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LINCOLNWOOD SCHOOL DISTRICT 74

Updated Working Cash Bonds Structure, Reimbursement Resolution & Financing Timeline

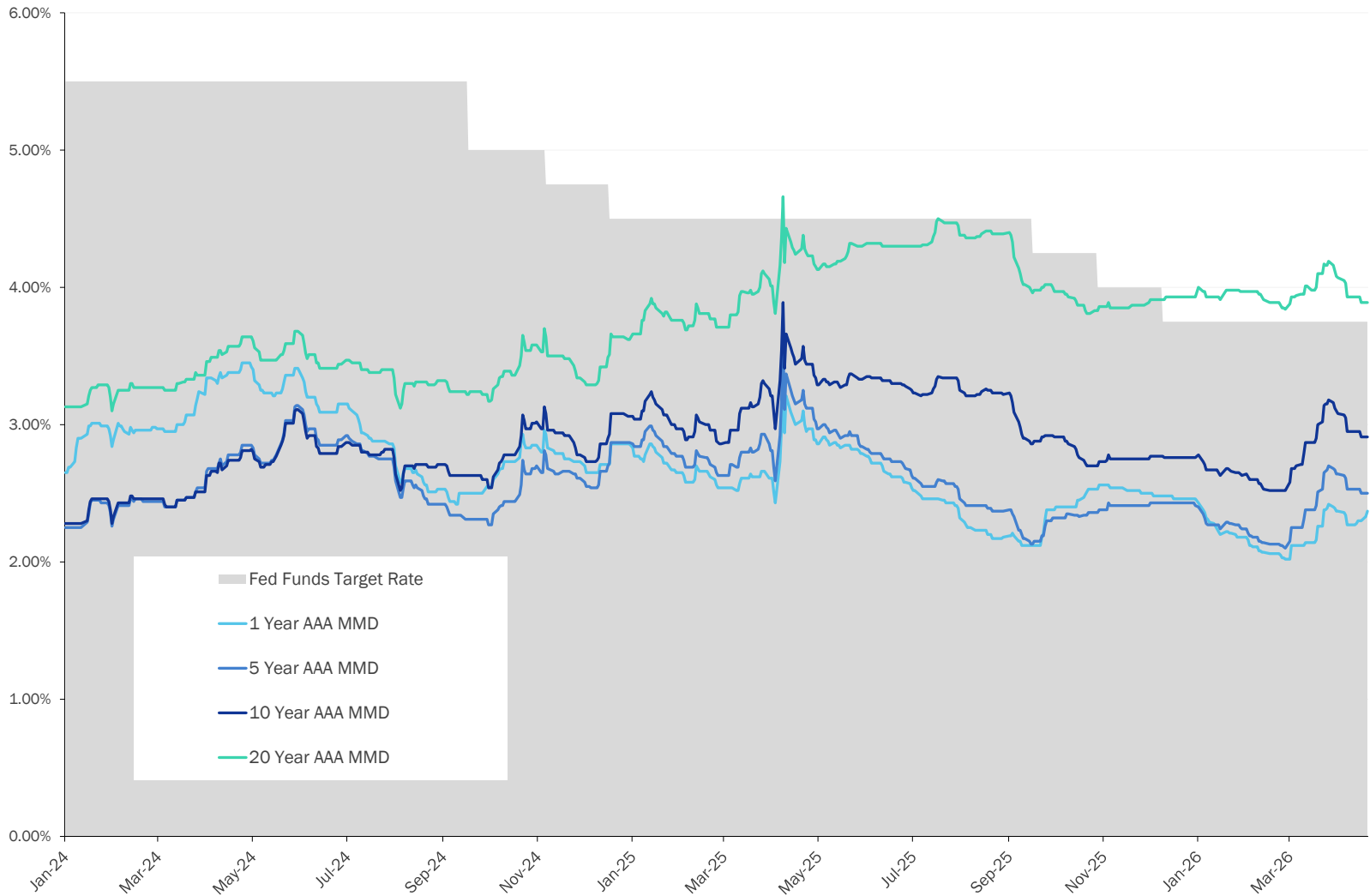
Tammie Beckwith Schallmo

Senior Vice President, Managing Director
Public Finance Team | PMA Securities, LLC

April 23, 2026



TAX-EXEMPT INTEREST RATES SINCE JANUARY 1, 2024



*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of April 21, 2026



SCENARIO 1: SERIES 2026 WORKING CASH BONDS 15-YEAR PAYBACK; LEAVES ROOM FOR DSEB ISSUE IN 2030

Limited Tax Debt Service															
Levy Year	Fiscal Year	\$8,505,000 GO Limited School Bonds, Series 2015	\$4,235,000 GO Limited School Bonds, Series 2016	\$5,910,000 GO Limited Tax School Bonds, Series 2018	\$6,365,000 GO Limited Tax School Bonds, Series 2021	PROPOSED: Limited GO WC Bonds, Series 2027 (1) (2)	District Contribution of Funds on Hand		Non Referendum Debt Service Extension Base Created W/1994 Levy (1)	Remaining Margin	Total General Obligation Bonds Debt Service	5.0% County Loss/Cost Debt Service	Rate Setting EAV	Growth Rate	B&I Tax Rate
							Total	Total							
2022	2024	\$ 890,600	\$ 164,100	\$ 583,200	\$ 187,850	\$ -	\$ (94,060)	\$ 1,731,690	\$ 1,818,274	\$ 86,584	\$ 1,731,690	\$ 1,818,274	\$ 804,228,126	16.62%	0.2264
2023	2025	891,150	164,100	177,600	497,850	-	-	1,730,700	1,909,188	178,488	1,730,700	1,817,235	826,091,837	2.72%	0.2200
2024	2026	890,950	164,100	177,600	181,650	-	-	1,414,300	1,974,100	559,800	1,414,300	1,485,015	823,423,941	-0.32%	0.1803
2025	2027	-	1,059,100	177,600	181,650	-	-	1,418,350	2,031,349	612,999	1,418,350	1,489,268	905,766,335	10.00%	0.1644
2026	2028	-	1,058,300	177,600	181,650	666,218	-	2,083,768	2,086,196	2,428	2,083,768	2,187,956	905,766,335	0.00%	0.2416
2027	2029	-	1,056,100	177,600	181,650	667,750	-	2,083,100	2,086,196	3,096	2,083,100	2,187,255	905,766,335	0.00%	0.2415
2028	2030	-	1,057,500	177,600	181,650	667,500	-	2,084,250	2,086,196	1,946	2,084,250	2,188,463	996,342,969	10.00%	0.2196
2029	2031	-	422,300	847,600	181,650	631,250	-	2,082,800	2,086,196	3,396	2,082,800	2,186,940	996,342,969	0.00%	0.2195
2030	2032	-	-	845,800	476,650	360,750	-	1,683,200	2,086,196	402,996	1,683,200	1,767,360	996,342,969	0.00%	0.1774
2031	2033	-	-	848,000	532,800	302,750	-	1,683,550	2,086,196	402,646	1,683,550	1,767,728	1,095,977,265	10.00%	0.1613
2032	2034	-	-	844,000	532,000	307,250	-	1,683,250	2,086,196	402,946	1,683,250	1,767,413	1,095,977,265	0.00%	0.1613
2033	2035	-	-	849,000	530,900	301,250	-	1,681,150	2,086,196	405,046	1,681,150	1,765,208	1,095,977,265	0.00%	0.1611
2034	2036	-	-	847,600	534,500	300,250	-	1,682,350	2,086,196	403,846	1,682,350	1,766,468	1,205,574,992	10.00%	0.1465
2035	2037	-	-	-	1,372,650	309,000	-	1,681,650	2,086,196	404,546	1,681,650	1,765,733	1,205,574,992	0.00%	0.1465
2036	2038	-	-	-	1,370,300	312,000	-	1,682,300	2,086,196	403,896	1,682,300	1,766,415	1,205,574,992	0.00%	0.1465
2037	2039	-	-	-	1,371,900	309,500	-	1,681,400	2,086,196	404,796	1,681,400	1,765,470	1,326,132,491	10.00%	0.1331
2038	2040	-	-	-	422,300	1,261,750	-	1,684,050	2,086,196	402,146	1,684,050	1,768,253	1,326,132,491	0.00%	0.1333
2039	2041	-	-	-	-	1,681,000	-	1,681,000	2,086,196	405,196	1,681,000	1,765,050	1,326,132,491	0.00%	0.1331
2040	2042	-	-	-	-	241,500	-	241,500	2,086,196	1,844,696	241,500	253,575	1,458,745,740	10.00%	0.0174
2041	2043	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,458,745,740	0.00%	0.0000
2042	2044	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,458,745,740	0.00%	0.0000
2043	2045	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,604,620,314	10.00%	0.0000
2044	2046	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,604,620,314	0.00%	0.0000
Total DS From															
Current FY:		\$ 890,950	\$ 4,817,400	\$ 5,970,000	\$ 8,233,900	\$ 8,319,718	\$ -	\$ 28,231,968			\$ 28,231,968	\$ 29,643,566			
Net Proceeds:						\$ 6,000,000									

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009.

The applicable CPI increase has been applied to levy years 2009-2026 and assumed to be 0% per year thereafter.

If the District issues limited tax bonds with debt service structured assuming a growing DSEB, it will need to pass resolutions, perhaps annually, to capture the additional DSEB levy available from CPI growth.

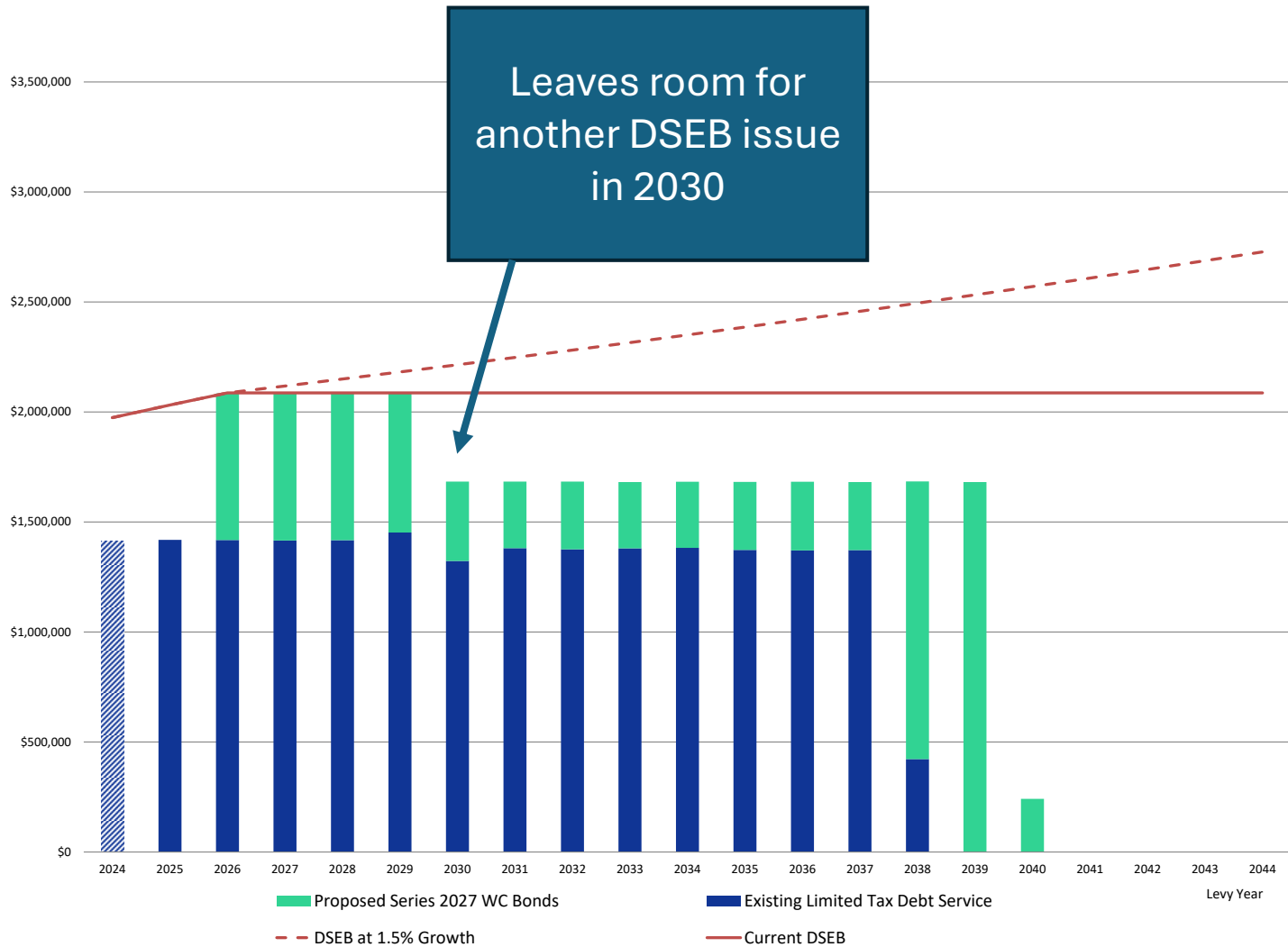
If the CPI growth is less than estimated on average, the District will have to pay debt service in excess of the DSEB from funds on hand.

(2) Rates based upon market conditions as of March 30, 2026 and recent bond sales which PMA believes to be accurate and reliable. Estimated TIC = 4.03%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



SCENARIO 1: SERIES 2026 WORKING CASH BONDS 15-YEAR PAYBACK; LEAVES ROOM FOR DSEB ISSUE IN 2030





SCENARIO 2: SERIES 2026 WORKING CASH BONDS 11-YEAR PAYBACK; NO ROOM IN DSEB UNTIL LEVY YEAR 2036

Limited Tax Debt Service														Non Referendum Debt Service		Total General Obligation		5.0% County Debt Service		Rate Setting EAV		Growth Rate		B&I Tax Rate	
Levy Year	Fiscal Year	School Bonds, Series 2015	School Bonds, Series 2016	\$5,910,000 GO Limited Tax School Bonds, Series 2018	\$6,365,000 GO Limited Tax School Bonds, Series 2021	PROPOSED: Limited GO WC Bonds, Series 2027 (1) (2)	District Contribution of Funds on Hand		Non Referendum Debt Service Extension Base Created W/1994 Levy (1)	Remaining Margin	Bonds Debt Service	Loss/Cost Debt Service	Rate Setting EAV	Growth Rate	B&I Tax Rate										
							Hand	Total																	
2022	2024	\$ 890,600	\$ 164,100	\$ 583,200	\$ 187,850	\$ -	Hand	Total	\$ 1,818,274	\$ 86,584	\$ 1,731,690	\$ 1,818,274	\$ 804,228,126	16.62%	0.2261										
2023	2025	891,150	164,100	177,600	497,850	-	-	-	1,909,188	178,488	1,730,700	1,817,235	826,091,837	2.72%	0.2200										
2024	2026	890,950	164,100	177,600	181,650	-	-	-	1,974,100	559,800	1,414,300	1,485,015	823,423,941	-0.32%	0.1803										
2025	2027	-	1,059,100	177,600	181,650	-	-	-	2,031,349	612,999	1,418,350	1,489,268	905,766,335	10.00%	0.1644										
2026	2028	-	1,058,300	177,600	181,650	663,239	-	-	2,086,196	5,407	2,080,789	2,184,828	905,766,335	0.00%	0.2412										
2027	2029	-	1,056,100	177,600	181,650	669,000	-	-	2,086,196	1,846	2,084,350	2,188,568	905,766,335	0.00%	0.2416										
2028	2030	-	1,057,500	177,600	181,650	668,500	-	-	2,086,196	946	2,085,250	2,189,513	996,342,969	10.00%	0.2198										
2029	2031	-	422,300	847,600	181,650	632,000	-	-	2,086,196	2,646	2,083,550	2,187,728	996,342,969	0.00%	0.2196										
2030	2032	-	-	845,800	476,650	761,250	-	-	2,086,196	2,496	2,083,700	2,187,885	996,342,969	0.00%	0.2196										
2031	2033	-	-	848,000	532,800	703,000	-	-	2,086,196	2,396	2,083,800	2,187,990	1,095,977,265	10.00%	0.1996										
2032	2034	-	-	844,000	532,000	706,250	-	-	2,086,196	3,946	2,082,250	2,186,363	1,095,977,265	0.00%	0.1995										
2033	2035	-	-	849,000	530,900	703,000	-	-	2,086,196	3,296	2,082,900	2,187,045	1,095,977,265	0.00%	0.1996										
2034	2036	-	-	847,600	534,500	703,500	-	-	2,086,196	596	2,085,600	2,189,880	1,205,574,992	10.00%	0.1816										
2035	2037	-	-	-	1,372,650	712,500	-	-	2,086,196	1,046	2,085,150	2,189,408	1,205,574,992	0.00%	0.1816										
2036	2038	-	-	-	1,370,300	409,500	-	-	2,086,196	306,396	1,779,800	1,868,790	1,205,574,992	0.00%	0.1550										
2037	2039	-	-	-	1,371,900	-	-	-	2,086,196	714,296	1,371,900	1,440,495	1,326,132,491	10.00%	0.1086										
2038	2040	-	-	-	422,300	-	-	-	2,086,196	1,663,896	422,300	443,415	1,326,132,491	0.00%	0.0334										
2039	2041	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,326,132,491	0.00%	0.0000										
2040	2042	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,458,745,740	10.00%	0.0000										
2041	2043	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,458,745,740	0.00%	0.0000										
2042	2044	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,458,745,740	0.00%	0.0000										
2043	2045	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,604,620,314	10.00%	0.0000										
2044	2046	-	-	-	-	-	-	-	2,086,196	2,086,196	-	-	1,604,620,314	0.00%	0.0000										
Total DS From																									
Current FY:		\$ 890,950	\$ 4,817,400	\$ 5,970,000	\$ 8,233,900	\$ 7,331,739	\$ -	\$ 27,243,989			\$ 27,243,989	\$ 28,606,188													
Net Proceeds:						\$ 6,000,000																			

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009.

The applicable CPI increase has been applied to levy years 2009-2026 and assumed to be 0% per year thereafter.

If the District issues limited tax bonds with debt service structured assuming a growing DSEB, it will need to pass resolutions, perhaps annually, to capture the additional DSEB levy available from CPI growth.

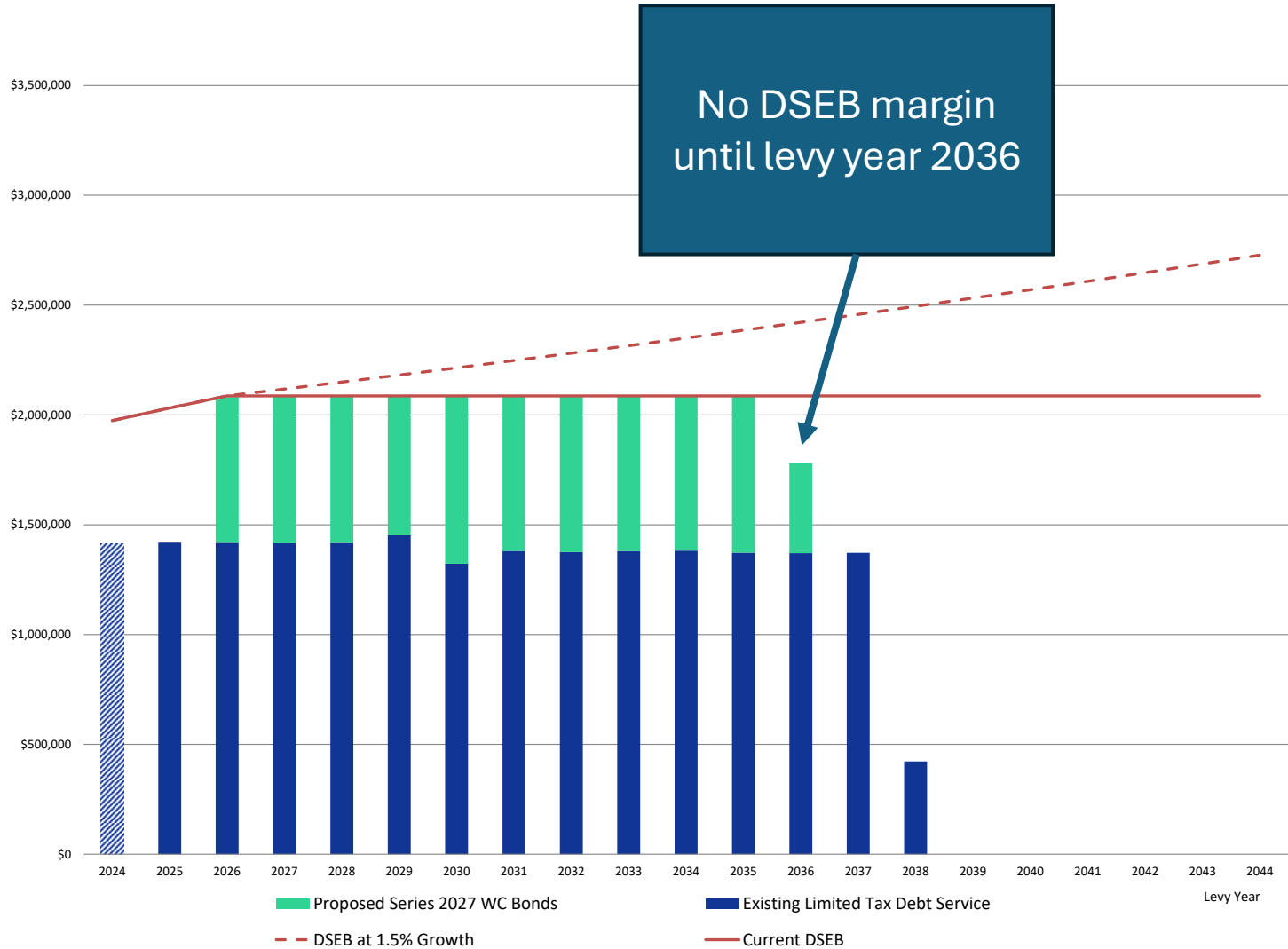
If the CPI growth is less than estimated on average, the District will have to pay debt service in excess of the DSEB from funds on hand.

(2) Rates based upon market conditions as of March 30, 2026 and recent bond sales which PMA believes to be accurate and reliable. Estimated TIC = 3.43%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



SCENARIO 2: SERIES 2026 WORKING CASH BONDS 11-YEAR PAYBACK; NO ROOM IN DSEB UNTIL LEVY YEAR 2036





WORKING CASH BOND SCENARIO SUMMARY

\$6 MILLION IN PROCEEDS

	Scenario 1	Scenario 2
	Margin LY30	No Margin
	\$6,000,000	\$6,000,000
Estimated True Interest Cost (TIC) (1)(2).....	4.03%	3.43%
Estimated Net Debt Service (2).....	\$8,319,718	\$7,331,739
Average Annual Payment.....	\$554,648	\$666,522
Levy Year of Final Payment.....	2040	2036

(1) True Interest Cost (TIC) is the semiannual discount rate which equates the principal and interest payments to the purchase price paid by the purchaser.

(2) Rates based upon market conditions as of March 30, 2026 and recent bond sales which PMA believes to be accurate and reliable.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



REIMBURSEMENT GUIDELINES

- The IRS allows issuers to reimburse itself with tax-exempt municipal bond proceeds for previously paid expenditures
- Only capital expenditures can be reimbursed



“LOOK BACK” PERIOD

- There is a 60 day “look back” period
 - The Board must adopt a reimbursement resolution not later than 60 days after the expenditure is paid
 - Such resolution must include the maximum principal amount of bonds expected to be issued and a description of the project
 - Preliminary expenditures, including architect’s fees may be reimbursed, regardless of when it was incurred



REIMBURSEMENT PERIOD

- The issuer must issue bonds within the later of 18 months after the date the expenditure was paid or 18 months after the property financed by the expenditure was placed in service
 - No later than three years from the date of the expenditure



SUGGESTED TIMELINE FOR SERIES 2027 WORKING CASH BONDS

June 2, 2026	Board adopts Reimbursement Resolution
December 3, 2026	Board adopts Resolution of Intent and Resolution calling a Bond Issue Notification Act (BINA) hearing at regular meeting
~December 9, 2026	Notice of intent published in local newspaper
~December 9, 2026	Notice of BINA hearing published in local newspaper
January 7, 2027	Board holds BINA hearing at regular meeting
~January 8, 2027	30-day petition period expires
February 4, 2027	Board approves parameters resolution authorizing the sale of Bonds at regular meeting
February 8, 2027	Bonds sold via a competitive sale; delegates(s) approves final results
February 25, 2027	Bonds close; District receives proceeds



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DEBT CAPACITY

Levy Year	2024	2025	2026
Collection Year	2025	2026	2027
Fiscal Year Ending 6/30	2026	2027	2028
Direct Debt, Beginning of Period (1)	\$ 15,565,000	\$ 14,700,000	\$ 13,805,000
Principal Paydown, Series 2015 (2)	(865,000)	-	-
Principal Paydown, Series 2016 (2)	-	(895,000)	(930,000)
Principal Paydown, Series 2018 (2)	-	-	-
Principal Paydown, Series 2021 (2)	-	-	-
Direct Debt, End of Period (1)	<u>\$ 14,700,000</u>	<u>\$ 13,805,000</u>	<u>\$ 12,875,000</u>
Equalized Assessed Valuation	\$ 823,423,941	\$ 823,423,941	\$ 823,423,941
Assumed EAV Increase		0.00%	0.00%
Statutory Debt Limit @ 6.90%	\$ 56,816,252	\$ 56,816,252	\$ 56,816,252
Direct Debt, End of Period as % of EAV	1.79%	1.68%	1.56%
Statutory Debt Margin at End of Period (1)	\$ 42,116,252	\$ 43,011,252	\$ 43,941,252

- The District's current debt capacity is \$42.1 million
 - Voter-approved bonds do not count against it as long as the Board holds a public hearing



NON-REFERENDUM GENERAL OBLIGATION BONDS

- Since the District is subject to the tax cap, the annual debt service (principal and interest) payments on certain non-referendum GO bonds are limited by its Debt Service Extension Base (DSEB)
- Original DSEB was determined in the levy year in which tax caps became law and was equal to the amount of non-referendum debt service levied for that year
 - The types of non-referendum bonds are described on the next slide
 - Maximum length of maturity is 30 years
- Public Act 96-0501, enacted in 2009, increases a district's DSEB annually by the Consumer Price Index (CPI)
 - Original DSEB: \$1,395,552
 - **DSEB for levy year 2026: \$2,086,196**



NON-REFERENDUM GO BONDS

- The following types of non-referendum GO bonds are subject to the District's DSEB:
 - Working Cash (for capital projects or operating capital)
 - If for capital, funds are abated (permanent transfer) to the O&M fund and then transferred to the capital projects fund
 - **The District's statutory working cash bond limit is \$8.1 million**
 - Funding (pays off a claim or liability like a land contract)
 - Tort
- All of these require a Bond Issue Notification Act (BINA) hearing
- Working Cash Bonds and Funding Bonds also require a back door referendum which is a 30-day petition process (10% of registered voters)