<u>\$ 19,141,785</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 497,020	\$ -	\$ 497,020	\$ 501,226	\$ 4,206
Transportation fees	106,000	(6,000)	100,000	123,996	23,996
Interest earned	80,000	(14,000)	66,000	73,419	7,419
Other	-	-	-	43	43
Total local sources	683,020	(20,000)	663,020	698,684	35,664
State sources					
Restricted grants-in-aid					
Transportation - regular	180,000	(96,000)	84,000	112,439	28,439
Transportation - special education	133,000	(58,000)	75,000	99,724	24,724
Total state sources	313,000	(154,000)	159,000	212,163	53,163
Total revenues	996,020	(174,000)	822,020	910,847	88,827
EXPENDITURES					
Support services					
Support services - business services					
Salaries	424,219	(42,497)	466,716	457,765	8,951
Employee benefits	11,482	-	11,482	11,537	(55)
Purchased services	168,400	24,500	143,900	138,526	5,374
Supplies and materials	92,000	(33,000)	125,000	120,812	4,188
Capital outlay	195,000	(3,000)	198,000	172,610	25,390
Other objects	18,500	-	18,500	10,918	7,582
Debt service					
Interest on long-term debt	10,000	6,000	4,000	11,628	(7,628)
Principal on long-term debt	184,000	(5,000)	189,000	180,662	8,338
Total support services	1,103,601	(52,997)	1,156,598	1,104,458	52,140
Total expenditures	1,103,601	(52,997)	1,156,598	1,104,458	52,140
Excess (deficiency) of revenues over expenditures	\$ (107,581)	\$ (226,997)	\$ (334,578)	(193,611)	\$ 140,967
Fund balance - beginning				2,091,514	
Fund balance - ending				\$ 1,897,903	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT AND SOCIAL SECURITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts				Variance
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 287,870	\$ -	\$ 287,870	\$ 290,292	\$ 2,422
Replacement tax	149,000	30,000	179,000	179,000	-
Interest earned	2,900	(1,000)	1,900	1,886	(14)
Total revenues	439,770	29,000	468,770	471,178	2,408
EXPENDITURES					
Instruction					
Regular programs					
Employee benefits	75,362	(6,842)	82,204	76,794	5,410
Special education programs					
Employee benefits	77,130	314	76,816	68,504	8,312
Other instruction programs					
Employee benefits	15,023	(1,378)	16,401	15,871	530
Total instruction	167,515	(7,906)	175,421	161,169	14,252
Support services					
Support services - pupils					
Employee benefits	17,805	(3,736)	21,541	20,505	1,036
Support services - instructional staff					
Employee benefits	14,975	2,225	12,750	10,151	2,599
Support services - general administration					
Employee benefits	11,302	(1,208)	12,510	11,855	655
Support services - school administration					
Employee benefits	29,575	(1,303)	30,878	28,001	2,877
Support services - business services					
Employee benefits	238,514	(27,935)	266,449	254,269	12,180
Support services - central services					
Employee benefits	11,560	(15,665)	27,225	26,392	833
Total support services	323,731	(47,622)	371,353	351,173	20,180
Total expenditures	491,246	(55,528)	546,774	512,342	34,432
Excess (deficiency) of revenues over expenditures	\$ (51,476)	\$ (26,528)	\$ (78,004)	(41,164)	\$ 36,840
Fund balance - beginning				141,429	
Fund balance - ending				\$ 100,265	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND
ACTUAL - MAJOR SPECIAL REVENUE FUND - WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 124,255	\$ -	\$ 124,255	\$ 125,305	\$ 1,050
Interest earned	92,000	(12,000)	80,000	90,287	10,287
Total revenues	<u>216,255</u>	<u>(12,000)</u>	<u>204,255</u>	<u>215,592</u>	<u>11,337</u>
EXPENDITURES					
None	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 216,255</u>	<u>\$ (12,000)</u>	<u>\$ 204,255</u>	215,592	<u>\$ 11,337</u>
Fund balance - beginning				<u>2,528,453</u>	
Fund balance - ending				<u>\$ 2,744,045</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
MAJOR SPECIAL REVENUE FUND - TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 570,723	\$ -	\$ 570,723	\$ 575,524	\$ 4,801
Interest earned	6,600	-	6,600	9,823	3,223
Total revenues	<u>577,323</u>	<u>-</u>	<u>577,323</u>	<u>585,347</u>	<u>8,024</u>
EXPENDITURES					
Instruction					
Regular programs					
Salaries	38,000	(2,000)	40,000	64,830	(24,830)
Special education programs					
Salaries	326,000	26,000	300,000	299,170	830
Total instruction	<u>364,000</u>	<u>24,000</u>	<u>340,000</u>	<u>364,000</u>	<u>(24,000)</u>
Support services					
Support services - general administration					
Purchased services	211,180	1,930	209,250	208,715	535
Total support services	<u>211,180</u>	<u>1,930</u>	<u>209,250</u>	<u>208,715</u>	<u>535</u>
Total expenditures	<u>575,180</u>	<u>25,930</u>	<u>549,250</u>	<u>572,715</u>	<u>(23,465)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,143</u>	<u>\$ 25,930</u>	<u>\$ 28,073</u>	12,632	<u>\$ (15,441)</u>
Fund balance - beginning				<u>318,111</u>	
Fund balance - ending				<u>\$ 330,743</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND
ACTUAL - BOND AND INTEREST FUND
MAJOR GOVERNMENTAL FUND - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Variance	
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 414,300	\$ -	\$ 414,300	\$ 417,819	\$ 3,519
Interest earned	8,000	13,000	21,000	23,167	2,167
School facility occupation tax proceeds	573,250	76,750	650,000	654,677	4,677
Total revenues	995,550	89,750	1,085,300	1,095,663	10,363
EXPENDITURES					
Debt service					
Interest on long-term debt	260,378	(49,622)	310,000	308,467	1,533
Principal on long-term debt	713,000	-	713,000	713,000	-
Total expenditures	973,378	(49,622)	1,023,000	1,021,467	1,533
Excess (deficiency) of revenues over expenditures	<u>\$ 22,172</u>	<u>\$ 40,128</u>	<u>\$ 62,300</u>	74,196	<u>\$ 11,896</u>
Fund balance - beginning				681,133	
Fund balance - ending				<u>\$ 755,329</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND
ACTUAL - SITE CONSTRUCTION
MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Actual	Variance
	Original	Original-to-Final Variance	Final		Positive (Negative)
REVENUES					
Local sources					
School facility occupation tax proceeds	\$ 227,000	\$ 91,000	\$ 318,000	\$ 318,855	\$ 855
Interest earned	1,200	1,800	3,000	5,112	2,112
Total revenues	<u>228,200</u>	<u>92,800</u>	<u>321,000</u>	<u>323,967</u>	<u>2,967</u>
EXPENDITURES					
Support services					
Support services - business					
Purchased services	-	-	-	318	(318)
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>(318)</u>
Payments to other government units	<u>-</u>	<u>(41,000)</u>	<u>41,000</u>	<u>41,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>(41,000)</u>	<u>41,000</u>	<u>41,318</u>	<u>(318)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 228,200</u>	<u>\$ 51,800</u>	<u>\$ 280,000</u>	282,649	<u>\$ 2,649</u>
Fund balance - beginning				<u>(1,680,947)</u>	
Fund balance - ending				<u>\$ (1,398,298)</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND
ACTUAL - FIRE PREVENTION AND LIFE SAFETY
MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts			Actual	Variance
	Original	Original-to-Final Variance	Final		Positive (Negative)
REVENUES					
Local sources					
Property taxes	\$ 116,431	\$ 8,569	\$ 125,000	\$ 125,305	\$ 305
Interest earned	9,000	(5,000)	4,000	54,067	50,067
Total revenues	<u>125,431</u>	<u>3,569</u>	<u>129,000</u>	<u>179,372</u>	<u>50,372</u>
EXPENDITURES					
Support services					
Support services - business					
Capital outlay	339,000	(1,132,165)	1,471,165	1,471,165	-
Total expenditures	<u>339,000</u>	<u>(1,132,165)</u>	<u>1,471,165</u>	<u>1,471,165</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	2,751,700	2,751,700	2,790,000	38,300
Debt issuance costs	-	-	-	(38,300)	(38,300)
Total other financing sources (uses)	<u>-</u>	<u>2,751,700</u>	<u>2,751,700</u>	<u>2,751,700</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$ (213,569)</u>	<u>\$ 1,623,104</u>	<u>\$ 1,409,535</u>	1,459,907	<u>\$ 50,372</u>
Fund balance - beginning				<u>369,015</u>	
Fund balance - ending				<u>\$ 1,828,922</u>	

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
NOTES TO OTHER INFORMATION
JUNE 30, 2026

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts.

For each fund, total fund expenditures disbursed 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 other information.

1. 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 expenditures disbursed and the means of financing them.
2. The Board of Education budget review session was conducted in August 2025.
3. A public hearing was conducted to obtain taxpayer comments.
4. Formal Board of Education adoption of the budget was in September 2025.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
7. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption. The budget was amended during fiscal 2026.

NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET

	Budget	Actual
Tort Immunity Fund	\$ 549,250	\$ 572,715
Site Construction Fund	41,000	41,318
Fire Prevention and Life Safety Fund	1,471,165	1,509,465

**Federal Compliance
Section**



INDEPENDENT AUDITORS' 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 of
Red Bud Community Unit School District 132

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 financial statements of the governmental activities and each major fund of the Red Bud Community Unit School District 132, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Red Bud Community Unit School District 132's basic financial statements and have issued our report thereon dated October 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Red Bud Community Unit School District 132'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 Red Bud Community Unit School District 132's internal control. Accordingly, we do not express an opinion on the effectiveness of Red Bud Community Unit School District 132's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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.

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Red Bud Community Unit School District 132'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2026-001.

Red Bud Community Unit School District 132's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Red Bud Community Unit School District 132's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Red Bud Community Unit School District 132's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

F.E.W. CPAs

F.E.W. CPAs

Columbia, Illinois

October 15, 2026

**RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2026**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified	_____ Yes	_____ <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses	_____ Yes	_____ <u>X</u> No
Noncompliance material to financial statements noted?	_____ <u>X</u> Yes	_____ No

Federal Awards

The District did not expend \$1,000,000 or more in federal awards for the year ended June 30, 2026; therefore, a Single Audit in accordance with 2 CFR 200, Subpart F, was not required.

Internal control over major programs:

Material weaknesses identified?	N/A
Significant deficiencies identified that are not considered to be material weaknesses	N/A

Type of auditors' report issued on compliance for major programs:	N/A
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	N/A
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Identification of major programs:

<u><i>Assistance Listing Numbers</i></u>	<u><i>Name of Federal Program or Cluster</i></u>
N/A	N/A

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 1,000,000
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Auditee qualified as low risk auditee?	N/A
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RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2026

Section II - Financial Statement Findings

2026-001 - Lack of Adherence to Compliance Matters

Criteria: 105 ILCS 5/17-1 requires that total expenditures and transfers not exceed the budgeted expenditures and transfers for any fund.

Condition: The District has allowed expenditures and/or transfers to exceed budgeted amounts for the Tort Immunity, Site Construction, and Fire Prevention and Life Safety Funds.

Cause: The variances across the three funds stemmed from distinct administrative and accounting factors:

- Fire Prevention and Life Safety Fund: The variance was driven by a technical accounting requirement that necessitated reporting transactions at their gross values rather than their net operational amounts, an adjustment not easily foreseen during standard operational tracking.
- Tort Immunity Fund: Funding was proactively allocated and moved out of another fund to cover these costs; however, the corresponding budget allocation was simply omitted from the Tort fund's final budget lines.
- Site Construction Fund: Actual outlays outpaced original baseline projections by \$318.

Consequently, the budget amendment finalized before the close of the fiscal year, did not reflect the changes needed to reconcile the items mentioned.

Effect: The District's final expenditures exceeded the legal budget thresholds established for these specific funds, resulting in technical non-compliance with statutory spending limits.

Recommendation: We recommend that the District continue to monitor fund activity closely, ensuring all interfund transfers and technical gross reporting requirements are fully integrated into timely, year-end budget amendments.

Management Response: Management agrees with the finding. Management notes that the Fire Prevention and Life Safety Fund variance was due to a technical accounting requirement to report gross figures rather than net outcomes. Additionally, the Tort Immunity Fund overage was an administrative oversight, as the funding was successfully transferred from another fund but inadvertently left out of the Tort budget line. Management will refine its review procedures to ensure all transfers, technical adjustments, and expenditure variances are formally captured in budget amendments moving forward.

Section III - Federal Award Findings

There are no federal award findings to disclose.

RED BUD COMMUNITY UNIT SCHOOL DISTRICT 132
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2026

There were no prior year audit findings.

ELEMENTARY



Stephanie Mohr, Principal

200 West Field Drive Red Bud, IL 62278

PHONE 618-282-3858 FAX 618-282-3965

Red Bud

COMMUNITY UNIT **132**

SCHOOL DISTRICT

HIGH SCHOOL



Alan Guehne, Principal

815 Locust Street Red Bud, IL 62278

PHONE 618-282-3826 FAX 618-282-6828

Jonathan Tallman, Superintendent

815 Locust Street Red Bud, Illinois 62278 PHONE 618-282-3507 FAX 618-282-6151 WEBSITE www.redbud132.org

CORRECTIVE ACTION PLAN

Finding #2026-001 - 105 ILCS 5/17-1 requires total expenditures and transfers not to exceed budgeted expenditures and transfers for any fund.

Contact for corrective action: Jonathan Tallman, Superintendent

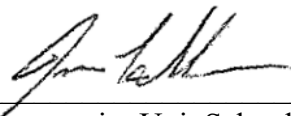
District's response: Concur

Anticipated completion date: June 30, 2027

Corrective Action:

The District agrees with this finding and will implement the following:

- Management will refine its review procedures to ensure all transfers, technical adjustments, and expenditure variances are formally and properly captured in budget amendments moving forward.



Red Bud Community Unit School District 132