**PROSPECT HEIGHTS SCHOOL DISTRICT 23**
**DISTRICT 23 FINANCE COMMITTEE MEETING**
WEDNESDAY, NOVEMBER 4, 2026
GRODSKY ADMINISTRATION BUILDING
700 N SCHOENBECK RD
PROSPECT HEIGHTS, IL 60070 at 6:00 PM

***Engage ALL students in experiences that inspire EACH to grow as learners, individuals, and community members.***

**AGENDA**

I. Call to Order
II. Discussion Items
A. Monthly Review of Year to Date Revenue and Expenditures 3
The monthly reports from Forecast 5 (Frontline) have been attached for the Committee's review.
B. Review of 2026 Audit - Steve Wessels, Evans, Marshall, & Pease 8
Steve will be joining us to discuss the FY2026 audit. The finalized audit has been attached for review.

C. Discussion of Levy Strategy - Post Referendum 100
We have been working with Elizabeth Hennessy on the District's current levy strategy and will provide the Committee with an insight in advance of the November Board Meeting.

Either way, we will need to file a supplemental levy for the purposes of adequately levying bond and interest amounts due to the new issue. A copy of the preliminary document has been attached, as prepared by our Bond Counsel at Chapman, Kyle Harding.
D. Update on DCEO Grant Opportunities
Amy will provide an update on the current DCEO grants and share some exciting news on a new grant, received earlier this week!
E. PHSD23 & PHPD IGA for Utilization of Eisenhower School 108
As previously discussed with the Committee, a formalized intergovernmental agreement is attached for review. The agreement will take effect in August, 2027 and will allow for the Prospect Heights Park District's before and after school care program to be offered at Eisenhower school beginning with the 2027-28 school year.
F. 2027-32 Transportation Bid - Update 116
Amy will provide an update on the bid process for Transportation Services.
G. Solicitation for Managed Network and Cybersecurity Services - Update
Our contract with our current Managed Service Provider, Empist, is up for re-solicitation. We are currently working with the Technology Department to review the Request for Proposal and plan to have the solicitation on the street by early December.
H. Bid for Draper Window Shades at Eisenhower School - Update
As one of the projects that is being managed by the District, the bid for window shades at Eisenhower School is being finalized. We are issuing the solicitation for the same Draper (SW2400) roller shades that match what have already been installed at the four other buildings. We anticipate a December award for shades to be installed this summer.
I. Natural Gas Solicitation - Nania Energy 154
The District's natural gas agreement expires on November 30th of this year, and we have a deadline on November 15th to make a change to a new supplier. We are currently working with our partners at Nania Energy to solicit the most advantageous pricing, as we don't want to be exposed to the open market over the winter. Current rates are attached. We will continue to monitor the rates and work to lock in at the lowest point over the next week or so, in advance of the November Board meeting.
III. Adjournment

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**
**DISTRICT 23 FINANCE COMMITTEE MEETING**
WEDNESDAY, NOVEMBER 4, 2026
GRODSKY ADMINISTRATION BUILDING
700 N SCHOENBECK RD
PROSPECT HEIGHTS, IL 60070 at 6:00 PM

***Engage ALL students in experiences that inspire EACH to grow as learners, individuals, and community members.***

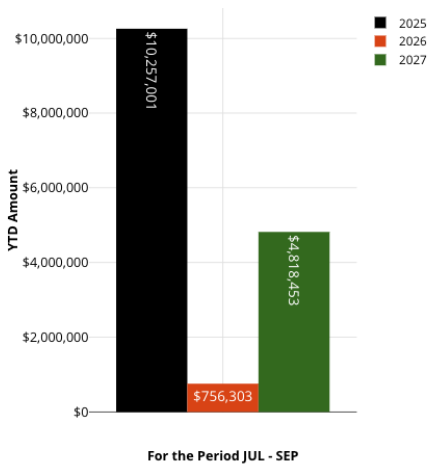
**AGENDA**

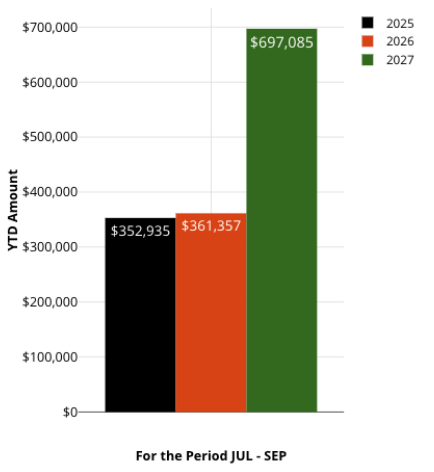
**DISTRICT ORGANIZATIONAL GOALS**

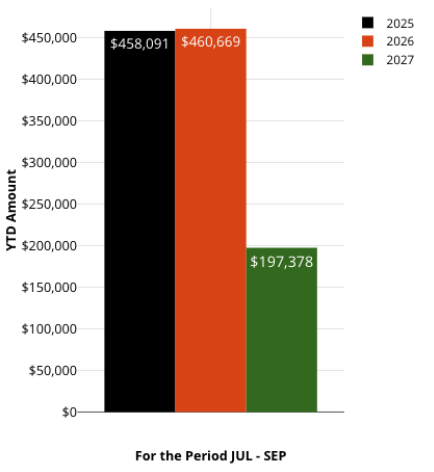
- **Student Success**: Ensure ALL students are well rounded and emotionally and academically prepared for success in high school.
- **Teaching, Learning, and Innovation**: Encourage a learning environment that emphasizes excellence and retains high quality staff.
- **Family and Community Partnership**: Actively engage and communicate with all families to foster collaborative relationships that benefit student learning and understanding of district priorities.
- **Facilities & Financial Planning**: Advance effective use of resources to support safe, learner ready facilities and to maximize student learning.

# Prospect Heights SD 23
## Year to Date Revenue Overview - Operating Funds*
## September 2026

| Local Revenue | State Revenue | Federal Revenue |
|---|---|---|
| **$4,818,453** | **$697,085** | **$197,378** |
| 19.38% of Budget | 19.44% of Budget | 14.66% of Budget |



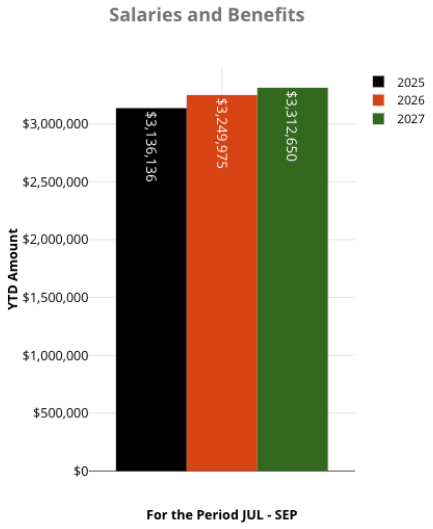



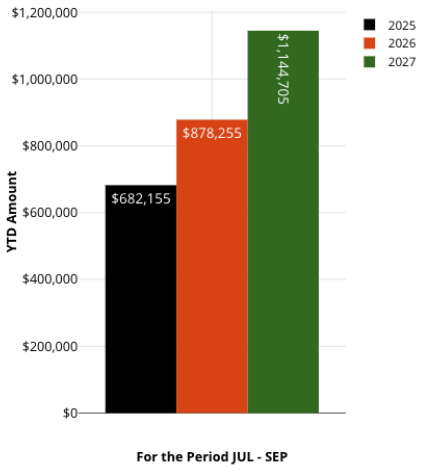

| | FY 2025 YTD Amount | FY 2026 YTD Amount | FY 2027 YTD Amount | FY 2027 Annual Budget | FY 2027 % YTD Budget |
|---|---|---|---|---|---|
| **LOCAL REVENUE** | | | | | |
| 1100 Ad Valorem Taxes | $9,674,105 | $87,377 | $4,250,960 | $21,597,095 | 19.68% |
| 1200 Payments in Lieu of Taxes | $31,232 | $21,060 | $28,312 | $150,000 | 18.87% |
| 1500 Earnings on Investments | $73,181 | $32,132 | $9,896 | $885,000 | 1.12% |
| 1600 Food Service | $34,150 | $45,762 | $55,764 | $225,000 | 24.78% |
| 1900 Other Revenue from Local Sources | $204,204 | $335,275 | $221,036 | $1,676,000 | 13.19% |
| ALL OTHER LOCAL REVENUE | $240,128 | $234,699 | $252,487 | $333,000 | 75.82% |
| **TOTAL LOCAL REVENUE** | $10,257,001 | $756,303 | $4,818,453 | $24,866,095 | 19.38% |
| **STATE REVENUE** | | | | | |
| 3000 Unrestricted Grants-in-Aid | $352,428 | $358,732 | $455,875 | $1,950,000 | 23.38% |
| 3100 Special Education | $0 | $0 | $50,448 | $25,000 | 201.79% |
| 3300 Bilingual Education | $507 | $530 | $550 | $5,000 | 11.00% |
| 3500 State Transportation Reimbursement | $0 | $0 | $190,211 | $1,025,000 | 18.56% |
| ALL OTHER STATE REVENUE | $0 | $2,095 | $0 | $580,500 | 0.00% |
| **TOTAL STATE REVENUE** | $352,935 | $361,357 | $697,085 | $3,585,500 | 19.44% |
| **TOTAL FEDERAL REVENUE** | $458,091 | $460,669 | $197,378 | $1,346,195 | 14.66% |
| **TOTAL REVENUE** | **$11,068,027** | **$1,578,329** | **$5,712,916** | **$29,797,790** | **19.17%** |
| **OTHER FINANCING SOURCES** | $0 | $0 | $0 | $0 | 0.00% |
| **TOTAL REVENUE & OTHER FINANCING SOURCES** | **$11,068,027** | **$1,578,329** | **$5,712,916** | **$29,797,790** | **19.17%** |

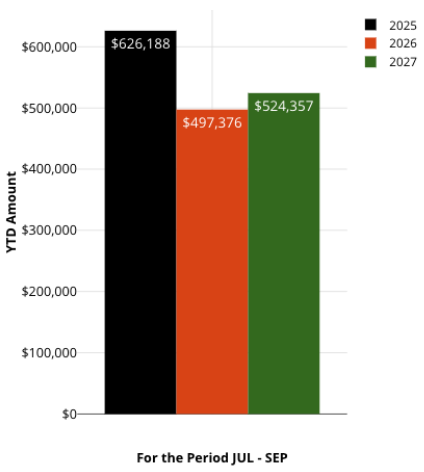
*Operating Funds = Educational, Operations & Maintenance, Transportation, Working Cash

# Prospect Heights SD 23
## Year To Date Expense Overview - Operating Funds*
## September 2026

| Salaries and Benefits | Purchased Services | Supplies & Materials |
|---|---|---|
| **$3,312,650** | **$1,144,705** | **$524,357** |
| 15.58% of Budget | 27.41% of Budget | 38.01% of Budget |



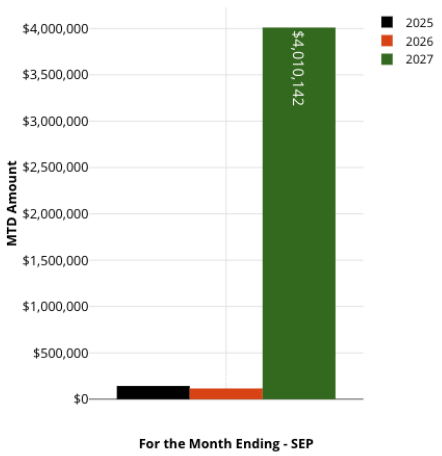



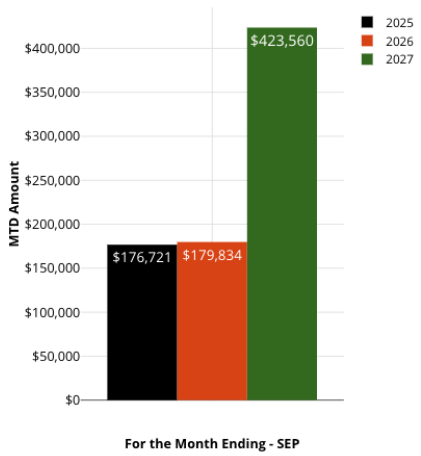

| | FY 2025 YTD Amount | FY 2026 YTD Amount | FY 2027 YTD Amount | FY 2027 Annual Budget | FY 2027 % YTD Budget |
|---|---|---|---|---|---|
| **SALARIES AND BENEFITS** | | | | | |
| 100 Salaries | $2,524,030 | $2,570,886 | $2,561,216 | $16,956,211 | 15.10% |
| 200 Benefits | $612,106 | $679,089 | $751,434 | $4,302,443 | 17.47% |
| **TOTAL SALARIES AND BENEFITS** | $3,136,136 | $3,249,975 | $3,312,650 | $21,258,654 | 15.58% |
| **OTHER EXPENSES** | | | | | |
| 300 Purchased Services | $682,155 | $878,255 | $1,144,705 | $4,175,893 | 27.41% |
| 400 Supplies & Materials | $626,188 | $497,376 | $524,357 | $1,379,494 | 38.01% |
| 500 Capital Outlay | $101,679 | $100,511 | $109,779 | $198,000 | 55.44% |
| 600 Other Objects | $47,223 | $259,072 | $196,474 | $711,894 | 27.60% |
| 700 Non-Capitalized Equipment | $0 | $0 | $1,603 | $5,000 | 32.06% |
| 800 Termination Benefits | $0 | $0 | $0 | $0 | $0 |
| **TOTAL OTHER EXPENSES** | $1,457,245 | $1,735,214 | $1,976,918 | $6,470,281 | 30.55% |
| **TOTAL EXPENSES** | **$4,593,381** | **$4,985,189** | **$5,289,568** | **$27,728,935** | **19.08%** |
| **OTHER FINANCING USES** | $0 | $0 | $0 | $0 | 0.00% |
| **TOTAL EXPENSES & OTHER FINANCING USES** | **$4,593,381** | **$4,985,189** | **$5,289,568** | **$27,728,935** | **19.08%** |

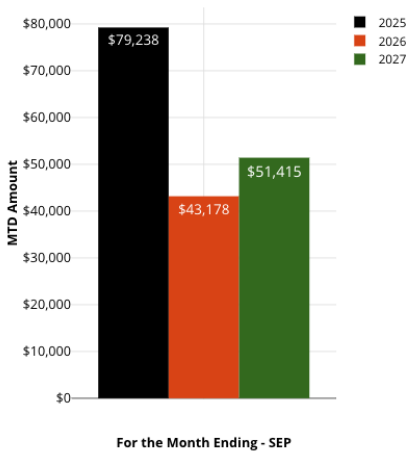
*Operating Funds = Educational, Operations & Maintenance, Transportation, Working Cash

# Prospect Heights SD 23
## Month to Date Revenue Overview - Operating Funds*
## September 2026

| Local Revenue | State Revenue | Federal Revenue |
|---|---|---|
| **$4,010,142** | **$423,560** | **$51,415** |
| 16.13% of Budget | 11.81% of Budget | 3.82% of Budget |



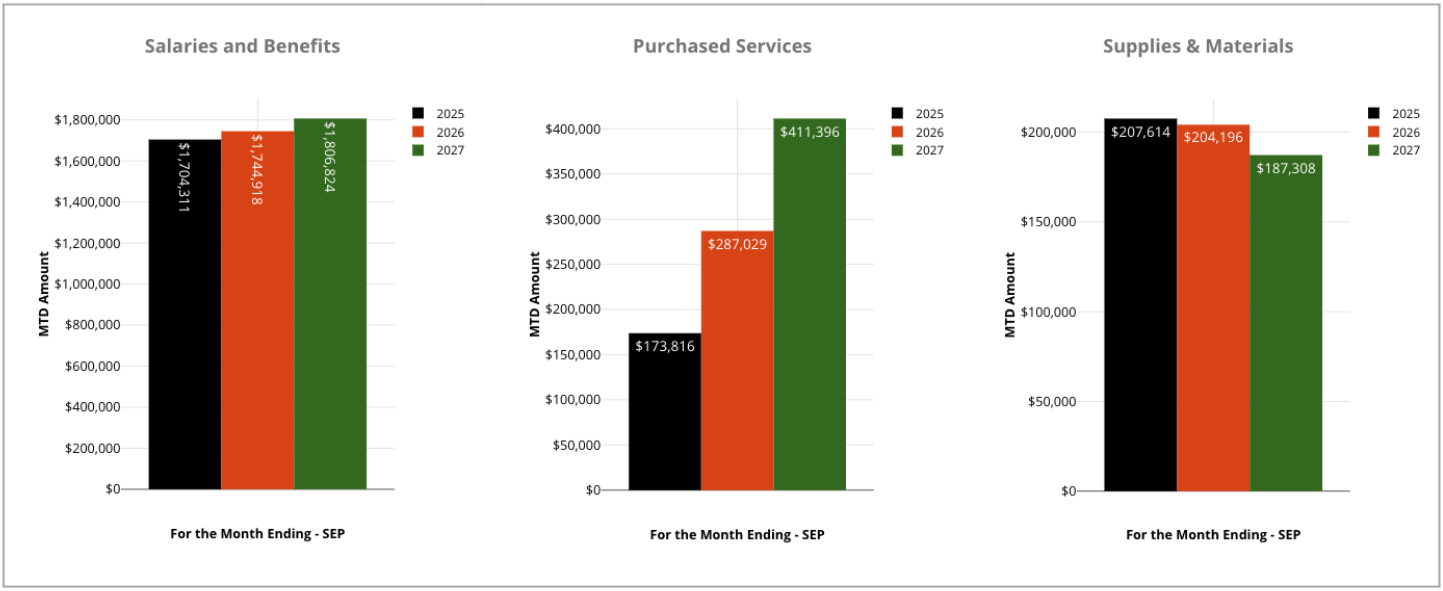




| | FY 2025 MTD Amount | FY 2026 MTD Amount | FY 2027 MTD Amount | FY 2027 Annual Budget | FY 2027 % MTD Budget |
|---|---|---|---|---|---|
| **LOCAL REVENUE** | | | | | |
| 1100 Ad Valorem Taxes | $0 | $15,906 | $3,816,437 | $21,597,095 | 17.67% |
| 1200 Payments in Lieu of Taxes | $0 | $0 | $0 | $150,000 | 0.00% |
| 1500 Earnings on Investments | $49,091 | $18,913 | $0 | $885,000 | 0.00% |
| 1600 Food Service | $22,904 | $29,781 | $35,122 | $225,000 | 15.61% |
| 1900 Other Revenue from Local Sources | $49,317 | $45,125 | $148,091 | $1,676,000 | 8.84% |
| ALL OTHER LOCAL REVENUE | $21,501 | $6,353 | $10,492 | $333,000 | 3.15% |
| **TOTAL LOCAL REVENUE** | $142,812 | $116,079 | $4,010,142 | $24,866,095 | 16.13% |
| **STATE REVENUE** | | | | | |
| 3000 Unrestricted Grants-in-Aid | $176,214 | $179,366 | $182,350 | $1,950,000 | 9.35% |
| 3100 Special Education | $0 | $0 | $50,448 | $25,000 | 201.79% |
| 3300 Bilingual Education | $507 | $468 | $550 | $5,000 | 11.00% |
| 3500 State Transportation Reimbursement | $0 | $0 | $190,211 | $1,025,000 | 18.56% |
| ALL OTHER STATE REVENUE | $0 | $0 | $0 | $580,500 | 0.00% |
| **TOTAL STATE REVENUE** | $176,721 | $179,834 | $423,560 | $3,585,500 | 11.81% |
| **TOTAL FEDERAL REVENUE** | $79,238 | $43,178 | $51,415 | $1,346,195 | 3.82% |
| **TOTAL REVENUE** | **$398,771** | **$339,091** | **$4,485,117** | **$29,797,790** | **15.05%** |
| **OTHER FINANCING SOURCES** | $0 | $0 | $0 | $0 | 0.00% |
| **TOTAL REVENUE & OTHER FINANCING SOURCES** | **$398,771** | **$339,091** | **$4,485,117** | **$29,797,790** | **15.05%** |

*Operating Funds = Educational, Operations & Maintenance, Transportation, Working Cash

# Prospect Heights SD 23
## Month to Date Expense Overview - Operating Funds*
## September 2026

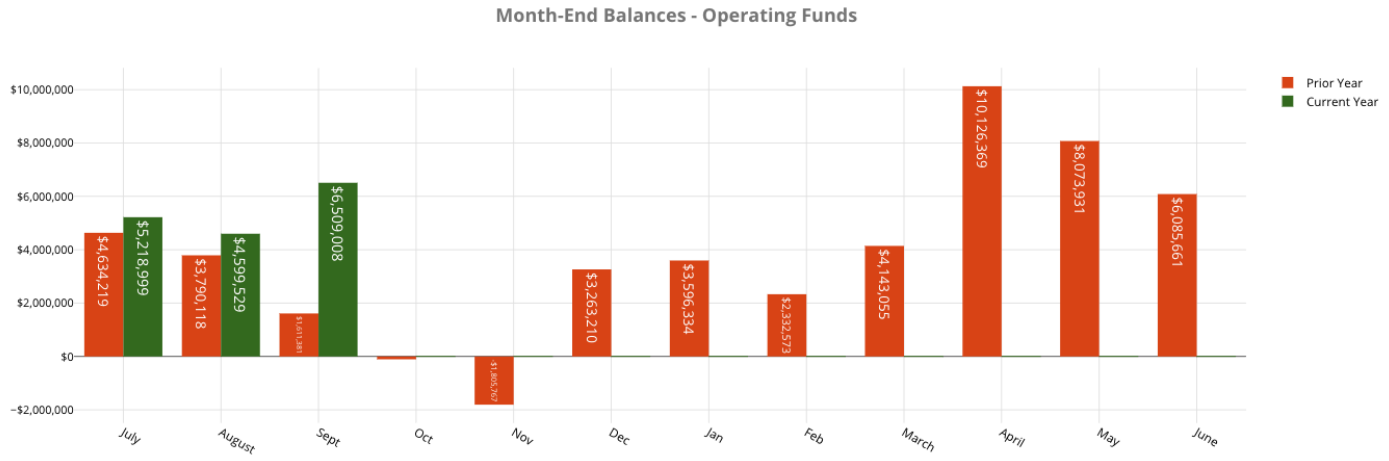
| Salaries and Benefits | Purchased Services | Supplies & Materials |
|---|---|---|
| **$1,806,824** | **$411,396** | **$187,308** |
| 8.50% of Budget | 9.85% of Budget | 13.58% of Budget |




| | FY 2025 MTD Amount | FY 2026 MTD Amount | FY 2027 MTD Amount | FY 2027 Annual Budget | FY 2027 % MTD Budget |
|---|---|---|---|---|---|
| **SALARIES AND BENEFITS** | | | | | |
| 100 Salaries | $1,384,761 | $1,393,377 | $1,410,771 | $16,956,211 | 8.32% |
| 200 Benefits | $319,550 | $351,541 | $396,053 | $4,302,443 | 9.21% |
| **TOTAL SALARIES AND BENEFITS** | $1,704,311 | $1,744,918 | $1,806,824 | $21,258,654 | 8.5% |
| **OTHER EXPENSES** | | | | | |
| 300 Purchased Services | $173,816 | $287,029 | $411,396 | $4,175,893 | 9.85% |
| 400 Supplies & Materials | $207,614 | $204,196 | $187,308 | $1,379,494 | 13.58% |
| 500 Capital Outlay | $24,425 | $40,164 | $14,168 | $198,000 | 7.16% |
| 600 Other Objects | $1,145 | $241,520 | $155,941 | $711,894 | 21.91% |
| 700 Non-Capitalized Equipment | $0 | $0 | $0 | $5,000 | 0.00% |
| 800 Termination Benefits | $0 | $0 | $0 | $0 | $0 |
| **TOTAL OTHER EXPENSES** | $407,000 | $772,909 | $768,813 | $6,470,281 | 11.88% |
| **TOTAL EXPENSES** | **$2,111,311** | **$2,517,827** | **$2,575,637** | **$27,728,935** | **9.29%** |
| **OTHER FINANCING USES** | $0 | $0 | $0 | $0 | 0.00% |
| **TOTAL EXPENSES & OTHER FINANCING USES** | **$2,111,311** | **$2,517,827** | **$2,575,637** | **$27,728,935** | **9.29%** |

*Operating Funds = Educational, Operations & Maintenance, Transportation, Working Cash

# Prospect Heights SD 23
# Fund Balance Overview
# September 2026




| | Fund Balance July 1, 2026 | Revenues | Expenses | Other Sources | Other Uses | Fund Balance Sep 2026 |
|---|---|---|---|---|---|---|
| **Operating Funds:** | | | | | | |
| Educational | $2,563,130 | $4,924,564 | $4,464,698 | $0 | $0 | $3,022,996 |
| Operations and Maintenance | $1,638,358 | $333,049 | $698,018 | $0 | $0 | $1,273,389 |
| Transportation | $793,441 | $415,182 | $126,853 | $0 | $0 | $1,081,770 |
| Working Cash | $1,090,732 | $40,120 | $0 | $0 | $0 | $1,130,852 |
| **Total Operating Funds** | **$0** | **$5,890,376** | **$5,462,305** | **$0** | **$0** | **$428,071** |
| **Non-Operating Funds:** | | | | | | |
| Debt Service | $402,591 | $289,076 | $23,212 | $0 | $0 | $668,455 |
| IMRF | $441,177 | $155,597 | $122,340 | $0 | $0 | $474,434 |
| Capital Projects | $15,147,543 | $47,622 | $2,492,300 | $0 | $0 | $12,702,865 |
| Tort | $-194,999 | $21,863 | $50,397 | $0 | $0 | -$223,533 |
| Fire Prevention and Safety | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Non-Operating Funds** | **$0** | **$336,699** | **$2,515,512** | **$0** | **$0** | **-$2,178,813** |
| **Total All Funds** | **$21,881,973** | **$6,227,075** | **$7,977,817** | **$0** | **$0** | **$20,131,231** |

## Balances Insight:

Operating Fund balances at the end of the September 2026 totaled $6,759,909, which is $5,055,537 more than the balances at the end of the same month in prior year. The balances for all funds through the current period of the fiscal year increased by $1,104,235 for a grand total of $20,131,231.

*ANNUAL FINANCIAL REPORT*

**PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23**
**PROSPECT HEIGHTS, ILLINOIS**

**FOR THE FISCAL YEAR ENDED**
**JUNE 30, 2026**

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
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EVANS, MARSHALL & PEASE, P.C.

SINCE 1917

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# INDEPENDENT AUDITOR'S REPORT

Board of Education
Prospect Heights School District No. 23
Prospect Heights, Illinois

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Prospect Heights School District No. 23, Prospect Heights, Illinois (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedules of employer contributions, schedules of the employer's proportionate share of the net pension liability, schedules of the employer's proportionate share of the net other postemployment benefits (OPEB) liability, budgetary comparison schedules, and related notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to do so.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The General Fund Combining Balance Sheet and General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances are presented for purposes of additional analysis and are not required parts of the basic financial statements. These schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.
Certified Public Accountants

October 28, 2026
Rolling Meadows, IL

**REQUIRED SUPPLEMENTARY INFORMATION**
**Management's Discussion and Analysis**

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The following discussion and analysis provides an overview of Prospect Heights School District No. 23's (the District) financial activities and financial position for the year ended June 30, 2026. Management encourages readers to consider this information in conjunction with the District's basic financial statements and accompanying notes.

This MD&A includes comparative information for the current and prior fiscal years to assist readers in evaluating changes in the District's financial position and results of operations.

**Financial Highlights**

The following financial highlights summarize the District's financial position and results of operations for the fiscal year ended June 30, 2026:

- The District's total net position increased by $1,203,940, from $8,113,219 at June 30, 2025, to $9,317,159 at June 30, 2026. The increase resulted from revenues exceeding expenses during the fiscal year.

- Total government-wide revenues were $37,907,324, an increase of $161,793 from the prior year, while total expenses were $36,703,384, an increase of $195,182. Higher property tax revenues and investment earnings helped offset decreases in grants and contributions.

- The District's governmental funds reported combined ending fund balances of $22,362,958, an increase of $16,250,288 from the prior year. The increase was primarily attributable to proceeds from the issuance of long-term debt for capital improvements and refinancing existing obligations.

- The District's net capital assets increased by $901,788, from $22,254,605 to $23,156,393, reflecting continued investment in school facilities and equipment, partially offset by depreciation and amortization.

- Outstanding bonds and debt certificates totaled $26,295,000 at June 30, 2026, an increase of $17,115,000 from the prior year. The increase reflects significant financing activities undertaken to support capital improvements and refinance existing debt.

Although the District's overall financial position improved, a substantial portion of its financial resources is restricted for capital improvements and other specific purposes and is not available for general operating activities.

**Overview of the Financial Statements**

Management's Discussion and Analysis (MD&A) provides an overview of the District's financial activities and should be read in conjunction with the basic financial statements and required supplementary information (RSI).

The basic financial statements provide two perspectives of the District's financial activities:

- The government-wide financial statements, consisting of the statement of net position and statement of activities, provide a broad overview of the District's overall financial position and results of operations.

- The fund financial statements provide more detailed information about the District's individual governmental funds and demonstrate how resources are received, used, and maintained within each fund.

The basic financial statements are accompanied by notes that provide information necessary to understand the amounts reported. The report also includes required supplementary information, including budgetary comparison schedules and pension and other postemployment benefit schedules, as well as supplementary information consisting of combining financial statements and schedules that provide additional detail on the District's governmental funds.

**Major Features of the Government-Wide and Fund Financial Statements**

| | Government-Wide Financial Statements | Governmental Fund Financial Statements |
|---|---|---|
| **Scope** | Entire District, excluding fiduciary activities | Individual governmental funds |
| **Financial statements** | Statement of Net Position; Statement of Activities | Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances |
| **Measurement focus** | Economic resources | Current financial resources |
| **Basis of accounting** | Accrual basis | Modified accrual basis |
| **Assets and liabilities reported** | Reports all assets and liabilities, including capital assets and long-term obligations | Focuses primarily on current financial assets and liabilities; capital assets and long-term obligations generally are not reported |
| **Deferred outflows and inflows of resources** | Reports applicable deferred outflows and deferred inflows of resources associated with both current and future periods | Reports deferred outflows and deferred inflows applicable to the current financial resources measurement focus |
| **Revenues** | Recognized when earned, regardless of when cash is received | Recognized when measurable and available |
| **Expenses / expenditures** | Expenses are recognized when the related liability is incurred | Expenditures generally are recognized when the related fund liability is incurred; debt service and certain long-term obligations are recognized when due |

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the District's overall financial position and results of operations using the economic resources measurement focus and accrual basis of accounting.

The statement of net position presents the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Changes in net position over time may help readers assess whether the District's overall financial position has improved or deteriorated.

The statement of activities shows how the District's net position changed during the fiscal year. Expenses are presented by function and are offset by related program revenues, including charges for services and grants and contributions restricted to specific programs. Property taxes and other revenues that do not meet the definition of program revenues are reported as general revenues.

The government-wide financial statements report the District's governmental activities, which are supported primarily by property taxes, state and federal revenues, and other nonexchange revenues. These activities include instruction, support services, payments to other governmental units, debt service, and other activities necessary to operate the District.

Financial Statements

A fund is a separate fiscal and accounting entity with a self-balancing set of accounts used to account for resources that are restricted or otherwise designated for specific activities or purposes. The District uses fund accounting to demonstrate compliance with applicable legal and financial requirements. The District reports only governmental funds and has no proprietary or fiduciary funds.

Governmental fund financial statements report substantially the same activities as the governmental activities presented in the government-wide financial statements, but from a different perspective. Governmental funds use the current financial resources measurement focus and modified accrual basis of accounting and emphasize near-term inflows, outflows, and balances of spendable resources.

Because governmental fund financial statements have a narrower, short-term focus than the government-wide financial statements, reconciliations are provided with the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations explain the differences between governmental fund amounts and the corresponding amounts reported for governmental activities in the government-wide financial statements.

The District has elected to report all governmental funds as major funds. Separate information is presented for the General Fund, which includes the Educational, Working Cash, and Tort Accounts; Operations and Maintenance Fund; Transportation Fund; Municipal Retirement/Social Security Fund; Debt Service Fund; and Capital Projects Fund.

The District adopts an annual budget for each fund. Budgetary comparison schedules are presented as required supplementary information (RSI) to compare the legally adopted budget with actual results and demonstrate budgetary compliance.

Notes to the Financial Statements

The notes are an integral part of the basic financial statements and provide information necessary for a complete understanding of the District's financial position and results of operations. The notes include the District's significant accounting policies and additional information regarding cash and deposits, property taxes, capital assets, long-term obligations, pensions, other postemployment benefits, and other significant financial matters.

Required Supplementary Information

In addition to Management's Discussion and Analysis, the report includes required supplementary information prescribed by GASB. This information includes pension and other postemployment benefit schedules and the District's budgetary comparison schedules, which provide additional historical, actuarial, and budgetary information necessary to supplement the basic financial statements.

Supplementary Information

The report also includes supplementary information consisting of combining financial statements and schedules that provide additional detail on the General Fund accounts and other financial activities of the District.

**Government-Wide Financial Analysis**

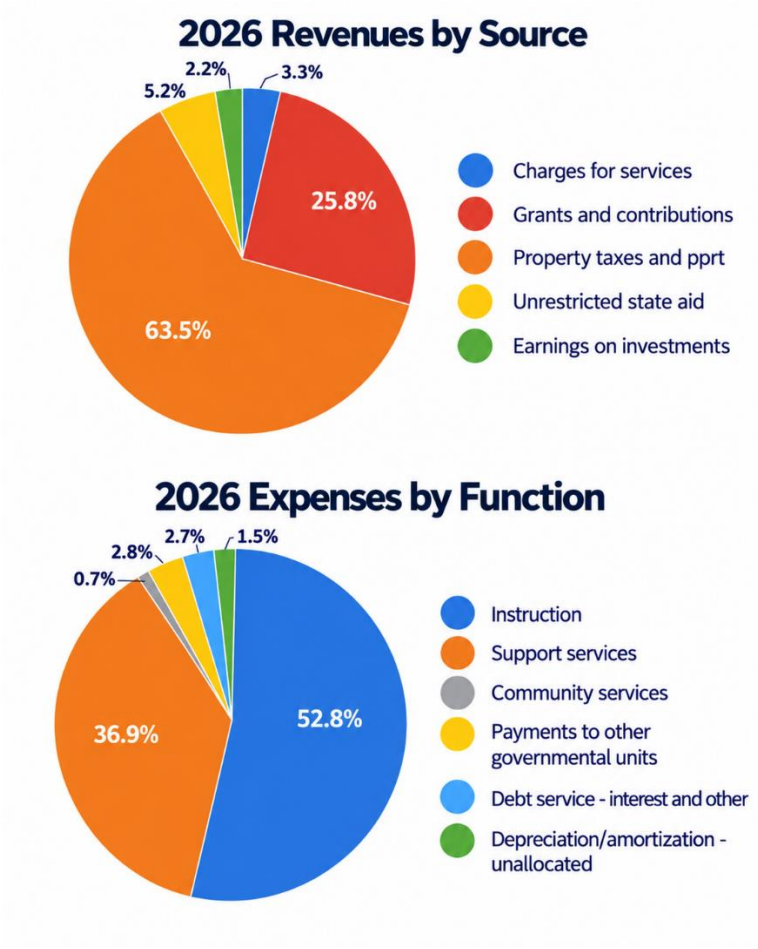
Statement of Net Position: The following summarizes the District's net position as of June 30, 2026, and 2025:

| | 2026 | 2025 |
|---|---|---|
| Assets | | |
| Other assets | $ 34,728,372 | $ 17,524,985 |
| Capital assets | 23,156,393 | 22,254,605 |
| Total Assets | 57,884,765 | 39,779,590 |
| Total Deferred Outflows of Resources | 2,452,149 | 1,203,140 |
| Liabilities | | |
| Other liabilities | 148,257 | 198,310 |
| Noncurrent liabilities | 31,831,995 | 14,661,826 |
| Total Liabilities | 31,980,252 | 14,860,136 |
| Total Deferred Inflows of Resources | 19,039,503 | 18,009,375 |
| Net Position | | |
| Net investment in capital assets | 17,046,566 | 12,599,394 |
| Restricted | 18,762,987 | 2,738,165 |
| Unrestricted | (26,492,394) | (7,224,340) |
| Total Net Position | $ 9,317,159 | $ 8,113,219 |

Changes in Net Position: The following summarizes the District's changes in net position for the years ended June 30, 2026, and 2025:

| | 2026 | 2025 |
|---|---|---|
| Revenues | | |
| Program revenues | | |
| Charges for services | $ 1,256,685 | $ 1,045,767 |
| Grants and contributions | 9,766,534 | 10,809,708 |
| General revenues | | |
| Taxes - property and pprt | 24,065,030 | 23,154,454 |
| Unrestricted state aid | 1,973,032 | 1,938,348 |
| Earnings on investments | 846,043 | 415,730 |
| Other | - | 381,524 |
| Total Revenues | 37,907,324 | 37,745,531 |
| Expenses | | |
| Instruction | 19,903,939 | 20,901,674 |
| Support services | 13,922,043 | 12,614,355 |
| Community services | 277,792 | 251,231 |
| Payments to other governmental units | 1,044,857 | 1,107,337 |
| Debt service - interest and other | 1,003,092 | 333,780 |
| Depreciation/amortization - unallocated | 551,661 | 1,299,825 |
| Total Expenses | 36,703,384 | 36,508,202 |
| Change in Net Position | 1,203,940 | 1,237,329 |
| Net Position - Beginning | 8,113,219 | 6,875,890 |
| Net Position - Ending | $ 9,317,159 | $ 8,113,219 |

The following charts illustrate the District's revenues by source and expenses by function, as reported in the government-wide Statement of Activities.




**Financial Analysis of the District's Funds**

The District uses governmental funds to account for its financial activities. These funds provide information about the resources available to finance the District's educational programs, operations, capital improvements, and debt service obligations.

At June 30, 2026, the District's governmental funds reported combined ending fund balances of $22,362,958, an increase of $16,250,288 from the prior year. The increase was primarily attributable to proceeds from the issuance of long-term debt to finance capital improvements and refinance existing obligations.

The General Fund reported an ending fund balance of $3,623,824, an increase of $117,539 from the prior year. Revenues totaled $30,400,572, while expenditures totaled $30,283,033. The modest increase reflects revenues exceeding expenditures during the fiscal year.

The Operations and Maintenance Fund reported an ending fund balance of $2,490,303, an increase of $1,670,808 from the prior year. The increase resulted from revenues exceeding expenditures by $670,808 and a $1,000,000 transfer from the Capital Projects Fund, strengthening resources available for facility operations and maintenance.

The Capital Projects Fund reported an ending fund balance of $14,724,696, an increase of $14,821,499 from the prior year. The increase was primarily attributable to the issuance of $39,270,000 in bonds and debt certificates, partially offset by debt refunding transactions, interfund transfers, and capital expenditures. The remaining resources are restricted for capital-related purposes rather than general operations.

The Debt Service Fund reported an ending fund balance of $424,422, a decrease of $450,303 from the prior year. The Fund's activity was significantly affected by debt repayment and refunding transactions, including $17,568,753 in principal payments, substantially financed through transfers from the Capital Projects Fund.

The Transportation Fund reported an ending fund balance of $638,253, a decrease of $6,019 from the prior year. Revenues were slightly below expenditures, resulting in a relatively stable fund balance.

The Municipal Retirement/Social Security Fund reported an ending fund balance of $461,460, an increase of $96,764 from the prior year. The increase resulted from revenues exceeding expenditures, providing additional resources for retirement and Social Security obligations.

Although the District's combined governmental fund balances increased significantly, $18,788,716 of the total fund balance was restricted for specific purposes, including capital improvements, debt service, and other designated governmental activities. Accordingly, the increase does not represent an equivalent increase in resources available for general operations.

**Significant Capital Asset and Long-Term Financing Activity**

Capital Assets

At June 30, 2026, the District reported net capital assets of $23,156,393, an increase of $901,788 from the prior year. The increase resulted from capital asset additions of $1,453,449, partially offset by depreciation and amortization expense of $551,661.

Capital asset additions consisted primarily of $1,112,401 in construction in progress and $341,048 in building improvements and equipment. Construction in progress totaled $2,064,556 at year-end, reflecting the District's ongoing investment in facility improvements. At June 30, 2026, the District had remaining contractual commitments of approximately $12.9 million related to construction projects.

Long-Term Financing

At June 30, 2026, the District reported outstanding bonds and debt certificates of $26,295,000, an increase of $17,115,000 from the prior year. During the fiscal year, the District issued $39,270,000 in bonds and debt certificates to finance capital improvements and refinance existing obligations.

The District's financing activities included the issuance of Series 2025A General Obligation Limited Tax School Bonds and Series 2025B General Obligation Limited Tax Refunding Bonds. The proceeds were used to support capital improvement projects, repay previously issued debt certificates, and refund portions of outstanding obligations. In connection with these transactions, $6,184,654 was deposited into an irrevocable escrow account for the refunding of existing bonds.

The District also reported outstanding lease liabilities of $74,031 at June 30, 2026, compared with $122,784 in the prior year. These obligations relate to leased copier equipment.

At June 30, 2026, the District had an available legal debt margin of approximately $34.1 million, providing additional borrowing capacity within statutory limitations.

Additional information regarding the District's capital assets, construction commitments, and long-term financing obligations is presented in the notes to the basic financial statements.

**Currently Known Facts, Decisions, or Conditions**

The District continues to address financial and operational needs associated with maintaining educational programs, improving facilities, and meeting future obligations.

The Board of Education approved a balanced budget for fiscal year 2027 that incorporates reductions in expenditures and staffing while maintaining educational programs and services. These measures reflect the District's efforts to manage increasing operating costs and limited revenue growth while maintaining financial stability.

The District is undertaking significant facility improvements, including the expansion of Eisenhower Elementary School to accommodate the State's full-day kindergarten requirements beginning in 2027. Existing construction commitments are expected to result in additional capital expenditures in subsequent fiscal years, financed primarily through previously issued bond proceeds.

The District has also proposed an operating tax referendum for November 3, 2026, seeking an increase in its operating tax rate. If approved, the measure is estimated to generate up to $4 million annually in additional property tax revenues to support educational programs, staffing, and student services. The outcome of the referendum will affect the District's future revenue availability and operating decisions.

These known factors are expected to influence the District's financial position and results of operations in subsequent fiscal years.

**Requests for Information**

This financial report is intended to provide the District's citizens, taxpayers, creditors, and other interested parties with an overview of the District's financial position and activities and to demonstrate accountability for the financial resources entrusted to it. Questions regarding this report or requests for additional financial information should be directed to Amy McPartlin, Assistant Superintendent for Finance and Operations, Prospect Heights School District No. 23, 700 N. Schoenbeck Road, Prospect Heights, Illinois 60070.

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**BASIC FINANCIAL STATEMENTS**

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EXHIBIT A

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
STATEMENT OF NET POSITION
JUNE 30, 2026

| | Governmental Activities |
|---|---|
| ASSETS | |
| Cash and investments | $ 21,571,001 |
| Receivables (net of allowance for uncollectibles) | 12,626,850 |
| Capital assets not being depreciated | 2,470,494 |
| Capital assets, net of accumulated depreciation/amortization | 20,685,899 |
| Net pension asset | 530,521 |
| Total Assets | 57,884,765 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding | 1,526,852 |
| Deferred outflows related to pensions | 271,547 |
| Deferred outflows related to other post employment benefits | 653,750 |
| Total Deferred Outflows of Resources | 2,452,149 |
| LIABILITIES | |
| Accounts payable | 6,682 |
| Payroll deductions payable | 115,846 |
| Accrued interest payable | 25,729 |
| Long-term liabilities | |
| Due within one year | 1,146,528 |
| Due in more than one year | 30,685,467 |
| Total Liabilities | 31,980,252 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property taxes levied for a future period | 12,193,939 |
| Deferred inflows related to pensions | 1,328,432 |
| Deferred inflows related to other post employment benefits | 5,517,132 |
| Total Deferred Inflows of Resources | 19,039,503 |
| NET POSITION | |
| Net investment in capital assets | 17,046,566 |
| Restricted | |
| Student activities | 49,582 |
| Operations and maintenance | 2,490,303 |
| Student transportation | 638,253 |
| Retirement | 461,460 |
| Debt service | 398,693 |
| Capital projects | 14,724,696 |
| Unrestricted | (26,492,394) |
| Total Net Position | $ 9,317,159 |

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

EXHIBIT B

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Change in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| Governmental Activities | | | | | |
| Instruction | $ 13,111,558 | $ 787,135 | $ 753,904 | $ - | $ (11,570,519) |
| State on-behalf retirement | 6,792,381 | - | 6,792,381 | - | - |
| Support services | 13,922,043 | 469,550 | 1,579,531 | 640,718 | (11,232,244) |
| Community services | 277,792 | - | - | - | (277,792) |
| Payments to other governmental units | 1,044,857 | - | - | - | (1,044,857) |
| Debt Service | | | | | |
| Interest and other | 1,003,092 | - | - | - | (1,003,092) |
| Depreciation/amortization - unallocated | 551,661 | - | - | - | (551,661) |
| Total | $ 36,703,384 | $ 1,256,685 | $ 9,125,816 | $ 640,718 | (25,680,165) |
| General Revenues | | | | | |
| Property taxes, levied for general purposes | | | | | 22,477,356 |
| Property taxes, levied for debt service | | | | | 1,472,951 |
| Corporate replacement taxes | | | | | 114,723 |
| Unrestricted state aid | | | | | 1,973,032 |
| Earnings on investments | | | | | 846,043 |
| Total | | | | | 26,884,105 |
| CHANGE IN NET POSITION | | | | | 1,203,940 |
| NET POSITION, BEGINNING | | | | | 8,113,219 |
| NET POSITION, ENDING | | | | | $ 9,317,159 |

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

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PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2026

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Municipal Retirement/ Social Security Fund |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and investments | $ 3,343,213 | $ 2,192,252 | $ 615,430 | $ 446,144 |
| Restricted assets | | | | |
| Cash, restricted for student activities | 49,582 | - | - | - |
| Receivables (net of allowance for uncollectibles) | | | | |
| Property taxes | 9,658,280 | 839,034 | 570,847 | 382,806 |
| Replacement taxes | 22,586 | - | - | - |
| Intergovernmental | 135,607 | 274,718 | - | - |
| Total Assets | $ 13,209,268 | $ 3,306,004 | $ 1,186,277 | $ 828,950 |
| LIABILITIES | | | | |
| Cash overdraft | $ 195,257 | $ - | $ - | $ - |
| Accounts payable | 6,682 | - | - | - |
| Payroll deductions payable | 107,231 | 8,579 | 36 | - |
| Total Liabilities | 309,170 | 8,579 | 36 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 9,276,274 | 807,122 | 547,988 | 367,490 |
| Total Deferred Inflows of Resources | 9,276,274 | 807,122 | 547,988 | 367,490 |
| FUND BALANCES | | | | |
| Restricted | 49,582 | 2,490,303 | 638,253 | 461,460 |
| Unassigned | 3,574,242 | - | - | - |
| Total Fund Balances | 3,623,824 | 2,490,303 | 638,253 | 461,460 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 13,209,268 | $ 3,306,004 | $ 1,186,277 | $ 828,950 |

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

| Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---|---|
| $ 394,941 | $ 14,724,696 | $ 21,716,676 |
| - | - | 49,582 |
| 742,972 | - | 12,193,939 |
| - | - | 22,586 |
| - | - | 410,325 |
| $ 1,137,913 | $ 14,724,696 | $ 34,393,108 |
| $ - | $ - | $ 195,257 |
| - | - | 6,682 |
| - | - | 115,846 |
| - | - | 317,785 |
| 713,491 | - | 11,712,365 |
| 713,491 | - | 11,712,365 |
| 424,422 | 14,724,696 | 18,788,716 |
| - | - | 3,574,242 |
| 424,422 | 14,724,696 | 22,362,958 |
| $ 1,137,913 | $ 14,724,696 | $ 34,393,108 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEETS TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

| | | |
|---|---|---|
| Total fund balances - governmental funds (Exhibit C) | | $ 22,362,958 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 23,156,393 |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position. | | |
| Deferred outflows - pension related | $ 271,547 | |
| Deferred inflows - pension related | (1,328,432) | |
| Deferred outflows - other post-employment benefits related | 653,750 | |
| Deferred inflows - other post-employment benefits related | (5,517,132) | (5,920,267) |
| Deferred inflows of resources related to property taxes do not relate to current financial resources and are not included in the funds. | | (481,574) |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. | | |
| Leases payable | (74,031) | |
| Bonds payable | (26,295,000) | |
| Accrued interest payable on long-term debt | (25,729) | |
| Compensated absences | (46,448) | |
| Net pension liability | (1,004,767) | |
| Net pension (asset) | 530,521 | |
| Net OPEB liability | (3,699,101) | (30,614,555) |
| Governmental funds report the effects of premiums, discounts, and refundings and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. | | |
| Deferred amount on refunding | 1,526,852 | |
| Premium on bonds | (712,648) | 814,204 |
| Total net position - governmental activities (Exhibit A) | | $ 9,317,159 |

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

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PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2026

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Municipal Retirement/ Social Security Fund |
|---|---|---|---|---|
| REVENUES | | | | |
| Local sources | $ 20,701,276 | $ 2,299,233 | $ 1,200,870 | $ 807,875 |
| State sources | 2,043,630 | 640,718 | 855,612 | - |
| State on-behalf retirement | 6,273,403 | - | - | - |
| Federal sources | 1,382,263 | - | - | 24,962 |
| Total Revenues | 30,400,572 | 2,939,951 | 2,056,482 | 832,837 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 13,849,164 | - | - | 286,167 |
| State on-behalf retirement | 6,273,403 | - | - | - |
| Support services | 8,768,040 | 2,158,350 | 1,921,270 | 430,659 |
| Community services | 258,545 | - | - | 19,247 |
| Payments to other governmental units | 903,626 | - | 141,231 | - |
| Capital outlay | 230,255 | 110,793 | - | - |
| Debt Service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Other | - | - | - | - |
| Total Expenditures | 30,283,033 | 2,269,143 | 2,062,501 | 736,073 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 117,539 | 670,808 | (6,019) | 96,764 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 1,000,000 | - | - |
| Transfers out | - | - | - | - |
| Bonds issued | - | - | - | - |
| Premium on bonds issued | - | - | - | - |
| Payment to bond escrow agent | - | - | - | - |
| Total Other Financing Sources (Uses) | - | 1,000,000 | - | - |
| NET CHANGE IN FUND BALANCES | 117,539 | 1,670,808 | (6,019) | 96,764 |
| FUND BALANCE (DEFICIT), BEGINNING | 3,506,285 | 819,495 | 644,272 | 364,696 |
| FUND BALANCE, ENDING | $ 3,623,824 | $ 2,490,303 | $ 638,253 | $ 461,460 |

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

| Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---|---|
| $ 1,529,931 | $ 31,413 | $ 26,570,598 |
| - | - | 3,539,960 |
| - | - | 6,273,403 |
| - | - | 1,407,225 |
| 1,529,931 | 31,413 | 37,791,186 |
| | | |
| - | - | 14,135,331 |
| - | - | 6,273,403 |
| - | - | 13,278,319 |
| - | - | 277,792 |
| - | - | 1,044,857 |
| - | 1,112,401 | 1,453,449 |
| 17,568,753 | - | 17,568,753 |
| 670,869 | - | 670,869 |
| 400,508 | - | 400,508 |
| 18,640,130 | 1,112,401 | 55,103,281 |
| (17,110,199) | (1,080,988) | (17,312,095) |
| 16,659,896 | - | 17,659,896 |
| - | (17,659,896) | (17,659,896) |
| - | 39,270,000 | 39,270,000 |
| - | 477,037 | 477,037 |
| - | (6,184,654) | (6,184,654) |
| 16,659,896 | 15,902,487 | 33,562,383 |
| (450,303) | 14,821,499 | 16,250,288 |
| 874,725 | (96,803) | 6,112,670 |
| $ 424,422 | $ 14,724,696 | $ 22,362,958 |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

| | | |
|---|---|---|
| Total net change in fund balances-governmental funds (Exhibit D) | | $ 16,250,288 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period. | | |
| Depreciation/amortization expense | $ (551,661) | |
| Capital outlays capitalized as assets | 1,453,449 | 901,788 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Earned but unavailable taxes | | (402,840) |
| Bonds and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Issuance of bonds and debt certificates | (39,270,000) | |
| Payment to escrow agent | 6,184,654 | |
| Premium | (477,037) | |
| Principal paid on bonds, debt certificates, and leases | 17,568,753 | (15,993,630) |
| Some amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds. | | |
| Accrued interest on long-term debt | (25,729) | |
| Amortization of bond premiums | 116,816 | |
| Amortization of deferred amounts of refunding | (22,802) | |
| Compensated absences | 5,712 | |
| Changes in pension and related deferred outflows and deferred inflows of resources | (594,361) | |
| Changes in other post-employment benefits and related deferred outflows and deferred inflows of resources | 968,698 | 448,334 |
| Change in net position of governmental activities (Exhibit B) | | $ 1,203,940 |

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prospect Heights School District No. 23 (the "District") operates as a public school district governed by an elected Board of Education. The District is organized under the provisions of the School Code of the State of Illinois.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies followed by the District in preparing these financial statements are described below.

### A. Financial Reporting Entity

The accompanying financial statements include all organizations, activities, and functions for which the District is financially accountable. Component units are legally separate organizations for which the District, as the primary government, is financially accountable. Financial accountability exists when the District appoints a voting majority of an organization's governing body and either (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District.

Based on these criteria, the District has no component units. In addition, the District is not considered a component unit of any other governmental reporting entity.

### B. Basis of Presentation

*Government-Wide Financial Statements*

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report information on all nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. The District reports only governmental activities, which are generally supported by taxes, intergovernmental revenues, and other nonexchange revenues. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues that do not meet the definition of program revenues are reported as general revenues.

*Governmental Funds Financial Statements*

Governmental fund financial statements are used to account for the District's general governmental activities. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or objectives in accordance with applicable laws, regulations, restrictions, or limitations. The District maintains the minimum number of funds consistent with legal and managerial requirements.

Separate financial statements are presented for the District's governmental funds. Fiduciary funds, if any, would be reported separately and excluded from the government-wide financial statements. The District has no fiduciary funds.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of when cash flows occur. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar revenues are recognized when all applicable eligibility requirements have been satisfied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when measurable and available to finance current-period expenditures. The District considers property taxes available if collected within 60 days after year-end. State and federal revenues are considered available if vouchered by the Illinois State Board of Education by June 30, 2026, and normally collected within 60 days thereafter.

Expenditures generally are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized when due. Expenditures for compensated absences and claims and judgments are recognized when payment is due.

On-behalf payments made by the State of Illinois to the Teachers' Retirement System (TRS) and Teachers' Health Insurance Security (THIS) Fund are recognized as revenues and expenditures.

Property taxes, replacement taxes, certain state and federal aid, and investment earnings are recognized when measurable and available. Other revenues generally are recognized when received.

Grant revenues are recognized when eligibility requirements have been satisfied and the amounts are measurable and available. Amounts received before eligibility requirements are met are reported as liabilities until those requirements are satisfied.

The funds of the District are described below:

**Governmental Funds**

*General Fund* – The General Fund is the District's primary operating fund and is used to account for all financial resources not required to be accounted for in another fund. The Educational, Working Cash, and Tort Accounts are included in the General Fund.

*Special Revenue Funds* – The Special Revenue Funds consist of the Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund. These funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

*Debt Service Fund* – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs on the District's general long-term debt.

*Capital Projects Fund* – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities.

*Proprietary Funds*

The District has no proprietary funds.

*Fiduciary Funds*

The District has no fiduciary funds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Major and Non-major Funds**

An emphasis is placed on major governmental funds. The General Fund is always considered a major fund. Other governmental funds are considered major if they meet the applicable quantitative criteria established by GASB. The District may also report any other governmental fund as a major fund when management believes separate presentation is useful to financial statement users.

*The District has elected to report all governmental funds as major funds.*

The District's major funds are as follows:

*General Fund* – See above for description.

*Operations and Maintenance Fund* – Accounts for expenditures related to the operation, repair, and maintenance of the District's buildings and grounds. Revenues are derived primarily from local property taxes and other available funding sources.

*Transportation Fund* – Accounts for revenues and expenditures related to student transportation. Revenues are derived primarily from local property taxes and state transportation reimbursements.

*Municipal Retirement/Social Security Fund* – Accounts for the District's required contributions to the Illinois Municipal Retirement Fund, Social Security, and Medicare for eligible employees. Revenues are derived primarily from local property taxes and personal property replacement taxes.

*Debt Service Fund* – Accounts for the accumulation of resources for, and the payment of, principal, interest, and related costs on the District's general long-term debt.

*Capital Projects Fund* – Accounts for financial resources used for the acquisition, construction, or improvement of major capital facilities.

**D. Equity Classifications/Fund Balance Reporting**

*Net Position*

Net position is reported in three components: net investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding principal of debt attributable to the acquisition, construction, or improvement of those assets. Unspent proceeds of capital-related debt are not included in this component.

*Restricted Net Position* – Consists of net position subject to constraints on its use that are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – Consists of net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for the same purpose, it is the District's policy to use restricted resources first, followed by unrestricted resources.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Governmental Fund Balance Reporting*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

*Nonspendable* – Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. Amounts not in spendable form include items such as inventories and prepaid amounts.

*Restricted* – Includes amounts subject to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

At June 30, 2026, restricted governmental fund balances were reported for Student Activities, Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, and Capital Projects. The restricted fund balance for Student Activities totaled $49,582 and is reported in the General Fund.

The District also accounts for restricted revenues, including special education property taxes, Tort Fund property taxes, and state and federal grants. Although Tort Fund resources are restricted for specific purposes, the Tort Account reported a deficit fund balance at June 30, 2026, which is included in the unassigned fund balance of the General Fund. Accordingly, no restricted fund balance is reported for the Tort Account. Similarly, no restricted fund balance is reported for other restricted revenue sources when related expenditures have exhausted available resources.

*Committed* – Includes amounts that may be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Committed amounts may be changed or removed only through the same type of formal action used to establish the commitment. The District had no committed fund balance at June 30, 2026.

*Assigned* – Includes amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. The District had no assigned fund balance at June 30, 2026.

*Unassigned* – Represents the residual fund balance classification for the General Fund and includes amounts not classified as nonspendable, restricted, committed, or assigned.

*Fund Balance Spending Policy* – When an expenditure is incurred for a purpose for which restricted, committed, assigned, and unassigned fund balance is available, the District considers restricted amounts to be spent first, followed by committed, assigned, and finally unassigned amounts.

**E. Cash and Investments**

Illinois statutes authorize the District to invest in various types of investments, subject to the provisions and restrictions established by applicable state law. Investments are generally reported at fair value, except for qualifying investments and investment pools that are reported at amortized cost or net asset value, as applicable. Changes in fair value, including unrealized gains and losses, are recognized as investment income. Realized gains and losses are recognized upon the sale of investments.

**F. Receivables**

In the government-wide financial statements, receivables include earned but uncollected revenues, net of allowances for uncollectible amounts based on historical experience.

In the governmental fund financial statements, receivables are recognized when measurable, with related revenues recognized when measurable and available. Unavailable revenues are reported as deferred inflows of resources until the availability criteria are met.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### G. Capital Assets

Capital assets, including land, construction in progress, land improvements, buildings and improvements, equipment and vehicles, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost exceeding $5,000 and an estimated useful life of more than one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost, while donated assets are recorded at acquisition value as of the date of donation.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Land improvements: 10–20 years
- Buildings and improvements: 20–50 years
- Equipment, including vehicles: 5–20 years

Land and construction in progress are not depreciated.

In the governmental fund financial statements, capital asset acquisitions are reported as capital outlay expenditures in the period acquired.

### H. Deferred Outflows of Resources

In addition to assets, the statement of net position reports deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future reporting period and, therefore, will not be recognized as an expense until that future period.

The District reports deferred outflows of resources related to pensions, other postemployment benefits, and deferred charges on refunding of debt in the government-wide statement of net position. Pension and other postemployment benefit amounts arise from differences between expected and actual experience, changes in actuarial assumptions, differences between projected and actual investment earnings, changes in the District's proportionate share, and contributions made subsequent to the measurement date. Deferred charges on refunding represent the excess of the reacquisition price over the net carrying amount of refunded debt and are amortized over the shorter of the remaining life of the refunded debt or the life of the new debt.

### I. Long-Term Liabilities

In the government-wide financial statements, long-term liabilities, including bonds payable, debt certificates, and lease liabilities, are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable debt using the effective interest method. Debt issuance costs are expensed when incurred. Bonds payable and debt certificates are reported net of applicable premiums or discounts.

In the governmental fund financial statements, proceeds from bonds, debt certificates, and leases are reported as other financing sources. Bond premiums and discounts are recognized as other financing sources or uses, respectively, in the period of issuance. Debt issuance costs are reported as debt service expenditures when incurred. Principal and interest payments on long-term liabilities are recognized as expenditures when due.

*Leases*

The District is a lessee under noncancelable lease agreements for certain copier equipment. In the government-wide financial statements, the District recognizes a lease liability and a corresponding right-to-use lease asset for leases that meet the applicable recognition criteria.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

At the commencement of a lease, the lease liability is initially measured at the present value of payments expected to be made during the lease term. The lease liability is subsequently reduced by the principal portion of lease payments made.

The right-to-use lease asset is initially measured based on the amount of the initial lease liability, adjusted for payments made at or before commencement and for certain other amounts, as applicable. The lease asset is subsequently amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset, unless ownership of the underlying asset transfers to the District at the end of the lease term.

Key estimates and judgments used in accounting for leases include the determination of the lease term, the discount rate, and the lease payments included in the measurement of the lease liability.

The District uses the interest rate implicit in the lease when that rate is readily determinable. When the implicit rate is not readily determinable, the District uses its estimated incremental borrowing rate as the discount rate.

**J. Compensated Absences**

The District provides vacation and sick leave benefits to eligible employees in accordance with established policies and employment agreements. Unused leave may accumulate and be carried forward, subject to applicable limitations.

A liability is recognized in the government-wide financial statements for accumulated compensated absences attributable to services already rendered that are more likely than not to be used or paid. The liability is measured using applicable employee pay rates, including directly related salary costs.

In the governmental fund financial statements, compensated absences are recognized as expenditures when payments are due.

**K. Deferred Inflows of Resources**

In addition to liabilities, the financial statements report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future reporting period and, therefore, will not be recognized as revenue until that future period.

The District reports deferred inflows of resources related to property taxes, pensions, and other postemployment benefits.

Property taxes that are not recognized as revenue in the current period because they are applicable to a future reporting period are reported as deferred inflows of resources.

Deferred inflows related to pensions and other postemployment benefits are reported in the government-wide statement of net position. These amounts result from differences between expected and actual experience, changes in actuarial assumptions, differences between projected and actual investment earnings, changes in the District's proportionate share, and differences between District contributions and its proportionate share of contributions. These amounts are recognized as expense reductions in future periods in accordance with the applicable accounting requirements.

**L. Property Tax Revenues**

The District annually adopts a property tax levy in accordance with Illinois law. The 2025 tax levy was approved by the Board of Education on December 15, 2025, and the 2024 tax levy was approved on December 12, 2024.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property taxes are assessed and collected by Cook County. Taxes attach as an enforceable lien on real property as of January 1 of the levy year and are generally payable in two installments during the following calendar year, in accordance with the County's collection schedule. The District receives property tax distributions as collections are remitted by the Cook County Treasurer.

The District is subject to the Property Tax Extension Limitation Law (PTELL), which generally limits annual increases in aggregate property tax extensions, excluding certain debt service levies, to the lesser of 5 percent or the increase in the Consumer Price Index for the preceding year. The limitation is adjusted for eligible new property growth, including new construction, annexations, and property becoming taxable upon expiration of a tax increment financing designation.

### M. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund as required, with any remaining amounts allocated to other District funds in accordance with applicable requirements.

### N. Program Revenues

Program revenues reported in the Statement of Activities include (1) charges for services, including tuition and fees, and (2) operating and capital grants and contributions that are restricted to supporting the operational or capital requirements of a particular function or program. Taxes and other revenues that do not meet the criteria for classification as program revenues, including taxes levied for specific purposes, are reported as general revenues.

### O. Interfund Activity, Eliminations, and Reclassifications

Interfund activity includes loans, services, reimbursements, and transfers. Loans are reported as interfund receivables and payables, services as revenues and expenditures, and reimbursements as reductions of related expenditures. All other interfund activity is reported as transfers.

Interfund balances and transactions are eliminated or reclassified, as appropriate, in the government-wide financial statements.

### P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates.

## NOTE 2 – CASH AND INVESTMENTS

The District participates in the Wheeling Township Treasury Intergovernmental Agreement, administered by Township High School District No. 214. Under this agreement, the Treasury provides cash management, investment, and disbursement services to participating school districts. The Treasury is responsible for receiving and disbursing District funds and investing available cash in accordance with applicable Illinois statutes and established investment policies.

Cash and investments held by the Treasury, excluding student activity accounts, imprest funds, petty cash, and other separately maintained accounts, are pooled with those of participating school districts. The Treasury maintains separate accounting records identifying the balances attributable to each district and fund. Investment earnings are allocated monthly based on each district's proportionate participation in the pool. Investment policies are established under the Wheeling Township Treasury Intergovernmental Agreement in accordance with applicable Illinois law.

## NOTE 2 – CASH AND INVESTMENTS (CONT'D)

The Treasury operates as an unrated external investment pool. The District's investment in the pool is determined based on its proportionate share of the investments held by the Treasury. The Treasury maintains various investments and deposits with financial institutions, including money market investments and certificates of deposit. Additional information regarding the composition, maturities, and fair values of investments held by the Treasury is maintained by the Treasury.

### Custodial Credit Risk – Township Treasury

The weighted average maturity of the Treasury's pooled investments was 5.83 years for U.S. Agency securities, 1.25 years for U.S. Treasury securities, and 0.24 years for negotiable certificates of deposit at June 30, 2026. The Treasury also maintains money market investments, investment pools, and deposits with financial institutions, including certificates of deposit. Total investments held by the Treasury were $318,935,593, reported at cost, and the District's proportionate share of total pooled cash and investments was $21,511,419, or approximately 6.41%.

Because cash and investments are pooled by the Treasury, the District's individual exposure to custodial credit risk is not separately determinable. At June 30, 2026, the Treasury reported that its bank balances totaling $224,991,422 were fully insured or collateralized. Additional information regarding the Treasury's investments, collateralization, and related risk exposures is available in the Treasury's separately issued financial statements.

### Custodial Credit Risk – District

The District maintains certain cash and investment accounts outside the Treasury, including student activity accounts and other separately maintained funds.

At June 30, 2026, the carrying amount of the District's separately maintained cash and investments totaled $65,529. Of this amount, $55,529 was held in the Illinois School District Liquid Asset Fund Plus (ISDLAF+) PMA Liquid Account.

ISDLAF+ is an external investment pool established to provide Illinois school districts and other eligible governmental entities with investment and cash management services. Investments in the pool are not subject to custodial credit risk applicable to bank deposits or directly held investment securities.

## NOTE 3 – PROPERTY TAXES

Property taxes are levied annually by the District and collected by the Cook County Treasurer. Taxes are payable in two installments during the following calendar year. The first installment, generally due March 1, is based on 55 percent of the prior year's tax bill. The second installment reflects the remaining taxes due based on the current levy and assessed valuation. Tax distributions are generally received within 60 days of the installment due dates.

The 2025 property tax levy is recognized as a receivable in fiscal year 2026, net of estimated uncollectible taxes of approximately 2% and amounts previously collected. The District designated the first installment to finance fiscal year 2026 operations and the second installment to finance fiscal year 2027 operations. Amounts attributable to fiscal year 2027 are reported as deferred inflows of resources.

In the governmental fund financial statements, property tax revenues are recognized when measurable and available, generally within 60 days after year-end. Current-year revenues not meeting the availability criterion are reported as deferred inflows of resources.

In the government-wide financial statements, property tax revenues are recognized in the fiscal year they are intended to finance, regardless of collection. Amounts attributable to future fiscal years are reported as deferred inflows of resources.

## NOTE 4 – ACCOUNTS RECEIVABLE

At June 30, 2026, accounts receivable reported in the government-wide Statement of Net Position totaled $12,626,850, net of allowances for uncollectible amounts. This balance consisted of $12,193,939 in property taxes receivable, $22,586 in replacement taxes receivable, and $410,325 in intergovernmental receivables.

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| *Governmental Activities* | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 405,938 | $ - | $ - | $ 405,938 |
| Construction in progress | 952,155 | 1,112,401 | - | 2,064,556 |
| Total | 1,358,093 | 1,112,401 | - | 2,470,494 |
| Capital assets being depreciated/ amortized | | | | |
| Land improvements | 1,927,800 | - | - | 1,927,800 |
| Buildings and improvements | 28,713,089 | 168,551 | - | 28,881,640 |
| Equipment and vehicles | 3,403,624 | 172,497 | - | 3,576,121 |
| Leased equipment | 284,784 | - | - | 284,784 |
| Total | 34,329,297 | 341,048 | - | 34,670,345 |
| Less accumulated depreciation/ amortization | | | | |
| Land improvements | 698,429 | 61,469 | - | 759,898 |
| Buildings and improvements | 9,537,232 | 385,203 | - | 9,922,435 |
| Equipment and vehicles | 3,030,430 | 45,944 | - | 3,076,374 |
| Leased equipment | 166,694 | 59,045 | - | 225,739 |
| Total | 13,432,785 | 551,661 | - | 13,984,446 |
| Net capital assets | $ 22,254,605 | $ 901,788 | $ - | $ 23,156,393 |

Depreciation/amortization expense is unallocated under functions/programs on the statement of activities.

## NOTE 6 – LONG-TERM LIABILITIES

### Leases Payable

The District has entered into a lease agreement for copier equipment. The lease provides for a purchase option at the end of the lease term based on the fair market value of the equipment. The related copier equipment has an estimated useful life of five years. Lease payments are made from the General Fund.

On February 7, 2022, the District entered into a five-year lease agreement with De Lage Landen for copiers. The initial lease liability was $284,784, with an interest rate of 5.84 percent. At June 30, 2026, the outstanding lease liability was $74,031. The right-to-use asset had a carrying value of $59,045, net of accumulated amortization of $225,739.

**NOTE 6 – LONG-TERM LIABILITIES (CONT'D)**

**General Obligation Bonds and Debt Certificates**

The following is a summary of the District's general obligation bonds and debt certificates outstanding at June 30, 2026, or issued during the year then ended:

| Purpose and Terms | Interest Rates | Original Indebtedness | Carrying Amount |
|---|---|---|---|
| Series 2019A General Obligation Limited Tax Working Cash Bonds — Dated February 13, 2019; annual installments through December 15, 2030; partially refunded during fiscal year 2026. | 4.00% | $ 2,775,000 | $ 1,080,000 |
| Series 2019B General Obligation Limited Tax Refunding Bonds — Dated February 13, 2019; annual installments through December 15, 2026. | 3.46%–3.56% | 1,315,000 | 510,000 |
| Series 2021 General Obligation Limited Tax School Bonds — Dated June 9, 2021; originally due in annual installments through December 15, 2031; partially refunded during fiscal year 2026. | 4.00% | 2,660,000 | 1,980,000 |
| Series 2022 General Obligation Limited Tax School Bonds — Dated November 2, 2022; originally due in annual installments through December 15, 2032; fully refunded in FY 2026. | 3.48% | 2,485,000 | - |
| Series 2025 General Obligation Debt Certificates — Issued during fiscal year 2026 and fully repaid from proceeds of the Series 2025A bond issuance. | 5.00% | 16,545,000 | - |
| Series 2025A General Obligation Limited Tax School Bonds — Issued October 3, 2025; due in annual installments through October 1, 2055. | 4.75%–5.00% | 20,445,000 | 20,445,000 |
| Series 2025B General Obligation Limited Tax Refunding Bonds — Issued October 3, 2025; due in annual installments through December 15, 2035. | 4.25%–4.70% | 2,280,000 | 2,280,000 |
| Total | | $ 48,505,000 | $ 26,295,000 |

**NOTE 6 – LONG-TERM LIABILITIES (CONT'D)**

**Summary**

The following is a summary of changes in long-term liabilities of the District for the year ended June 30, 2026:

| Governmental Activities | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Leases | $ 122,784 | $ - | $ 48,753 | $ 74,031 | $ 74,031 |
| Bonds and debt certificates | 9,180,000 | 39,270,000 | 22,155,000 | 26,295,000 | 1,025,000 |
| Unamortized bond premium | 352,427 | 477,037 | 116,816 | 712,648 | 43,414 |
| Net compensated absences | 52,160 | - | 5,712 | 46,448 | 4,083 |
| Net pensions* | 1,530,709 | - | 525,942 | 1,004,767 | - |
| Net other post-employment benefits (OPEB) | 3,323,746 | 375,355 | - | 3,699,101 | - |
| Totals | $ 14,561,826 | $ 40,122,392 | $ 22,852,223 | $ 31,831,995 | $ 1,146,528 |

*The District also reported a net pension asset of $530,521 at June 30, 2026, which is excluded from the long-term liabilities presented above.

**Annual Debt Service Requirements**

As of June 30, 2026, the annual debt service requirements to service all leases are:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $ 74,031 | $ 4,322 | $ 78,353 |
| Totals | $ 74,031 | $ 4,322 | $ 78,353 |

As of June 30, 2026, the annual debt service requirements to service all bonds are:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $ 1,025,000 | $ 1,233,093 | $ 2,258,093 |
| 2028 | 990,000 | 1,193,915 | 2,183,915 |
| 2029 | 365,000 | 1,166,815 | 1,531,815 |
| 2030 | 415,000 | 1,151,215 | 1,566,215 |
| 2031 | 465,000 | 1,133,615 | 1,598,615 |
| 2032–2036 | 3,150,000 | 5,302,744 | 8,452,744 |
| 2037–2041 | 2,935,000 | 4,476,065 | 7,411,065 |
| 2042–2046 | 3,300,000 | 3,794,690 | 7,094,690 |
| 2047–2051 | 5,415,000 | 2,717,565 | 8,132,565 |
| 2052–2056 | 8,235,000 | 1,028,336 | 9,263,336 |
| Totals | $ 26,295,000 | $ 23,198,053 | $ 49,493,053 |

## NOTE 6 – LONG-TERM LIABILITIES (CONT'D)

### Capitalized Interest Fund

In connection with the issuance of the Series 2025A General Obligation Bonds, the District deposited $1,538,360 of bond proceeds into a capitalized interest fund held by the bond trustee to provide for scheduled interest payments during the construction and initial development period of the project. Of this amount, $393,431 was applied to interest payments during fiscal year 2026, with the remaining $876,373 and $268,556 scheduled to fund interest payments in fiscal years 2027 and 2028, respectively. These amounts represent debt service funded from bond proceeds rather than future operating revenues of the District.

### Advance Refunding

During the fiscal year ended June 30, 2026, the District issued refunding bonds to partially refund its Series 2019A and Series 2021 bonds and fully refund its Series 2022 bonds. Proceeds totaling $6,184,654 were deposited into an irrevocable escrow trust to provide for future debt service payments on the refunded bonds. Accordingly, the refunded bonds are considered defeased, and the related liabilities have been removed from the District's financial statements.

The amount deposited into escrow exceeded the net carrying amount of the refunded debt by $1,549,654, which is reported as a deferred outflow of resources for the deferred charge on refunding and is being amortized over the shorter of the remaining life of the refunded debt or the life of the refunding debt. The refunding resulted in an economic loss of $516,014.

*Defeased Debt*

During fiscal year 2026, the District defeased certain outstanding general obligation bonds by placing proceeds of the refunding bonds in an irrevocable escrow account to provide for future debt service payments on the refunded bonds. Accordingly, the escrow account assets and the related liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2026, $2,180,000 of defeased bonds remained outstanding.

### Legal Debt Margin

Based on the 2025 equalized assessed valuation of $877,063,403, the District's statutory debt limit of 6.9% was $60,517,375. At June 30, 2026, outstanding debt subject to the legal debt limit totaled $26,369,031, leaving an available legal debt margin of $34,148,344.

## NOTE 7 – RETIREMENT SYSTEMS

### A. Illinois Municipal Retirement Fund (IMRF)

### IMRF Plan Description

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

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

**Benefits Provided**

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

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2025, the following employees were covered by the benefit terms:

| | IMRF |
|---|---|
| Retirees and Beneficiaries currently receiving benefits | 93 |
| Inactive Plan Members entitled to but not yet receiving benefits | 120 |
| Active Plan Members | 82 |
| Total | 295 |

**Contributions**

As required by statute, Regular Plan members contribute 4.5% of their annual covered salaries to IMRF, while employers contribute the amounts necessary to fund retirement benefits. The District's required contribution rate for calendar year 2025 was 7.24%, with total contributions of $264,235 for the fiscal year ended June 30, 2026. Employer contributions also fund disability, death, and supplemental retirement benefits, with rates established by the IMRF Board of Trustees or statute.

**Net Pension Liability/(Asset)**

The employer's net pension liability/(asset) was measured as of December 31, 2025. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability/(asset) at December 31, 2025:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For Non-Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| | | | Projected Returns/Risk | |
|---|---|---|---|---|
| Asset Class | Target Allocation | Return 12/31/2025 | One Year Arithmetic | Ten Year Geometric |
| Equities | 32.50% | 14.44% | 4.85% | 7.35% |
| International Equities | 18.00% | 32.71% | 4.95% | 7.45% |
| Fixed Income | 24.00% | 7.50% | 2.25% | 4.75% |
| Real Estate | 10.50% | 2.33% | 3.75% | 6.25% |
| Alternatives | 14.00% | 15.24% | | |
| Private Equity | | N/A | 6.00% | 8.50% |
| Hedge Funds | | N/A | N/A | N/A |
| Commodities | | N/A | 1.40% | 3.90% |
| Cash Equivalents | 1.00% | 4.35% | 0.50% | 3.00% |
| Total | 100.00% | | | |

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability/(asset). The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments while fiduciary net position is sufficient to pay benefits; and

2. The 20-year AA-rated tax-exempt municipal bond rate when fiduciary net position is not sufficient to pay benefits.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.83%; and the resulting single discount rate is 7.25%.

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

The following table shows the plan's net pension liability/(asset), using a Single Discount Rate as well as rates that are either one percentage point higher or lower.

| | 1% Decrease (6.25%) | Current Single Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Net Pension Liability/(Asset) | $ 1,323,913 | $ (530,521) | $ (2,033,800) |

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

For the year ended June 30, 2026, the employer recognized pension expense of $913,671. At June 30, 2026, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| *Deferred amounts to be recognized in pension expense in future periods* | | |
| Differences between expected and actual experience | $ 20,164 | $ 241,312 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,032,864 |
| Total deferred amounts to be recognized in pension expense in future periods | 20,164 | 1,274,176 |
| *Pension contributions made subsequent to the measurement date* | 130,590 | - |
| Total | $ 150,754 | $ 1,274,176 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

| Year Ending December 31 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2026 | $ 31,489 |
| 2027 | (569,616) |
| 2028 | (405,059) |
| 2029 | (310,826) |
| 2030 | - |
| Thereafter | - |
| Total | $ (1,254,012) |

**B. Teachers' Retirement System (TRS) of the State of Illinois**

**General Information about the Pension Plan**

*Plan Description*

The employer participates in the Teachers' Retirement System (TRS) of the State of Illinois. TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at **https://www.trsil.org**; by writing to TRS at 2815 W. Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

*Benefits Provided*

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

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

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

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, as subsequently amended, established temporary benefit buyout programs for eligible TRS members. During 2026, the programs were extended through June 30, 2028. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

*Contributions*

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2026, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

*On-behalf contributions to TRS*

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2026, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $5,644,855 in pension contributions from the State of Illinois.

*2.2 formula contributions*

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2026, were $75,283, and are deferred because they were paid after the June 30, 2025, measurement date.

*Federal and special trust fund contributions*

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

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

For the year ended June 30, 2026, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2026, salaries totaling $64,746 were paid from federal and special trust funds that required employer contributions of $6,694. These contributions are deferred because they were paid after the June 30, 2025, measurement date.

*Employer retirement contributions*

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

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2026, the employer paid $7,220 to TRS for employer contributions due on salary increases in excess of 6 percent, $-0- for excess of governor's statutory salary contributions, and $-0- for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2026, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

| | |
|---|---|
| Employer's proportionate share of the net pension liability | $ 1,004,767 |
| State's proportionate share of the net pension liability associated with the employer | 80,741,145 |
| Total | $ 81,745,912 |

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2025, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2025, the employer's proportion was 0.0011855445 percent and at June 30, 2024, the employer's proportion was 0.0011648491 percent.

For the year ended June 30, 2026, the District recognized the following TRS pension expense and revenue pertaining to the District's employees:

| | Governmental Activites | General Fund |
|---|---|---|
| State on-behalf contributions - TRS pension revenue and expense | $ 5,644,855 | $ 6,156,580 |
| District TRS pension expense (revenue) | 26,900 | 81,977 |

As of June 30, 2026, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| *Deferred amounts to be recognized in pension expense in future periods* | | |
| Differences between expected and actual experience | $ 2,804 | $ 1,609 |
| Changes of assumptions | 10,427 | 194 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 25,585 | 38,111 |
| Net difference between projected and actual earnings on pension plan investments | - | 14,342 |
| Total deferred amounts to be recognized in pension expense in future periods | 38,816 | 54,256 |
| *Pension contributions made subsequent to the measurement date* | 81,977 | - |
| Total | $ 120,793 | $ 54,256 |

$81,977 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2027 | $ (17,311) |
| 2028 | (2,889) |
| 2029 | 2,187 |
| 2030 | 1,239 |
| 2031 | 1,334 |
| Total | $ (15,440) |

*Actuarial Assumptions*

The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| **Inflation** | 2.50 percent |
| **Salary increases** | varies by amount of service credit |
| **Investment rate of return** | 7.00 percent, net of pension plan investment expense, including inflation |
| **Mortality** | PubT-2010 mortality tables, reflecting adjustments for TRS experience, with generational improvement based on the 2024 Adjusted Scale MP-2021 |

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method that develops expected future real rates of return for each major asset class. These rates are weighted by the target asset allocation and combined with expected inflation to determine the long-term expected rate of return. The target allocations and estimated real rates of return used by the actuary are summarized below:

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Global Equity | 37.00% | 4.59% |
| Private Equity | 15.00% | 7.93% |
| Public Income | 15.00% | 3.52% |
| Private Credit | 8.00% | 6.70% |
| Real Estate | 16.00% | 4.76% |
| Infra/Other Real Assets | 2.00% | 5.38% |
| Diversifying Strategies | 6.00% | 2.83% |
| Cash Equivalents | 1.00% | 0.25% |
| Total | 100.00% | |

The 2025 capital market assumption and TRS's current target asset allocation were provided by RVK, TRS investment consultant.

*Discount Rate*

At June 30, 2025, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2024, rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutory-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2025, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table shows the plan's net pension liability, using a Single Discount Rate as well as rates that are either one percentage point higher or lower.

| | 1% Decrease (6.00%) | Current Single Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Net Pension Liability/(Asset) | $ 1,249,945 | $ 1,004,767 | $ 801,323 |

*TRS Fiduciary Net Position*

Detailed information about the TRS's fiduciary net position as of June 30, 2025, is available in the separately issued TRS *Annual Comprehensive Financial Report*.

**A. Aggregate Pension Amounts**

For the year ended June 30, 2026, aggregate pension amounts are as follows:

**NOTE 7 – RETIREMENT SYSTEMS (CONT'D)**

| | IMRF | TRS | Total |
|---|---|---|---|
| Deferred Outflows of Resources | $ 150,754 | $ 120,793 | $ 271,547 |
| Net Pension Liability/(Asset) | (530,521) | 1,004,767 | 474,246 |
| Deferred Inflows of Resources | 1,274,176 | 54,256 | 1,328,432 |
| Pension Expense/(Revenue), Net of State Support | 913,671 | 26,900 | 940,571 |

**B. Social Security/Medicare**

Employees not covered by TRS or IMRF are classified as nonparticipating employees. Both nonparticipating and IMRF-covered employees are subject to Social Security and Medicare.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS**

**A. Teachers' Health Insurance Security (THIS) Fund**

**General Information about the Plan**

*Plan Description*

The employer participates in the Teachers' Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

*Benefits Provided*

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

*Contributions*

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

*On-behalf contributions to THIS*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2026. State of Illinois contributions were $1,147,526 and the employer recognized revenue and expenditures of this amount during the year.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

*Contributions to THIS*

State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2026. State of Illinois contributions were $116,823.

*Employer contributions to THIS*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2026. For the year ended June 30, 2026, the employer paid $86,968 to the THIS Fund, which was 100 percent of the required contribution. The contributions are deferred because they were paid after the June 30, 2025, measurement date.

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

As of June 30, 2026, the employer reported a liability for its proportionate share of the net OPEB liability (first amount shown below). The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the employer were as follows:

| | |
|---|---|
| Employer's proportionate share of the net OPEB liability | $ 3,699,101 |
| State's proportionate share of the net OPEB liability associated with the employer | 5,018,049 |
| Total | $ 8,717,150 |

The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025. The employer's proportion of the net OPEB liability was based on the employer's share of contributions to OPEB for the measurement year ended June 30, 2025, relative to the projected contributions of all participating OPEB employers and the state during that period. At June 30, 2025, the employer's proportion was 0.041173 percent and at June 30, 2024, was 0.042017 percent.

For the year ended June 30, 2026, the District recognized the following OPEB expense and revenue pertaining to the District's employees:

| | Governmental Activities | General Fund |
|---|---|---|
| State on-behalf contributions -THIS OPEB revenue and expense | $ 1,147,526 | $ 116,823 |
| District THIS OPEB expense (revenue) | (881,714) | (86,968) |

As of June 30, 2026, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

| Deferred Amounts Related to OPEB | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| *Deferred amounts to be recognized in OPEB expense in future periods* | | |
| Differences between expected and actual experience | $ 377,035 | $ 1,110,098 |
| Changes of assumptions | 85,204 | 3,914,509 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 104,543 | 486,577 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 5,948 |
| Total deferred amounts to be recognized in OPEB expense in future periods | 566,782 | 5,517,132 |
| *OPEB contributions made subsequent to the measurement date* | 86,968 | - |
| Total | $ 653,750 | $ 5,517,132 |

$86,968 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the reporting year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2027 | $ (1,227,419) |
| 2028 | (1,211,456) |
| 2029 | (1,114,646) |
| 2030 | (857,155) |
| 2031 | (625,637) |
| Thereafter | 85,961 |
| Total | $ (4,950,352) |

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

| | |
|---|---|
| **Inflation** | 2.25 percent |
| **Salary increases** | varies by amount of service credit |
| **Investment rate of return** | 2.75 percent, net of OPEB plan investment expense, including inflation |
| **Healthcare cost trend rates** | based on actual premium increases |
| **Mortality** | PubT-2010 mortality tables, reflecting adjustments for TRS experience, with generational improvement based on the 2024 Adjusted Scale MP-2021 |

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Since THIS is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index.

*Discount Rate*

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). The discount rates are 3.97 percent as of June 30, 2024, and 5.20 percent as of June 30, 2025.

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

The following table shows the plan's net OPEB liability, using a Single Discount Rate as well as rates that are either one percentage point higher or lower.

| | 1% Decrease (4.20%) | Current Single Discount Rate (5.20%) | 1% Increase (6.20%) |
|---|---|---|---|
| Net OPEB Liability/(Asset) | $ 4,133,636 | $ 3,699,101 | $ 3,324,521 |

*Sensitivity of the Employer's Proportionate Share of the Net* OPEB *Liability to Changes in the Health Care Trend Rate*

The following table shows the plan's net OPEB liability, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower.

| | 1% Decrease | Healthcare Cost Trend Rates Assumption | 1% Increase |
|---|---|---|---|
| Net OPEB Liability/(Asset) | $ 3,209,798 | $ 3,699,101 | $ 4,294,629 |

**Further information on the THIS Fund**

The THIS Fund's financial reports are publicly available through the Illinois Auditor General's website under "Central Management Services."

## NOTE 9 – INTERFUND LOANS AND TRANSFERS

Interfund Loans

Interfund loans represent amounts provided by one fund to another with the expectation of repayment. Interfund loans are reported as interfund receivables (due from other funds) in the lending fund and interfund payables (due to other funds) in the borrowing fund. Interfund loans are eliminated in the government-wide financial statements.

At June 30, 2026, the District had no outstanding interfund loans.

Interfund Transfers

Interfund transfers represent transfers of financial resources between funds that are not expected to be repaid. Transfers are generally used to finance activities or obligations that are accounted for in a fund other than the fund receiving the underlying revenues. Interfund transfers are reported as other financing sources in the receiving fund and other financing uses in the transferring fund and are eliminated in the government-wide financial statements.

During the fiscal year ended June 30, 2026, the District reported interfund transfers totaling $17,659,896. The Capital Projects Fund transferred $16,545,000 to the Debt Service Fund for repayment of the Series 2025 General Obligation Debt Certificates and $114,896 for related interest payments. Additionally, the Capital Projects Fund transferred $1,000,000 to the Operations and Maintenance Fund for operational purposes.

## NOTE 10 – 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 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.

## NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to manage these risks of loss. During fiscal year 2026 there was no significant reduction in insurance coverage for any category.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## NOTE 12 – JOINT AGREEMENTS

The District is a member of the Northwest Suburban Special Education Organization (NSSEO), a joint agreement established to provide special education programs and services to participating school districts. Member districts share financial responsibility for annual and special assessments as established by NSSEO's governing board.

## NOTE 13 – CONTINGENCIES

The District is subject to various laws, regulations, and contractual agreements, and other matters arising in the ordinary course of operations. At June 30, 2026, the District had outstanding construction commitments as disclosed in Note 14. Management is not aware of any claims, litigation, or other contingencies that are expected to have a material effect on the District’s financial statements.

## NOTE 14 – CONSTRUCTION COMMITMENTS

At June 30, 2026, the District had outstanding construction contracts totaling $13,273,674, of which $347,756 had been paid through year-end, leaving remaining contractual commitments of $12,925,918.

## NOTE 15 – IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

During the fiscal year ended June 30, 2026, the District implemented GASB Statement No. 103, Financial Reporting Model Improvements. The implementation resulted in changes to the presentation of certain financial statement information, including management's discussion and analysis, to conform with the updated financial reporting requirements.

## NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2026, the date the financial statements were available to be issued. No events or transactions occurring subsequent to June 30, 2026, were identified that require recognition or disclosure in the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

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PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
MOST RECENT CALENDAR YEARS

| Calendar year ending December 31, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Total pension liability | | | | |
| Service cost | $ 337,681 | $ 317,709 | $ 322,539 | $ 317,205 |
| Interest on the total pension liability | 1,338,035 | 1,286,481 | 1,247,784 | 1,197,437 |
| Difference between expected and actual experience | (438,817) | 233,760 | 81,790 | 208,910 |
| Changes of assumptions | - | - | (33,492) | - |
| Benefit payments | (1,156,751) | (1,116,937) | (1,047,962) | (1,015,594) |
| Net change in pension liability | 80,148 | 721,013 | 570,659 | 707,958 |
| Total pension liability - beginning | 18,865,194 | 18,144,181 | 17,573,522 | 16,865,564 |
| Total pension liability - ending (A) | $ 18,945,342 | $ 18,865,194 | $ 18,144,181 | $ 17,573,522 |
| Plan fiduciary net position | | | | |
| Contributions - employer | $ 269,802 | $ 281,651 | $ 270,306 | $ 311,326 |
| Contributions - employees | 167,694 | 165,678 | 155,366 | 151,456 |
| Net investment income | 2,818,958 | 1,691,460 | 1,722,652 | (2,364,422) |
| Benefit payments | (1,156,751) | (1,116,937) | (1,047,962) | (1,015,594) |
| Other (net transfer) | (858,531) | 92,267 | 552,354 | 113,130 |
| Net change in plan fiduciary net position | 1,241,172 | 1,114,119 | 1,652,716 | (2,804,104) |
| Plan fiduciary net position - beginning | 18,234,691 | 17,120,572 | 15,467,856 | 18,271,960 |
| Plan fiduciary net position - ending (B) | $ 19,475,863 | $ 18,234,691 | $ 17,120,572 | $ 15,467,856 |
| Net pension liability/(asset) - ending (A) - (B) | $ (530,521) | $ 630,503 | $ 1,023,609 | $ 2,105,666 |
| Plan fiduciary net position as a percentage of total pension liability | 102.80% | 96.66% | 94.36% | 88.02% |
| Covered valuation payroll | $ 3,726,545 | $ 3,681,717 | $ 3,454,688 | $ 3,365,683 |
| Net pension liability as a percentage of covered valuation payroll | -14.24% | 17.13% | 29.63% | 62.56% |

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 291,057 | $ 291,912 | $ 306,987 | $ 281,601 | $ 297,039 | $ 289,202 |
| 1,133,517 | 1,089,960 | 1,047,019 | 1,018,520 | 976,666 | 926,374 |
| 424,134 | 250,623 | - | (1,066) | 460,552 | 111,719 |
| - | (109,553) | 155,134 | 369,609 | (451,717) | (42,210) |
| (944,669) | (898,774) | (919,869) | (720,086) | (713,449) | (622,661) |
| 904,039 | 624,168 | 589,271 | 948,578 | 569,091 | 662,424 |
| 15,961,525 | 15,337,357 | 14,748,086 | 13,799,508 | 13,230,417 | 12,567,993 |
| $ 16,865,564 | $ 15,961,525 | $ 15,337,357 | $ 14,748,086 | $ 13,799,508 | $ 13,230,417 |
| $ 352,284 | $ 333,289 | $ 282,379 | $ 308,750 | $ 301,215 | $ 287,072 |
| 142,562 | 134,390 | 130,328 | 129,923 | 120,700 | 116,815 |
| 2,721,209 | 2,062,985 | 2,291,161 | (733,240) | 2,017,832 | 752,442 |
| (944,669) | (898,774) | (919,869) | (720,086) | (713,449) | (622,661) |
| 86,261 | 129,799 | 106,104 | 133,554 | (114,527) | 70,085 |
| 2,357,647 | 1,761,689 | 1,890,103 | (881,099) | 1,611,771 | 603,753 |
| 15,914,313 | 14,152,624 | 12,262,521 | 13,143,620 | 11,531,849 | 10,928,096 |
| $ 18,271,960 | $ 15,914,313 | $ 14,152,624 | $ 12,262,521 | $ 13,143,620 | $ 11,531,849 |
| $ (1,406,396) | $ 47,212 | $ 1,184,733 | $ 2,485,565 | $ 655,888 | $ 1,698,568 |
| 108.34% | 99.70% | 92.28% | 83.15% | 95.25% | 87.16% |
| $ 3,168,022 | $ 2,986,463 | $ 2,896,199 | $ 2,850,879 | $ 2,682,232 | $ 2,533,735 |
| -44.39% | 1.58% | 40.91% | 87.19% | 24.45% | 67.04% |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
MOST RECENT CALENDAR YEARS

| Calendar Year Ending December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|---|---|---|---|---|
| 2025 | $ 269,802 | $ 269,802 | $ - | $ 3,726,545 | 7.24% |
| 2024 | 281,651 | 281,651 | - | 3,681,717 | 7.65% |
| 2023 | 270,502 | 270,306 | 196 | 3,454,688 | 7.82% |
| 2022 | 311,326 | 311,326 | - | 3,365,683 | 9.25% |
| 2021 | 352,284 | 352,284 | - | 3,168,022 | 11.12% |
| 2020 | 333,289 | 333,289 | - | 2,986,463 | 11.16% |
| 2019 | 282,379 | 282,379 | - | 2,896,199 | 9.75% |
| 2018 | 308,750 | 308,750 | - | 2,850,879 | 10.83% |
| 2017 | 301,215 | 301,215 | - | 2,682,232 | 11.23% |
| 2016 | 287,072 | 287,072 | - | 2,533,735 | 11.33% |

***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2025 Contribution Rate****

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2025 Contribution Rates**

| | |
|---|---|
| *Actuarial Cost Method* | Aggregate entry age normal |
| *Amortization Method* | Level percentage of payroll, closed |
| *Remaining Amortization Period* | 18-year closed period |
| *Asset Valuation Method* | 5-year smoothed market; 20% corridor |
| *Wage Growth* | 2.75% |
| *Price Inflation* | 2.25% |
| *Salary Increases* | 2.85% to 13.75%, including inflation |
| *Investment Rate of Return* | 7.25% |
| *Retirement Age* | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2023 valuation pursuant to an experience study of the period 2020 to 2022. |
| *Mortality* | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. |

**Other Information:**

| | |
|---|---|
| *Notes* | There were no benefit changes during the year. |

*Based on Valuation Assumptions used in the December 31, 2023 actuarial valuation

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PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
MOST RECENT FISCAL YEARS

| Fiscal year ended June 30,* | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Employer's proportion of the net pension liability | 0.001186% | 0.001165% | 0.001144% | 0.001147% |
| Employer's proportionate share of the net pension liability | $ 1,004,767 | $ 1,000,206 | $ 972,173 | $ 961,590 |
| State's proportionate share of the net pension liability associated with the employer | 80,741,145 | 83,395,720 | 83,898,993 | 83,411,593 |
| Total | $ 81,745,912 | $ 84,395,926 | $ 84,871,166 | $ 84,373,183 |
| Employer's covered-employee payroll | $ 12,839,151 | $ 12,515,847 | $ 11,990,608 | $ 11,735,327 |
| Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 7.83% | 7.99% | 8.11% | 8.19% |
| Plan fiduciary net position as a percentage of the total pension liability | 47.70% | 45.40% | 43.90% | 42.80% |

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

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| 0.001225% | 0.001459% | 0.001582% | 0.001217% | 0.002185% | 0.001693% |
| $ 955,894 | $ 1,258,111 | $ 1,283,010 | $ 948,773 | $ 1,669,293 | $ 1,336,513 |
| 80,114,099 | 98,541,827 | 91,310,441 | 64,994,909 | 76,602,878 | 71,977,890 |
| $ 81,069,993 | $ 99,799,938 | $ 92,593,451 | $ 65,943,682 | $ 78,272,171 | $ 73,314,403 |
| $ 10,985,442 | $ 10,645,787 | $ 10,446,581 | $ 10,394,510 | $ 9,919,360 | $ 9,669,897 |
| 8.70% | 11.82% | 12.28% | 9.13% | 16.83% | 13.82% |
| 45.10% | 37.80% | 39.60% | 40.00% | 39.30% | 36.40% |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS
MOST RECENT FISCAL YEARS

| Fiscal year ending June 30, | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Contractually-required contribution | $ 81,977 | $ 79,849 | $ 78,210 | $ 92,865 |
| Contributions in relation to the contractually-required contribution | 81,977 | 79,845 | 78,287 | 92,868 |
| Contribution deficiency (excess) | $ - | $ 4 | $ (77) | $ (3) |
| Employer's covered-employee payroll | $ 12,980,351 | $ 12,839,151 | $ 12,515,847 | $ 11,990,608 |
| Contributions as a percentage of covered-employee payroll | 0.63% | 0.62% | 0.62% | 0.77% |

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| $ 94,633 | $ 69,712 | $ 71,916 | $ 63,768 | $ 63,768 | $ 76,086 |
| 94,634 | 69,535 | 72,312 | 60,530 | 82,359 | 68,424 |
| $ (1) | $ 177 | $ (396) | $ 3,238 | $ (18,591) | $ 7,662 |
| $ 11,735,327 | $ 10,985,442 | $ 10,883,522 | $ 10,645,787 | $ 10,446,581 | $ 10,394,510 |
| 0.81% | 0.63% | 0.66% | 0.60% | 0.61% | 0.73% |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET THIS LIABILITY
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - TEACHERS HEALTH INSURANCE SECURITY (THIS) FUND
MOST RECENT FISCAL YEARS

| Fiscal year ending June 30,* | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Employer's proportion of the net THIS liability | 0.0412% | 0.0420% | 0.0429% | 0.0425% |
| Employer's proportionate share of the net THIS liability | $ 3,699,101 | $ 3,323,746 | $ 3,056,688 | $ 2,910,707 |
| State's proportionate share of the net THIS liability | 5,018,049 | 4,513,797 | 4,133,616 | 3,959,731 |
| Total | $ 8,717,150 | $ 7,837,543 | $ 7,190,304 | $ 6,870,438 |
| Employer's covered-employee payroll | $ 12,839,151 | $ 12,515,847 | $ 11,990,608 | $ 11,735,327 |
| Employer's proportionate share of the net THIS liability | 28.81% | 26.56% | 25.49% | 24.80% |
| Plan fiduciary net position as a percentage of the total | 8.03% | 7.43% | 6.21% | 5.24% |

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

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

| 2022 | 2021 |
|---|---|
| 0.0423% | 0.0430% |
| $ 9,337,581 | $ 11,501,561 |
| 12,660,397 | 15,581,483 |
| $ 21,997,978 | $ 27,083,044 |
| $ 10,985,442 | $ 10,883,522 |
| 85.00% | 105.68% |
| 1.40% | 0.70% |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS (OPEB) - TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND
MOST RECENT FISCAL YEARS

| Fiscal year ending June 30, | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Contractually-required contribution | $ 86,968 | $ 86,022 | $ 83,856 | $ 80,337 |
| Contributions in relation to the contractually-required contribution | 86,968 | 86,022 | 83,856 | 80,337 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - |
| Employer's covered-employee payroll | $ 12,980,351 | $ 12,839,151 | $ 12,515,847 | $ 11,990,608 |
| Contributions as a percentage of covered-employee payroll | 0.67% | 0.67% | 0.67% | 0.67% |

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

| 2022 | 2021 |
|---|---|
| $ 78,627 | $ 101,066 |
| 78,627 | 101,066 |
| $ - | $ - |
| $ 11,735,327 | $ 10,985,442 |
| 0.67% | 0.92% |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| General tax levy | $ 19,041,868 | $ 19,346,123 | $ 304,255 |
| Corporate replacement taxes | 150,000 | 108,663 | (41,337) |
| Investment income | 255,000 | 173,329 | (81,671) |
| Sales to pupils - lunch | 225,000 | 286,489 | 61,489 |
| Admissions - other | 2,000 | - | (2,000) |
| Fees | 62,000 | 53,937 | (8,063) |
| Book store sales | 19,000 | 13,617 | (5,383) |
| Student activities | - | 90,795 | 90,795 |
| Rentals - regular textbooks | 220,000 | 219,079 | (921) |
| Sales - other | 25,000 | 12,581 | (12,419) |
| Rentals | 25,000 | - | (25,000) |
| Contributions and donations | - | 12,993 | 12,993 |
| Refund of prior years' expenditures | 15,000 | 8,038 | (6,962) |
| Other local fees | 455,000 | 340,813 | (114,187) |
| Other | 5,000 | 34,819 | 29,819 |
| Total Local Sources | 20,499,868 | 20,701,276 | 201,408 |
| State Sources | | | |
| Evidence based funding formula | 1,950,000 | 1,973,032 | 23,032 |
| Special education - private facility tuition | 25,000 | 63,079 | 38,079 |
| CTE - secondary program improvement (CTEI) | 1,500 | 1,328 | (172) |
| State free lunch and breakfast | 5,000 | 2,896 | (2,104) |
| Other | 4,000 | 3,295 | (705) |
| Total State Sources | 1,985,500 | 2,043,630 | 58,130 |
| Federal Sources | | | |
| National school lunch program | 300,000 | 244,432 | (55,568) |
| School breakfast program | 75,000 | 77,307 | 2,307 |
| Non-cash food commodities | - | 37,052 | 37,052 |
| Title I - low Income | 187,254 | 171,437 | (15,817) |
| Title IV - student support and academic enrichment | 10,198 | 12,590 | 2,392 |
| Special education - pre-school flow-through | 20,335 | 12,104 | (8,231) |
| Special education - IDEA flow-through | 356,687 | 356,981 | 294 |
| Title III - english language acquisition | 72,399 | 64,814 | (7,585) |
| Title II - teacher quality | 49,322 | 43,314 | (6,008) |
| Medicaid matching funds - administrative outreach | 75,000 | 92,323 | 17,323 |
| Medicaid matching funds fee-for-service program | 200,000 | 269,909 | 69,909 |
| Total Federal Sources | 1,346,195 | 1,382,263 | 36,068 |
| Total Revenues | 23,831,563 | 24,127,169 | 295,606 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Instruction | | | |
| Regular Programs | | | |
| Salaries | $ 6,663,746 | $ 6,613,430 | $ (50,316) |
| Employee benefits | 1,488,763 | 1,543,491 | 54,728 |
| Purchased services | 48,148 | 39,656 | (8,492) |
| Supplies and materials | 414,392 | 381,692 | (32,700) |
| Other | 2,550 | 1,549 | (1,001) |
| Total | 8,617,599 | 8,579,818 | (37,781) |
| Tuition Payments to Charter Schools | | | |
| Purchased services | 6,782 | - | (6,782) |
| Total | 6,782 | - | (6,782) |
| Special Education Programs | | | |
| Salaries | 2,155,817 | 2,156,663 | 846 |
| Employee benefits | 760,042 | 698,445 | (61,597) |
| Purchased services | 37,000 | 43,686 | 6,686 |
| Supplies and materials | 67,000 | 42,463 | (24,537) |
| Capital outlay | 5,000 | - | (5,000) |
| Other | 1,950 | 790 | (1,160) |
| Total | 3,026,809 | 2,942,047 | (84,762) |
| Special Education Programs Pre-K | | | |
| Salaries | 330,622 | 329,515 | (1,107) |
| Employee benefits | 117,630 | 107,475 | (10,155) |
| Purchased services | 34,000 | 27,193 | (6,807) |
| Supplies and materials | 8,250 | 5,045 | (3,205) |
| Capital outlay | 5,000 | - | (5,000) |
| Other | 150 | - | (150) |
| Non-capitalized equipment | - | 3,860 | 3,860 |
| Total | 495,652 | 473,088 | (22,564) |
| Remedial and Supplemental Programs | | | |
| Salaries | 43,200 | 40,591 | (2,609) |
| Purchased services | 24,472 | 36,740 | 12,268 |
| Total | 67,672 | 77,331 | 9,659 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Instruction | | | |
| CTE Programs | | | |
| Salaries | $ 219,146 | $ 219,146 | $ - |
| Employee benefits | 41,007 | 42,057 | 1,050 |
| Supplies and materials | 2,200 | 4,127 | 1,927 |
| Total | 262,353 | 265,330 | 2,977 |
| Interscholastic Programs | | | |
| Salaries | 174,260 | 181,072 | 6,812 |
| Purchased services | 6,800 | 10,698 | 3,898 |
| Supplies and materials | 1,000 | 748 | (252) |
| Capital outlay | 5,000 | - | (5,000) |
| Other | 2,500 | 4,043 | 1,543 |
| Total | 189,560 | 196,561 | 7,001 |
| Summer School Programs | | | |
| Salaries | 147,500 | 97,511 | (49,989) |
| Employee benefits | - | 756 | 756 |
| Purchased services | 20,000 | 7,819 | (12,181) |
| Supplies and materials | 2,500 | 2,758 | 258 |
| Total | 170,000 | 108,844 | (61,156) |
| Bilingual Programs | | | |
| Salaries | 771,562 | 761,152 | (10,410) |
| Employee benefits | 218,654 | 215,993 | (2,661) |
| Supplies and materials | 100 | - | (100) |
| Total | 990,316 | 977,145 | (13,171) |
| Special Education Programs - Private Tuition | | | |
| Other | 100,000 | 141,198 | 41,198 |
| Total | 100,000 | 141,198 | 41,198 |
| Student activities | | | |
| Other | - | 87,802 | 87,802 |
| Total | - | 87,802 | 87,802 |
| Total Instruction | 13,926,743 | 13,849,164 | (77,579) |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Support Services | | | |
| Attendance and Social Work Services | | | |
| Salaries | $ 459,715 | $ 434,880 | $ (24,835) |
| Employee benefits | 107,791 | 110,589 | 2,798 |
| Purchased services | 46,600 | 75,115 | 28,515 |
| Supplies and materials | 1,500 | 979 | (521) |
| Other | 500 | - | (500) |
| Total | 616,106 | 621,563 | 5,457 |
| Health Services | | | |
| Salaries | 717,900 | 693,309 | (24,591) |
| Employee benefits | 225,772 | 232,686 | 6,914 |
| Purchased services | 58,450 | 159,356 | 100,906 |
| Supplies and materials | 14,000 | 6,311 | (7,689) |
| Capital outlay | 28,000 | - | (28,000) |
| Other | 1,050 | 576 | (474) |
| Non-capitalized equipment | - | 14,317 | 14,317 |
| Total | 1,045,172 | 1,106,555 | 61,383 |
| Psychological Services | | | |
| Salaries | 474,300 | 474,300 | - |
| Employee benefits | 154,316 | 114,087 | (40,229) |
| Purchased services | 3,000 | 1,584 | (1,416) |
| Supplies and materials | 750 | 356 | (394) |
| Other | 1,500 | 575 | (925) |
| Total | 633,866 | 590,902 | (42,964) |
| Speech Pathology and Audiology Services | | | |
| Salaries | 510,948 | 510,948 | - |
| Employee benefits | 60,638 | 72,666 | 12,028 |
| Purchased services | 3,750 | 950 | (2,800) |
| Supplies and materials | 3,900 | 1,827 | (2,073) |
| Capital outlay | 5,000 | - | (5,000) |
| Other | 2,450 | 500 | (1,950) |
| Total | 586,686 | 586,891 | 205 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Support Services | | | |
| Other Support Services - Pupils | | | |
| Purchased services | $ 60,000 | $ 49,871 | $ (10,129) |
| Total | 60,000 | 49,871 | (10,129) |
| Improvement of Instruction Services | | | |
| Salaries | 407,254 | 509,769 | 102,515 |
| Employee benefits | 72,814 | 65,418 | (7,396) |
| Purchased services | 30,341 | 25,223 | (5,118) |
| Supplies and materials | 5,630 | 967 | (4,663) |
| Other | 1,214 | 1,214 | - |
| Total | 517,253 | 602,591 | 85,338 |
| Educational Media Services | | | |
| Salaries | 828,954 | 827,570 | (1,384) |
| Employee benefits | 229,095 | 231,570 | 2,475 |
| Purchased services | 380,200 | 242,538 | (137,662) |
| Supplies and materials | 211,500 | 224,764 | 13,264 |
| Capital outlay | 100,000 | 230,255 | 130,255 |
| Other | 1,000 | 1,148 | 148 |
| Non-capitalized equipment | - | 14,031 | 14,031 |
| Total | 1,750,749 | 1,771,876 | 21,127 |
| Assessment and Testing | | | |
| Purchased services | 19,100 | 18,560 | (540) |
| Supplies and materials | 1,500 | - | (1,500) |
| Total | 20,600 | 18,560 | (2,040) |
| Board of Education Services | | | |
| Purchased services | 70,500 | 63,022 | (7,478) |
| Supplies and materials | 2,500 | 3,739 | 1,239 |
| Other | 4,500 | 6,043 | 1,543 |
| Total | 77,500 | 72,804 | (4,696) |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Support Services | | | |
| Executive Administration Services | | | |
| Salaries | $ 291,647 | $ 289,147 | $ (2,500) |
| Employee benefits | 81,393 | 88,773 | 7,380 |
| Purchased services | 2,250 | 4,829 | 2,579 |
| Supplies and materials | 21,000 | 25,496 | 4,496 |
| Other | 3,000 | 2,455 | (545) |
| Total | 399,290 | 410,700 | 11,410 |
| Tort services | | | |
| Purchased services | 20,000 | 24,953 | 4,953 |
| Total | 20,000 | 24,953 | 4,953 |
| Risk Management and Claims Services Payments | | | |
| Employee benefits | - | 539 | 539 |
| Purchased services | 169,681 | 178,707 | 9,026 |
| Total | 169,681 | 179,246 | 9,565 |
| Office of the Principal Services | | | |
| Salaries | 1,040,922 | 1,034,168 | (6,754) |
| Employee benefits | 334,794 | 332,530 | (2,264) |
| Purchased services | 3,500 | 3,021 | (479) |
| Supplies and materials | 86,987 | 43,515 | (43,472) |
| Other | 3,230 | 1,902 | (1,328) |
| Total | 1,469,433 | 1,415,136 | (54,297) |
| Direction of Business Services | | | |
| Salaries | 176,513 | 176,513 | - |
| Employee benefits | 55,693 | 55,693 | - |
| Purchased services | 4,300 | 8,463 | 4,163 |
| Other | 800 | 130 | (670) |
| Total | 237,306 | 240,799 | 3,493 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Support Services | | | |
| Fiscal Services | | | |
| Salaries | $ 140,296 | $ 140,296 | $ - |
| Employee benefits | 67,816 | 67,816 | - |
| Purchased services | 31,950 | 38,695 | 6,745 |
| Supplies and materials | 5,000 | 3,752 | (1,248) |
| Other | 500 | 200 | (300) |
| Total | 245,562 | 250,759 | 5,197 |
| Food Services | | | |
| Salaries | 130,000 | 119,366 | (10,634) |
| Purchased services | 305,400 | 485,693 | 180,293 |
| Supplies and materials | 3,500 | 37,346 | 33,846 |
| Capital outlay | 5,000 | - | (5,000) |
| Total | 443,900 | 642,405 | 198,505 |
| Internal Services | | | |
| Purchased services | 28,000 | 28,075 | 75 |
| Total | 28,000 | 28,075 | 75 |
| Planning, Research, Development and Evaluation Services | | | |
| Purchased services | 27,000 | 26,062 | (938) |
| Total | 27,000 | 26,062 | (938) |
| Information Services | | | |
| Purchased services | 56,000 | 47,051 | (8,949) |
| Supplies and materials | 1,250 | 1,167 | (83) |
| Total | 57,250 | 48,218 | (9,032) |
| Staff Services | | | |
| Salaries | 133,534 | 133,534 | - |
| Employee benefits | 53,336 | 53,336 | - |
| Purchased services | 38,700 | 40,096 | 1,396 |
| Supplies and materials | 23,000 | 20,009 | (2,991) |
| Other | 5,000 | 936 | (4,064) |
| Total | 253,570 | 247,911 | (5,659) |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Support Services | | | |
| Data Processing Services | | | |
| Purchased services | $ 26,000 | $ 31,405 | $ 5,405 |
| Supplies and materials | - | 580 | 580 |
| Total | 26,000 | 31,985 | 5,985 |
| Other Support Services | | | |
| Salaries | 3,000 | 1,797 | (1,203) |
| Purchased services | 17,000 | 28,636 | 11,636 |
| Supplies and materials | 681 | - | (681) |
| Total | 20,681 | 30,433 | 9,752 |
| Total Support Services | 8,705,605 | 8,998,295 | 292,690 |
| Community Services | | | |
| Salaries | 79,255 | 196,380 | 117,125 |
| Employee benefits | 16,063 | 15,280 | (783) |
| Purchased services | 47,400 | 39,599 | (7,801) |
| Supplies and materials | 9,704 | 7,286 | (2,418) |
| Total Community Services | 152,422 | 258,545 | 106,123 |
| Payments to Other Gov't Units | | | |
| Payments for Special Education Programs | | | |
| Purchased services | 250,000 | 353,231 | 103,231 |
| Payments for Special Education Programs - Tuition | | | |
| Other | 580,000 | 550,395 | (29,605) |
| Total Payments to Other Gov't Units | 830,000 | 903,626 | 73,626 |
| Total Expenditures | 23,614,770 | 24,009,630 | 394,860 |
| NET CHANGE IN FUND BALANCE | $ 216,793 | 117,539 | $ (99,254) |
| FUND BALANCE, BEGINNING OF YEAR | | 3,506,285 | |
| FUND BALANCE, END OF YEAR | | $ 3,623,824 | |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
OPERATIONS AND MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| General tax levy | $ 1,523,971 | $ 1,554,983 | $ 31,012 |
| Investment income | 580,000 | 561,183 | (18,817) |
| Rentals | 120,000 | 134,076 | 14,076 |
| Contributions and donations | 3,000 | - | (3,000) |
| Impact fees | 3,000 | - | (3,000) |
| Refund of prior years' expenditures | 1,000,000 | 463 | (999,537) |
| Payments from other districts | - | 48,528 | 48,528 |
| Total Local Sources | 3,229,971 | 2,299,233 | (930,738) |
| State Sources | | | |
| School maintenance project | 50,000 | 50,000 | - |
| Other | 525,000 | 590,718 | 65,718 |
| Total State Sources | 575,000 | 640,718 | 65,718 |
| Total Revenues | 3,804,971 | 2,939,951 | (865,020) |
| EXPENDITURES | | | |
| Support Services | | | |
| Operation and Maintenance of Plant Services | | | |
| Salaries | 993,120 | 988,817 | (4,303) |
| Benefits | 216,826 | 206,405 | (10,421) |
| Purchased services | 466,000 | 511,916 | 45,916 |
| Supplies and materials | 390,900 | 427,771 | 36,871 |
| Capital outlay | 45,000 | 110,793 | 65,793 |
| Other | - | 100 | 100 |
| Non-capitalized equipment | 5,000 | 23,341 | 18,341 |
| Total | 2,116,846 | 2,269,143 | 152,297 |
| Total Support Services | 2,116,846 | 2,269,143 | 152,297 |
| Total Expenditures | 2,116,846 | 2,269,143 | 152,297 |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,688,125 | 670,808 | (1,017,317) |
| OTHER FINANCING SOURCES | | | |
| Transfers in | - | 1,000,000 | 1,000,000 |
| Total Other Financing Sources | - | 1,000,000 | 1,000,000 |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
OPERATIONS AND MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| NET CHANGE IN FUND BALANCE | $ 1,688,125 | $ 1,670,808 | $ (17,317) |
| FUND BALANCE, BEGINNING OF YEAR | | 819,495 | |
| FUND BALANCE, END OF YEAR | | $ 2,490,303 | |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
TRANSPORTATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| General tax levy | $ 1,108,821 | $ 1,170,973 | $ 62,152 |
| Transportation fees | 5,000 | - | (5,000) |
| Investment income | 50,000 | 29,440 | (20,560) |
| Refund of prior years' expenditures | 50,000 | - | (50,000) |
| Other | - | 457 | 457 |
| Total Local Sources | 1,213,821 | 1,200,870 | (12,951) |
| State Sources | | | |
| Transportation aid - regular | 625,000 | 508,905 | (116,095) |
| Transportation aid - special education | 400,000 | 346,707 | (53,293) |
| Total State Sources | 1,025,000 | 855,612 | (169,388) |
| Total Revenues | 2,238,821 | 2,056,482 | (182,339) |
| EXPENDITURES | | | |
| Support Services | | | |
| Pupil Transportation Services | | | |
| Salaries | 78,000 | 55,142 | (22,858) |
| Purchased services | 1,761,500 | 1,759,088 | (2,412) |
| Supplies and materials | 100,000 | 95,196 | (4,804) |
| Total | 1,939,500 | 1,909,426 | (30,074) |
| Other Support Services | | | |
| Purchased services | 2,500 | 11,844 | 9,344 |
| Total | 2,500 | 11,844 | 9,344 |
| Total Support Services | 1,942,000 | 1,921,270 | (20,730) |
| Payments to Other Gov't Units | | | |
| Payments for Special Education Programs | | | |
| Purchased services | 225,000 | 141,231 | (83,769) |
| Total Payments to Other Gov't Units | 225,000 | 141,231 | (83,769) |
| Total Expenditures | 2,167,000 | 2,062,501 | (104,499) |
| NET CHANGE IN FUND BALANCE | $ 71,821 | (6,019) | $ (77,840) |
| FUND BALANCE, BEGINNING OF YEAR | | 644,272 | |
| FUND BALANCE, END OF YEAR | | $ 638,253 | |

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| General tax levy | $ 321,743 | $ 391,729 | $ 69,986 |
| FICA/medicare levy | 321,743 | 391,728 | 69,985 |
| Corporate replacement taxes | - | 6,060 | 6,060 |
| Investment income | 20,000 | 18,358 | (1,642) |
| Total Local Sources | 663,486 | 807,875 | 144,389 |
| Federal Sources | | | |
| Title I - low income | - | 3,250 | 3,250 |
| Special education - preschool flow-through | - | 1,157 | 1,157 |
| Special education - IDEA flow-through | - | 19,475 | 19,475 |
| Title III - english language acquisition | - | 1,044 | 1,044 |
| Title II - teacher quality | - | 36 | 36 |
| Total Federal Sources | - | 24,962 | 24,962 |
| Total Revenues | 663,486 | 832,837 | 169,351 |
| EXPENDITURES | | | |
| Employee Benefits | | | |
| Instruction | | | |
| Regular programs | 95,367 | 92,199 | (3,168) |
| Special education programs | 135,145 | 153,655 | 18,510 |
| Special education programs Pre-K | 23,764 | - | (23,764) |
| Remedial and supplemental programs | - | 3,105 | 3,105 |
| CTE programs | 3,178 | 3,004 | (174) |
| Interscholastic programs | 3,423 | 4,600 | 1,177 |
| Summer school programs | - | 5,988 | 5,988 |
| Bilingual programs | 24,794 | 23,616 | (1,178) |
| Total Instruction | 285,671 | 286,167 | 496 |
| Support Services | | | |
| Attendance and social work services | 7,007 | 6,149 | (858) |
| Health services | 106,895 | 97,797 | (9,098) |
| Psychological services | 6,877 | 6,663 | (214) |
| Speech pathology and audiology services | 7,409 | 7,287 | (122) |
| Improvement of instruction services | 6,517 | 12,791 | 6,274 |
| Educational media services | 45,675 | 44,440 | (1,235) |
| Executive administration services | 11,537 | 11,286 | (251) |
| Office of the principal services | 62,444 | 57,840 | (4,604) |
| Director of business support services | 2,559 | 2,539 | (20) |
| Fiscal services | 20,890 | 20,094 | (796) |



(Continued)

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| EXPENDITURES | | | |
| Employee Benefits | | | |
| Support Services | | | |
| Operation and maintenance of plant services | $ 139,686 | $ 135,946 | $ (3,740) |
| Pupil transportation services | - | 2,309 | 2,309 |
| Food services | - | 6,035 | 6,035 |
| Staff services | 19,883 | 19,266 | (617) |
| Other support services | - | 217 | 217 |
| Total Support Services | 437,379 | 430,659 | (6,720) |
| Community Services | 8,299 | 19,247 | 10,948 |
| Total Expenditures | 731,349 | 736,073 | 4,724 |
| NET CHANGE IN FUND BALANCES | $ (67,863) | 96,764 | $ 164,627 |
| FUND BALANCE, BEGINNING OF YEAR | | 364,696 | |
| FUND BALANCE, END OF YEAR | | $ 461,460 | |

SCHEDULE 5

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| General tax levy | $ 1,484,092 | $ 1,497,611 | $ 13,519 |
| Investment income | - | 32,320 | 32,320 |
| Total Local Sources | 1,484,092 | 1,529,931 | 45,839 |
| Total Revenues | 1,484,092 | 1,529,931 | 45,839 |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal | 975,000 | 17,568,753 | 16,593,753 |
| Interest | 1,050,590 | 670,869 | (379,721) |
| Other | - | 400,508 | 400,508 |
| Total Debt Service | 2,025,590 | 18,640,130 | 16,614,540 |
| Total Expenditures | 2,025,590 | 18,640,130 | 16,614,540 |
| (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES | (541,498) | (17,110,199) | (16,568,701) |
| OTHER FINANCING SOURCES | | | |
| Transfers in | - | 16,659,896 | 16,659,896 |
| Bonds issued | 4,034,975 | - | (4,034,975) |
| Total Other Financing Sources | 4,034,975 | 16,659,896 | 12,624,921 |
| NET CHANGE IN FUND BALANCE | $ 3,493,477 | (450,303) | $ (3,943,780) |
| FUND BALANCE, BEGINNING OF YEAR | | 874,725 | |
| FUND BALANCE, END OF YEAR | | $ 424,422 | |

SCHEDULE 6

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

| | Original and Final Budget | Actual | Variance |
|---|---|---|---|
| REVENUES | | | |
| Local Sources | | | |
| Investment income | $ 50,000 | $ 31,413 | $ (18,587) |
| Total Local Sources | 50,000 | 31,413 | (18,587) |
| Total Revenues | 50,000 | 31,413 | (18,587) |
| EXPENDITURES | | | |
| Support Services | | | |
| Facilities and Acquisition Services | | | |
| Capital outlay | 4,500,000 | 1,112,401 | (3,387,599) |
| Total Support Services | 4,500,000 | 1,112,401 | (3,387,599) |
| Total Expenditures | 4,500,000 | 1,112,401 | (3,387,599) |
| (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES | (4,450,000) | (1,080,988) | 3,369,012 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | - | (17,659,896) | (17,659,896) |
| Bonds issued | 15,503,345 | 39,270,000 | 23,766,655 |
| Premium on bonds issued | - | 477,037 | 477,037 |
| Payment to bond escrow agent | - | (6,184,654) | (6,184,654) |
| Total Other Financing Sources (Uses) | 15,503,345 | 15,902,487 | 399,142 |
| NET CHANGE IN FUND BALANCE | $ 11,053,345 | 14,821,499 | $ 3,768,154 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | (96,803) | |
| FUND BALANCE, END OF YEAR | | $ 14,724,696 | |

## NOTE 1 – ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

*Changes of Assumptions*

For the 2025 measurement year, the assumed investment rate of return was 7.25%, and the assumed rate of inflation was 2.25%. Salary increases were assumed to range from 2.85% to 13.75%, including inflation, based on service and other applicable factors. The retirement age assumptions were based on experience-based rates specific to the type of eligibility condition, as last updated for the 2023 valuation pursuant to an experience study covering the period 2020 through 2022.

The actuarial assumptions and methods used in the calculation of the total pension liability were based on the December 31, 2025, IMRF annual actuarial valuation report.

## NOTE 2 – TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (TRS)

*Changes of Assumptions*

For the 2025 and 2024 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.50 percent and a real rate of return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Aug. 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0%, including an inflation rate of 2.50% and a real return of 4.50%. For the 2021 measurement year, the assumed investment rate of return was 7.0%, including an inflation rate of 2.25% and a real return of 4.75%. Salary increases were assumed to vary by service credit. The assumptions used for the 2023-2021, 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 30, 2021, September 18, 2018, and August 13, 2015, respectively.

## NOTE 3 – TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND

*Changes of Assumptions*

Per capita claim costs for plan year end June 30, 2025, were updated based on projected claims and enrollment experience through June 30, 2025, and updated premium rates through plan year 2026; and the healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2024, projected plan cost for plan year ended June 30, 2025, premium changes through plan year end 2026, and expectation of future trend increases after June 30, 2025; and the discount rate was changed from 3.97 percent at June 30, 2024 to 5.20 percent at June 30, 2025.

The salary scale was updated to reflect observed experience; the rates of retirement were updated to reflect observed experience; the rates of termination were updated to reflect observed experience; the rates of disability were updated to reflect observed experience; and the mortality tables were updated to reflect observed experience and use the most recent mortality improvement scales.

## NOTE 4 – BUDGETARY INFORMATION

The District follows procedures established by Illinois law and Board of Education policy in adopting its annual budget. The budget is prepared on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules. The original and final budget for the fiscal year ended June 30, 2026, was adopted by the Board of Education on September 18, 2025.

**NOTE 4 – BUDGETARY INFORMATION (CONT'D)**

The Superintendent submits a proposed operating budget to the Board of Education, which is made available for public inspection and is subject to a public hearing prior to adoption. The Superintendent is authorized to make transfers within individual funds, subject to Illinois law and Board policy, while amendments that increase total budgeted expenditures of a fund require Board approval.

***Budgetary Analysis***

*General Fund*

Actual revenues exceeded budgeted amounts by $295,606, primarily due to higher property tax collections, student activity revenues, and Medicaid reimbursements, partially offset by lower investment income and other local revenues. Expenditures exceeded budgeted amounts by $394,860, primarily in support services, community services, and payments to other governmental units, partially offset by lower instructional expenditures.

*Operations and Maintenance Fund*

Actual revenues were $865,020 below budget, primarily due to anticipated refunds of prior-year expenditures that were not realized. Expenditures exceeded budgeted amounts by $152,297, primarily in purchased services, supplies, and capital outlay. An unbudgeted $1,000,000 transfer from the Capital Projects Fund for operational purposes substantially offset the revenue shortfall.

*Transportation Fund*

Actual revenues were $182,339 below budget, primarily due to lower-than-anticipated state transportation reimbursements. Expenditures were $104,499 below budget, primarily due to lower payments for special education transportation programs.

*Municipal Retirement/Social Security Fund*

Actual revenues exceeded budgeted amounts by $169,351, primarily due to higher property tax revenues and unbudgeted federal reimbursements. Expenditures were generally consistent with budgeted amounts.

*Debt Service Fund*

Actual expenditures exceeded budgeted amounts by $16,614,540, primarily due to the repayment of the Series 2025 General Obligation Debt Certificates and related debt service costs. These expenditures were financed through interfund transfers of $16,659,896 from the Capital Projects Fund, which were not included in the original budget.

*Capital Projects Fund*

Actual capital expenditures were $3,387,599 below budget, reflecting construction expenditures incurred during the fiscal year compared with amounts budgeted for capital improvements. Bond proceeds exceeded budgeted amounts by $23,766,655, reflecting the issuance of the Series 2025 bonds and debt certificates. Additional unbudgeted financing activities included $17,659,896 in interfund transfers and $6,184,654 deposited with the bond escrow agent in connection with the refunding of outstanding debt.

## SUPPLEMENTARY INFORMATION

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SCHEDULE 7

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2026

| | Educational Account | Working Cash Account | Tort Account | Total General Fund |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and investments | $ 2,250,249 | $ 1,092,964 | $ - | $ 3,343,213 |
| Restricted assets | | | | |
| Cash, restricted for student activities | 49,582 | - | - | 49,582 |
| Receivables (net of allowance for uncollectibles) | | | | |
| Property taxes | 9,486,205 | 97,735 | 74,340 | 9,658,280 |
| Replacement taxes | 22,586 | - | - | 22,586 |
| Intergovernmental | 135,607 | - | - | 135,607 |
| Total Assets | $ 11,944,229 | $ 1,190,699 | $ 74,340 | $ 13,209,268 |
| LIABILITIES | | | | |
| Cash overdraft | $ - | $ - | $ 195,257 | $ 195,257 |
| Accounts payable | 6,682 | - | - | 6,682 |
| Payroll deductions payable | 107,231 | - | - | 107,231 |
| Total Liabilities | 113,913 | - | 195,257 | 309,170 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 9,110,357 | 93,830 | 72,087 | 9,276,274 |
| Total Deferred Inflows of Resources | 9,110,357 | 93,830 | 72,087 | 9,276,274 |
| FUND BALANCES (DEFICIT) | | | | |
| Restricted | 49,582 | - | - | 49,582 |
| Unassigned | 2,670,377 | 1,096,869 | (193,004) | 3,574,242 |
| Total Fund Balances (Deficit) | 2,719,959 | 1,096,869 | (193,004) | 3,623,824 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | $ 11,944,229 | $ 1,190,699 | $ 74,340 | $ 13,209,268 |

SCHEDULE 8

PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2026

| | Educational Account | Working Cash Account | Tort Account | Total General Fund |
|---|---|---|---|---|
| REVENUES | | | | |
| Local sources | $ 20,378,302 | $ 241,955 | $ 81,019 | $ 20,701,276 |
| State sources | 2,043,630 | - | - | 2,043,630 |
| Federal sources | 1,382,263 | - | - | 1,382,263 |
| Total Revenues | 23,804,195 | 241,955 | 81,019 | 24,127,169 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 13,849,164 | - | - | 13,849,164 |
| Support services | 8,819,049 | - | 179,246 | 8,998,295 |
| Community services | 258,545 | - | - | 258,545 |
| Payments to other governmental units | 903,626 | - | - | 903,626 |
| Total Expenditures | 23,830,384 | - | 179,246 | 24,009,630 |
| NET CHANGES IN FUND BALANCES | (26,189) | 241,955 | (98,227) | 117,539 |
| FUND BALANCE (DEFICIT), BEGINNING | 2,746,148 | 854,914 | (94,777) | 3,506,285 |
| FUND BALANCE (DEFICIT), ENDING | $ 2,719,959 | $ 1,096,869 | $ (193,004) | $ 3,623,824 |

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RESOLUTION authorizing a supplemental tax levy to pay the principal of and interest on outstanding limited bonds of School District Number 23, Cook County, Illinois.

* * *

WHEREAS, School District Number 23, Cook County, Illinois (the *"District"*), is a duly organized School District operating under the provisions of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the *"School Code"*); and

WHEREAS, the District has heretofore issued and has outstanding its General Obligation Limited Tax School Bonds, Series 2025A, and Taxable General Obligation Limited Tax Refunding School Bonds, Series 2025B (together, the *"Bonds"*); and

WHEREAS, the Bonds were issued as limited bonds pursuant to and in accordance with the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended (the *"Debt Reform Act"*); and

WHEREAS, pursuant to a resolution adopted by the Board of Education of the District (the *"Board"*) on the 18th day of September, 2025 (the *"Bond Resolution"*), and in accordance with the provisions of the School Code and the Debt Reform Act, the District has heretofore levied taxes upon all of the taxable property within the District to pay the principal of and interest on the Bonds as set forth in Column (B) of the schedule attached hereto as *Exhibit A*; and

WHEREAS, the Bond Resolution has been filed with the County Clerk of the County of Cook, Illinois (the *"County Clerk"*); and

WHEREAS, pursuant to the Bond Resolution, the District has directed the County Clerk to extend the taxes levied in the Bond Resolution to pay principal of and interest on the Bonds in accordance with the terms of the Bond Resolution; and

WHEREAS, although the obligation of the District to pay the Bonds is a general obligation under the School Code and all taxable property in the District is subject to the levy of taxes to pay

the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Tax Extension Limitation Law"*); and

WHEREAS, pursuant to and in accordance with the provisions of the Debt Reform Act, the Bonds are payable from the debt service extension base of the District (the *"Base"*), which is an amount equal to that portion of the extension of the District for the 1994 levy year constituting an extension for payment of principal of and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Tax Extension Limitation Law) during the 12-month calendar year preceding the levy year; and

WHEREAS, the Base for levy year 2026 is equal to $1,512,270.89 (the *"Base"*); and

WHEREAS, the principal of and interest due on the Bonds exceeds the taxes levied in the Bond Resolution in certain levy years; and

WHEREAS, in accordance with the School Code, the Debt Reform Act and the Tax Extension Limitation Law, the District has the authority to adopt a supplemental levy causing the amount of taxes levied to pay the principal of and interest on the Bonds to be increased up to the amount of the Base or the amount of the principal of and interest due on the Bonds (as set forth in Column (A) of *Exhibit A*) and the District's other outstanding limited bonds payable from the taxes levied for each such levy year, whichever is less; and

WHEREAS, the Board has heretofore determined and does hereby determine that it is necessary and in the best interests of the District that the District adopt supplemental tax levies to pay the principal of and interest on the Bonds as further described herein:

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Education of School District Number 23, Cook County, Illinois, as follows:

*Section 1.* The preambles to this Resolution are hereby found and determined to be true, correct and complete and are hereby incorporated into this Resolution by this reference.

*Section 2.* The District does hereby levy for each of the years 2026 to 2054, inclusive, the supplemental amounts set forth in Column (C) of *Exhibit A*, which levy shall be extended against all of the taxable property in the District for the purpose of paying the principal of and interest on the Bonds. The taxes herein levied shall be in addition to and in excess of the taxes levied in the Bond Resolution. A schedule showing the aggregate of the taxes levied in the Bond Resolution and the taxes levied in this Resolution is set forth in Column (D) of *Exhibit A*.

*Section 3.* Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2026 to 2054, inclusive, ascertain the rate necessary to produce the tax as set forth in Column (D) of *Exhibit A,* and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amount aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District. When collected, the taxes hereby levied for the Bonds shall be placed to the credit of the special fund heretofore created and designated as the "School Bond and Interest Fund of 2025", which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds. A certified copy of this Resolution shall also be filed with the School Treasurer who receives the taxes of the District.

*Section 4.* If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 5.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and that this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted November 12, 2026.

_____
President, Board of Education

_____
Secretary, Board of Education

## EXHIBIT A

### SUPPLEMENTAL AND TOTAL TAXES LEVIED AND TO BE EXTENDED FOR THE BONDS

| YEAR OF LEVY | (A) DEBT SERVICE DUE ON THE BONDS ($) | (B) TAXES LEVIED IN THE BOND RESOLUTION ($) | (C) SUPPLEMENTAL TAX LEVIED HEREIN ($) | (D) TOTAL TAXES TO BE EXTENDED TO PRODUCE ($) |
|---|---|---|---|---|
| 2026 | 414,580.00 | 380,713.04 | 33,866.96 | 414,580.00 |
| 2027 | 1,111,915.00 | 1,045,313.04 | 39,757.85 | 1,085,070.89 |
| 2028 | 1,111,915.00 | 1,009,913.04 | 39,757.85 | 1,049,670.89 |
| 2029 | 1,111,915.00 | 976,513.04 | 39,757.85 | 1,016,270.89 |
| 2030 | 1,316,915.00 | 1,150,113.04 | 39,757.85 | 1,189,870.89 |
| 2031 | 1,668,202.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2032 | 1,703,625.00 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2033 | 1,740,187.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2034 | 1,773,102.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2035 | 1,805,937.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2036 | 1,844,687.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2037 | 1,239,437.50 | 1,239,437.50 | 0.00 | 1,239,437.50 |
| 2038 | 1,277,187.50 | 1,277,187.50 | 0.00 | 1,277,187.50 |
| 2039 | 1,317,187.50 | 1,317,187.50 | 0.00 | 1,317,187.50 |
| 2040 | 1,354,187.50 | 1,354,187.50 | 0.00 | 1,354,187.50 |
| 2041 | 1,393,187.50 | 1,393,187.50 | 0.00 | 1,393,187.50 |
| 2042 | 1,433,937.50 | 1,433,937.50 | 0.00 | 1,433,937.50 |
| 2043 | 1,476,187.50 | 1,472,513.04 | 3,674.46 | 1,476,187.50 |
| 2044 | 1,519,687.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2045 | 1,564,187.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2046 | 1,609,437.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2047 | 1,650,187.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2048 | 1,696,437.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2049 | 1,747,687.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2050 | 1,793,437.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2051 | 1,843,687.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2052 | 1,892,937.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2053 | 1,940,037.50 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |
| 2054 | 1,992,453.33 | 1,472,513.04 | 39,757.85 | 1,512,270.89 |

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**CERTIFICATION OF RESOLUTION**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of School District Number 23, Cook County, Illinois (the *"Board"*), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a true, correct and complete copy of the resolution adopted by the Board at a meeting of the Board held on the 12th day of November, 2026, and entitled:

> RESOLUTION authorizing a supplemental tax levy to pay the principal of and interest on outstanding limited bonds of School District Number 23, Cook County, Illinois.

which said resolution as adopted at said meeting appears in the transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 12th day of November, 2026.

_____
Secretary, Board of Education

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the ____ day of _____, 20__, there was filed in my office a duly certified copy of a resolution entitled:

> RESOLUTION authorizing a supplemental tax levy to pay the principal of and interest on outstanding limited bonds of School District Number 23, Cook County, Illinois.

duly adopted by the Board of Education of School District Number 23, Cook County, Illinois, on the 12th day of November, 2026, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 20__.

_____
County Clerk

[SEAL]

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of School District Number 23, Cook County, Illinois (the *"District"*), and as such official I do further certify that on the 12th day of November, 2026, there was filed in my office a duly certified copy of a resolution entitled:

> RESOLUTION authorizing a supplemental tax levy to pay the principal of and interest on outstanding limited bonds of School District Number 23, Cook County, Illinois.

duly adopted by the Board of Education of the District on the 12th day of November, 2026, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 12th day of November, 2026.

_____
School Treasurer

**JOINT RECREATIONAL INTERGOVERNMENTAL AGREEMENT**
**BY AND BETWEEN**
**THE BOARD OF EDUCATION OF PROSPECT HEIGHTS**
**SCHOOL DISTRICT NO. 23 AND**
**THE PROSPECT HEIGHTS PARK DISTRICT**

**THIS INTERGOVERNMENTAL AGREEMENT** (the "**Agreement**") is entered into 27th day of October 2026, by and between the Board of Education of Prospect Heights School District No. 23, Cook County, Illinois, a body politic and corporate (the "**School District**") and the Prospect Heights Park District, Cook County, Illinois, a body politic and corporate (the "**Park District**"). The School District and the Park District are each a "**Party**" and collectively as "**Parties**."

## RECITALS

**WHEREAS**, the Park District agrees to operate a before and after school recreational program, commonly known as "BASE – Before & After School Enrichment" ("Program"), at Dwight D. Eisenhower Elementary School, 1 North Schoenbeck Rd., Prospect Heights, Illinois, ("Eisenhower School") on the terms and conditions hereinafter set forth; and

**WHEREAS**, the School District desires to grant the Park District a license to use certain space at Eisenhower School as provided in Section 5(a) for operation of the Program; and

**WHEREAS**, students of the School District benefit from the administrative ease of having access to the Park District's programs directly at the School District's facilities; and

**WHEREAS,** to meet the needs of the respective communities of the Parties, the Parties desire to provide certain before and after school voluntary recreation programs to those pre-kindergarten through first grade students enrolled at Prospect Heights School District No. 23 (the "**Program**"); and

**WHEREAS**, the Park District has the authority pursuant to Section 8-18 of the *Park District Code* (70 ILCS 1205/8-18) to develop, operate, finance, and participate in joint recreational programs with contiguous school districts and to enter into joint agreement pertaining thereto; and

**WHEREAS**, the School District has the authority pursuant to Section 10-20 of the *School Code* (105 ILCS 5/10-20) to exercise all powers not inconsistent with those provided in the *Illinois School Code* that may be requisite or proper for the maintenance, operation and development of its schools; and

**WHEREAS**, it is requisite and proper for the School District to enter into this Agreement for the Park District's operation of a recreation program to serve the pre-kindergarten through first grade students of Eisenhower School, Prospect Heights School District No. 23; and

**WHEREAS**, the Parties are further authorized to enter into this Agreement pursuant to Article VII, Section 10 of the *1970 Constitution of the State of Illinois* and the *Illinois Intergovernmental Cooperation Act* (5 ILCS 220/1 *et seq.*); and

**WHEREAS**, the Parties have determined that it is in the best interests of their respective communities to enter into this Agreement and provide the services hereunder.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions set forth herein, it is agreed by the Parties as set forth below.

**1. Program.**

(a) *Name.* The Program operated hereunder shall be known as the BASE – Before & After School Enrichment Program (the "**Program**").

(b) *Operation.* The Program shall be a Park District program that is solely operated by the Park District, in cooperation with the School District, for those pre-kindergarten through first grade students of Eisenhower Elementary School, Prospect Heights School District No. 23. The Program shall provide those students participating therein (the "**Program Participants**") with such activities, physical exercise and recreation as is deemed necessary and appropriate by the Park District. The Program shall be operated at Eisenhower Elementary School. The Park District shall be responsible for all staffing and the operation of the Program. The School District shall provide the Park District with a reasonable amount of storage space at Eisenhower Elementary School where the Program is located for the Park District to house a reasonable amount of Program supplies and equipment.

(c) *Programs & Activities*. Programs and activities for the Program shall be developed by the Park District and shall be implemented by the Park District. Furthermore, the Park District shall be responsible for providing any accommodations to Program Participants in accordance with applicable law.

(d) *Eligibility*. Enrollment in the Program shall be open to all School District students who are enrolled in grades pre-kindergarten through first grade at Eisenhower School. The Park District shall set the capacity limits based on the availability of adequate staffing. Additionally, if minimum enrollment numbers for the Program are not reached, then the Park District reserves the right to cancel that portion of the Program.

(e) *Fees*. A fee shall be charged to the parent(s) or guardian(s) of each Program Participant by the Park District, with such fees established by the Park District on an annual basis. The Park District shall collect the enrollment fees and deposit said fees into its respective Program Operating account.

(f) *Calendar*. The Program shall operate during the school year of the School District and at such other times as deemed appropriate by the Parties. The calendar for the Program shall be mutually agreed upon by the Parties no later than February 1, or when the school calendar is finalized by the School District, of each year during the term of this Agreement. The Program will not operate when the school day has been adjusted by the School District due to weather or other emergency conditions including a late arrival, early dismissal, or remote school day. The School District shall promptly notify the Park District of such changes.

(g) *Transportation*. Unless otherwise agreed to by the Parties in writing (*i.e.*, remote site transportation), neither Party shall be responsible for any transportation of students to, from, or

between Sites. Rather, the Program Participant's parents or guardians shall be responsible for such transportation. The transfer of students between the school day and the Program on the school premises shall be governed by Section 8.

**2. Program Administration.** The Park District shall employ a Program Coordinator who will be the primary onsite supervisor of the program. The Program Coordinator shall be supervised by a full-time, Park District administrator who shall be ultimately responsible for all aspects of its operations. The Park District shall be solely responsible for establishing and implementing program procedures, code of conduct, emergency forms, parent-handbook, health/medication forms, and any other program-specific protocols.

**3. Finances.** The Park District shall be responsible for costs, fees and expenses of operating of the Program, including staff compensation, benefits, supplies, snacks or food for participants, and materials.. The School District may invoice the Park District for reasonable, actual documented incremental expenses directly attributable to the Program, including additional custodial or maintenance services, provided that such expenses have been disclosed in advance and approved in writing by the Park District, expect for expenses reasonably necessary to respond to an immediate emergency. The Park District shall reimburse the undisputed, properly documented and authorized charge within thirty (30) days after receipt of such invoice. The Parties shall work in good faith to resolve disputed charges.

**4. Employees & Staff.**

(a) *Employment.* The Park District shall be responsible for all hiring, firing, training, discipline, and evaluation of all Program staff. Moreover, The Park District, as the employer of Program staff, shall be responsible for all compensation, employment taxes, benefits, filings, and other responsibilities pertaining to the BASE – Before & After School Enrichment Program staff and employees.

(b) *Criminal Background Checks.* The Park District will follow the requirements of Section 10-21.9 of the Illinois *School Code* (105 ILCS 5/10-21.9) for each employee of the Park District who is providing any services under or related to this Agreement at any Location. Each Park District employee shall be subject to a fingerprint based criminal history background check as provided in Section 10-21.9. No person may provide any services at a Location without consenting to a fingerprint based criminal background history check. As required by Section 10-21.9, the School District, or its agent, shall perform the criminal history checks required hereunder, at the Park District's expense. No employee of the Park District that has been convicted of any prohibited offense set forth in Section 10-21.9, Section 21B-80 of the Illinois *School Code* (105 ILCS 5/21B-80) or otherwise prohibited by law shall be permitted to provide any services hereunder at any Location. To the extent the Park District utilizes the services of volunteers, such volunteers shall not be permitted to be unsupervised with any student unless that volunteer has consented to a criminal background check and has complied with the criminal background requirements applicable hereunder to employees. Additionally, pursuant to the requirements of Section 8-23 of the *Illinois Park District Code* (70 ILCS 1205/8-23), each employee of the Park District providing any services under or related to this Agreement at any Location, shall be subject to a criminal history background check as provided in Section 8-23.

(c) *Fitness for Duty*. As required by Section 5/24-5 of the *Illinois School Code* (105 ILCS

5/24-5), the Park District shall provide to the School District upon demand, evidence of its employees' hereunder fitness to perform the duties assigned and freedom from communicable disease. Such evidence shall comply with Section 5/24-5. Moreover, the Park District represents and warrants that all employees of the Program have complied with the requirements of Section 5/24-5.

**5. Premises.**

(a) *License for Use of Property*. The Program shall operate at Eisenhower Elementary School, 1 North Schoenbeck Road, Prospect Heights, Illinois (the "Site"), or at such other Sites as may be approved by the Parties. The School District grants to the Park District, to the extent necessary to operate the Program, nonexclusive, temporary licenses for the term of this Agreement, or any extension thereof, during the dates and times set forth on the calendar required under Section 1(f) to operate the Program. Such licenses shall include the right of ingress and egress for all Sites and the use of the facilities related to the Program such as bathrooms, parking spaces, and playgrounds.

(b) *Repairs and Restoration of Damage*. The Park District shall be responsible for reasonable cost of repairing physical damage to the Site to the extent actually caused by the negligent or wrongful acts or omissions of the Park District or its employees, agents or Program Participants during the Program, ordinary wear and tear excepted. The Park District shall repair and restore, at its own cost and expense, any such damage as described to the Site. Additionally, the School District may make such repairs as soon as is reasonably possible and the Park District shall reimburse the School District for the costs to make such repairs.

(c) *Improvements*. The Park District shall not perform any construction, alterations, modifications, or improvements to the Sites without prior written approval of the School District, which it will not unreasonably withhold from the Park District.

(d) *Maintenance & Utilities*. The School District shall be responsible for providing custodial services at the Site, which includes cleaning and set up and take down of tables, chairs and similar school items; however, the Park District shall be responsible for maintaining such Sites in a safe condition and in compliance with all applicable, laws, rules, ordinances, and requirements under this Agreement. Except for any expense incurred by the School District Site pertaining to the operation of the Program, which expense may be charged to the Park District (*e.g.*, the custodial services at the Site related to the operation of the Program as noted above), the School District shall be responsible for maintaining the buildings, grounds, and mechanical systems at the Site, as well as snow removal and salting, as necessary. The School District shall provide, at its expense, water, electricity, gas and waste removal.

(e) *Building Code and Operating Licenses*. The Park District acknowledges that it is accepting all Sites on an AS-IS condition without any representations or warranties from the School District, except as specifically provided in this Agreement. The Park District shall be responsible for ensuring the Site where the Program is held comply with all applicable laws, rules, and regulations applicable to the operation of the Program and that the Program and all individuals associated with the Program comply with all applicable licensing and certification requirements.

**6. School District Obligations**. In addition to any other obligation of the School District as

specifically set forth in this Agreement, the School District shall: (i) notify the Park District of emergency school cancellations or schedule adjustments; (ii) notify the Park District of any Program Participant absences of which it is aware; (iii) promote and market the Program to its families as permitted by School District policy, including but not limited to, posting information and distributing registrations materials regarding the Program on the School District's website; (iv) secure adequate space and storage for the Program; (v) assisting the Park District in any conflict resolution relating to Program Participants; (vi) provide the Park District with keys and/or keycards for access to the Sites; (vii) provide the Park District with the password to access the School District public Wi-Fi network during program hours; and (viii) assist the Park District in setting up an account to order snacks or food from approved School District vendor.

**7. Park District Obligations**. In addition to the other obligation of the Park District set forth in this Agreement, the Park District shall: (i) be responsible for Program registration; (ii) billings and fee collections; (iii) dispute resolution related to the Program; (iv) general administrative functions related to the operation of the Program; and (v) providing an afternoon snack to the Program Participants.

**8. Supervision.** The Park District shall be responsible for the implementation of the Program at the Site and the supervision and safety of all its respective employees, Program Participants, or any invitees and licensees at the Site. For Program components occurring before the scheduled school day, supervision begins when participants are signed in to the program and ends when students are released to School District staff. For Program components occurring after the conclusion of the scheduled school day, supervision begins when participants are signed in to program and ends when parents/guardians sign the participants out of the program. Before commencement of the Program, the Parties shall jointly develop and approve written procedures for student transfers, attendance verification, and emergencies to ensure all Program Participants are properly accounted for.

**9. Insurance.** Each Party shall maintain in full force and effect during the term of this Agreement, or any extension thereof, the following types and minimum amounts of insurance: (i) Commercial General Liability Insurance with coverage or coverage by a Self Insurance pool "Risk Management Association" (such as the Park District Risk Management Association or the Metropolitan Risk Management Association) in the amount of at least Two Million Dollars ($2,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, which insurance shall include coverage for sexual abuse and molestation; (ii) Excess or Umbrella Insurance in the amount of at least Five Million Dollars ($5,000,000) per occurrence and in the aggregate, which insurance shall follow the form of the underlying insurance in all respects; (iii) Workers Compensation Insurance in the amounts required by law, with Employer's Liability Insurance in the amount of at least $1,000,000 each accident for bodily injury by accident and $1,000,000 each employee for bodily injury by disease; (iv) Commercial Automobile Liability Insurance with limits of not less than One Million Dollars ($1,000,000) combined single limits for bodily injury and property damage, on all vehicles owned by each Party or operated for purposes of the Program.

All insurance required hereunder, except for the Worker's Compensation Insurance, shall name the other Party, its individual Board members, employees, agents and volunteers as additional insureds thereon on a primary and non-contributory basis.

Prior to the commencement of the term of this Agreement or any extensions thereof, and upon request by any Party, the Party shall provide to the other Party a Certificate of Insurance, or a copy of all insurance policies and endorsements thereto, evidencing proof of all insurance required hereunder. To the fullest extent permitted by the applicable insurance policy, each Party waives any right of subrogation its insurer may have against the other Party and its indemnitees under this Agreement. The Park District shall add an alternate employer's endorsement to its Worker's Compensation Insurance in favor of the School District.

**10. Indemnification from Suit.** To the fullest extent permitted by law, each Party to this Agreement shall indemnify, defend, and hold harmless the other Party, its respective Board members, employees, agents, and volunteers, from third-party claims, damages, liabilities, and reasonable costs and expenses, including reasonable attorneys' fees, but only to the extent caused by the negligent acts or omission or willful misconduct of the indemnifying Party or its employees or agents in performing its obligations under this Agreement. Neither Party shall indemnify the other to the extent a claim is caused by the other Party's acts or omissions, including those involving ownership, condition, maintenance, or control of the school premises. Any obligation to defend a claim shall be subject to the Parties' mutual written agreement or applicable law; neither Party assumes an independent duty to defend the other merely upon tender of a claim. Nothing in this Agreement shall waive or limit any defense, immunity or limitation of liability afforded either Party under the *Illinois Local Governmental and Governmental Employees Tort Immunity Act* (745 ILCS 10/1-101, *et seq.*) or any other applicable law.

**11. Term of Agreement.** The initial term of the Agreement shall commence on the date of the last Party's signature hereto and end on June 30, 2028. Thereafter, the Agreement shall be deemed automatically renewed for successive one-year periods, unless the Parties otherwise mutually agree to terminate the Agreement at an earlier date. However, any Party hereto may terminate this Agreement effective as of any June 30 by delivering notice thereof to the other Party no later than ninety (90) days prior to the effective date of termination.

**12. Amendments.** No modifications or amendments or waiver of any provision hereto shall be valid and binding unless in writing and signed by all Parties.

**13. Default**. In the event that any Party to this Agreement fails to perform any of the material terms and conditions contained herein, said Party shall be considered to be in default of this Agreement. Upon written notification from the non-breaching party, the breaching party shall have fourteen (14) days from the receipt of said notice to remedy the default or to commence activities to remedy the default if the default cannot reasonably be remedied within the fourteen (14) day period. Should the defaulting Party fail to remedy the default or take action to remedy the default within the fourteen (14) day period, in addition to all other remedies available in law and equity, said Party's rights and obligations under this Agreement may be terminated, and said Party shall immediately cease operations of the Program and wind-up its affairs. Each defaulting Party shall be responsible for all costs, fees and expenses, including reasonable attorneys' fees, incurred by the non-defaulting Party associated with such default and the enforcement of the terms of this Agreement.

**14. Compliance with Laws.** Each Party shall comply with all applicable laws, rules and ordinances including, but not limited to: local, state and federal tax laws; state and federal non discrimination laws applicable to employees, participants, invitees and licensees; workers'

compensation laws; state and federal wage and hour laws and any license requirements. Each Party specifically agrees to fully comply with the requirements of the *Illinois Human Rights Act*, 775 ILCS 5/1-101 *et seq.*, including, but not limited to, the provision of sexual harassment policies and procedures pursuant to Section 2-105 of the *Act*. Each Party further agrees to comply with all federal Equal Employment Opportunity Laws, including, but not limited to, the *Americans With Disabilities Act*, 42 U.S.C. § 12101 *et seq.*, and rules and regulations promulgated thereunder to the extent applicable.

**15. Governing Law.** This Agreement and the rights and responsibilities of the parties hereto shall be interpreted and enforced in accordance with the laws of the State of Illinois.

**16. Successors and Assigns.** This Agreement shall be binding upon, apply and insure to the benefit of each Party and their respective legal representatives, successors and assigns.

**17. Complete Understanding.** This Agreement sets forth all the terms and conditions, and agreements and understandings between the Parties relative to the subject matter hereof, and there are no agreements or conditions, either oral or written, expressed or implied, between them other than as herein set forth.

**18. Waiver.** No waiver of any default of any Party hereunder shall be implied from an omission of any Party to take any action on account of such default and no express waiver shall affect any default other than the default specified in that express waiver and then only for the time and to the extent therein stated.

**19. Notices**. Any notice required to be provided hereunder shall be in writing and shall be sent, *via* overnight delivery by a nationally recognized delivery service with proof of service or by personal service, to the addresses set forth below:

**The Park District:**
Prospect Heights Park District
Attn: Executive Director
110 W. Camp McDonald Road
Prospect Heights, Illinois 60070

**The School District:**
Prospect Heights School District No. 23
Attn: Superintendent
700 N. Schoenbeck Road
Prospect Heights, Illinois 60070

All notices provided shall be deemed to have been received upon deposit with the overnight carrier or upon personal delivery.

**20. Incorporation of Recitals.** The recitals set forth above are hereby incorporated into and made a part of this Agreement.

**21. Headings:** The headings used in this Agreement are for the convenience of the Parties only and shall not affect the interpretation thereof.

**22. Intergovernmental Cooperation Act**. This Agreement shall be interpreted in accordance with the *Illinois Intergovernmental Cooperation Act* (5 ILCS 220/1 *et seq.*) so that each Party hereto may exercise and enjoy the power and authority of any other Party hereto to fully perform the services provided under this Agreement.

**23. Severability**. If there is any term or provision of this Agreement, or the application thereof is prohibited by law, which shall be prohibited by law or invalid under applicable law, such provision shall be ineffective to the minimal extent of such prohibition or invalidity without invalidating the remainder of such provision or this Agreement.

**24. No Third-Party Beneficiary.** This Agreement is entered into solely for the benefit of the contracting parties, and nothing in this Agreement is intended, either expressly or impliedly, to provide any right or benefit of any kind whatsoever to any person or entity who in not a party to this Agreement, or to acknowledge, establish or impose any legal duty to any third party.

**25. Execution.** This Agreement may be executed in multiple counterparts and a set of counterparts bearing the signatures of each party hereto shall constitute the Agreement as fully as if the parties had signed a single document. The Parties agree to accept copies of this Agreement as if originals.

**26. Termination of Original Agreement**. By entering into this Agreement, the Parties mutually agree that any previous agreement related to the BASE – Before & After School Enrichment Program is hereby terminated and replaced with this Agreement.

**27. Termination of BASE – Before & After School Enrichment Program**. In the event that the Program is terminated, the Park District shall pay all outstanding obligations incurred by the Program and it shall be entitled to retain any remaining funds as permitted by Park District policy and applicable law.

**IN WITNESS WHEREOF,** each party hereto has caused this Agreement to be executed by a duly authorized individual.

| | |
|---|---|
| **BOARD OF EDUCATION OF PROSPECT HEIGHTS SCHOOL DISTRICT NO. 23, COOK COUNTY, ILLINOIS** | **THE PROSPECT HEIGHTS PARK DISTRICT COOK COUNTY, ILLINOIS** |
| _____ | Timothy D Jones |
| **President** | **President** |
| _____ | 10/27/26 |
| **Date** | **Date** |
| _____ | J Cloud |
| **Attest** | **Attest** |

Prospect Heights School District 23 is accepting sealed bids for:

## STUDENT TRANSPORTATION SERVICES
## 2027-28, 2028-29, 2029-30, 2030-31, 2031-32

Submit your bids to the attention of:

Ms. Amy K. McPartlin, CSBO
Asst. Superintendent for Finance & Operations
Prospect Heights School District 23
700 N. Schoenbeck Road
Prospect Heights, IL 60070

Bids must be received at the above address no later than the following date and time of the scheduled public bid opening: **Friday, November 13, 2026 at 1:00 PM**

There will be a **MANDATORY** pre-bid meeting on **Wednesday, November 4, 2026 at 1:00 PM** at the Grodsky Administration Building.

Your bid MUST be submitted in a SEALED ENVELOPE CLEARLY MARKED:

## "2027-2032 STUDENT TRANSPORTATION SERVICES BID"

Bid documents can be received via email by contacting Ms. Amy K. McPartlin, CSBO, Assistant Superintendent for Finance & Operations at amcpartlin@d23.org

Company Name: _____

Company Address: _____

_____

Phone: _____

Email: _____

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# TERMS & CONDITIONS

**GENERAL**

1. Bid proposals are to be for a five-year contract, with mutual optional annual renewals for years six through ten as set forth in the contract below. The contract period will be for the 2027-28, 2028-29, 2029-30, 2030-31, and 2031-32 school years, unless sooner terminated by one of the parties as set forth below.

2. Bids will be accepted by the District until 10:00 a.m., Central Standard Time, on Friday, November 13, 2026, at which time they will be publicly opened and read aloud. No bids or amendments to bids will be accepted after that time.

3. Any bids received after 10:00 a.m. on Friday, November 13, 2026, will be returned to the Bidder unopened. The sealed envelope shall include your bid in the following format: [3] paper copies and one electronic version in PDF format submitted on a thumb drive or flash drive. Bidders bear all risk of late delivery or non-delivery of bids.

4. Bids shall be submitted to the attention of the Asst. Superintendent for Finance & Operations in a sealed envelope, properly marked with the title of the bid, date, and time of opening. All bids must be made of the forms included with this bid package.

5. Unsigned or late bids will not be considered.

6. All questions regarding the bid shall be directed to the Asst. Superintendent for Finance & Operations via email ONLY to amcpartlin@d23.org.

7. The Bid documents include the Terms and Conditions, General Information & Contractor Requirements, Transportation Service Details, Specifications, Bid Submission Checklist, and Certifications. Should a bidder find any discrepancies in, or omission from, any of the documents, or be in doubt as to its meanings, they shall advise the Asst. Superintendent for Finance & Operations via email who will issue the necessary clarifications to all prospective bidders by means of addenda. In the event a discrepancy between requirements in the Bid Documents, absent of notice to the Assist. Superintendent of Finance & Operations and written clarification as required above, the provision that requires the higher level of service or performance or is of more benefit to the School District shall control.

8. Any interpretation of the proposed documents will be made only by addendum issued by the School District. A copy of the addendum will be emailed to each person receiving a set of bid documents. Bidders shall acknowledge receipt of each addendum issued in the space provided on the bid form. Oral explanations will not be binding.

9. School District 23 is exempt from all Federal, State, and Municipal taxes, under Tax Exempt #E89997 8520 07

10. All prices must be quoted F.O.B. destination. Prices shall include all charges for packing, transportation, and delivery. Shipments will become the property of the consignee after delivery and acceptance.

**ERRORS AND OMISSIONS**

1. It is understood that the bidder has bid in strict accordance with the specifications, unless indicated by the bidder. Any explanation or statement which the bidder wishes to make may be placed in the

same envelope with the bid but shall be written separately and independently of the bid documents. Bidder acknowledges that any variation from the specifications will be grounds for the Board of Education to reject the bid, although the Board of Education may accept the bid with the verification if, in its sole discretion, it determines that such bidder's bid is in the School District's best interest.

2. All bids shall be deemed final and conclusive once submitted and irrevocable pending acceptance and approval by the Board of Education. After the submission of the proposal, no complaint or claim that there was any misunderstanding in regard to items listed for bidding will be entertained from either party.

3. As permitted by law, the Board of Education reserves the right to reject any or all bids, or portion thereof, or to waive any informality, irregularities or defects in any or all bids and to accept that bid which in its opinion is in the best interest of the District. Any such decision shall be considered final.

**FIRM BID**
All prices, terms, and conditions will be considered to be firm for a period of ninety (90) days from the date of the bid opening.

**WITHDRAWAL OF BIDS**
Bids may be withdrawn by letter, email, or in person prior to the time and date established for the opening of bids. No bid shall be withdrawn without the consent of Prospect Heights School District 23 Board of Education after the scheduled bid opening

**FINANCIAL STABILITY**
1. The School District may require evidence as to the financial stability of the bidder.

2. Upon request, the bidder shall provide the following information to the District within 48 hours:

    a. The name of any owner or co-owner, the equity of each co-owner or corporate office of the entity submitting the bid, and the name, address, and business telephone number of each such person.

    b. The last financial statement and balance sheet of the bidder, including a specification in detail of all loans outstanding, or a copy of the last certified annual audit.

**INVESTIGATION OF BIDDERS**
1. District 23 will make such investigations as is necessary to determine the ability of the bidder to fulfill bid requirements. If requested, the bidder shall be prepared to show completed installations of equipment, types of service, or supplies similar to those included in this bid.

2. The Board of Education reserves the right to reject any bid if it is determined that the bidder is not properly qualified to carry out the obligations of the contract.

**RESERVATION OF RIGHTS BY THE DISTRICT**
1. The Board of Education reserves the right to reject any and all bids or portions of bids, waive informalities or irregularities in any bid or the bid process, and award the contract in the best interest of the School District, considering conformity with specifications, terms of delivery, quality, and serviceability, as determined in the sole discretion of the Board of Education. The contract will be awarded, if at all, to the bidder meeting specifications, and most able to provide safety and comfort for the pupils, stability of service, and other factors as set forth in the Bid Documents, as determined by the Board of Education. While the financial responsibility of the bidder is a significant concern, the Board of Education is equally concerned with the proven ability of the bidder to satisfactorily perform the contract so that the service will be provided in accordance with the proposed contract documents.

2. The Board reserves the right to award each item to different bidders or all items to a single bidder unless otherwise noted on the bid request

3. The Board reserves the right to determine whether:

    a. an equal or alternate is a satisfactory substitute.

    b. the delivery date is entitled to more consideration than price.

    c. a bidder is not a responsible bidder.

    d. what exceptions or deviations from the written specifications will be accepted.

**AWARD AND CONTRACT**

1. All bids will be awarded upon approval by the Board of Education.

2. The contract will be awarded by the District, if at all, to the Bidder most able to provide safety and comfort to the pupils, stability of service and other factors relating to the terms of delivery, quality and serviceability as set forth in the Specifications. Price shall also be a significant but not dispositive factor.

3. The successful bidder will be required to enter into a contract incorporating the terms and conditions of this bid document.

4. At no time shall a cause of action lie against the Board of Education for awarding this pupil transportation contract unless such cause of action is based on fraudulent conduct per 105 ILCS 5/10-20.21.

**SIGNATURE CONSTITUTES ACCEPTANCE**

The signing of these forms will indicate the bidder's compliance with all bid specifications and included terms and conditions.

**EXAMINATION OF DOCUMENTS AND SITES**

1. Before submitting a proposal for work on any project, each bidder shall carefully examine all relevant information, the Bid Documents, and all other contract documents, fully informing itself of the existing conditions for service and terms and conditions for provision of the pupil transportation services.

2. After the opening of bids, no additional allowance will be made for changes in project scope and/or price due to work that would have been apparent by examination of the documents and sites. Each bidder shall be held to represent that it has made the examination in complete detail and has determined that the documents and existing conditions are sufficient, adequate, and satisfactory for its completion of the work.

**DAMAGES TO PROPERTY**

1. While on District premises, extreme care must be taken not to damage vehicles, lawns, landscaping, plants, structures, equipment, or any other fixtures. Any damages caused by the contractor shall be repaired or replaced at the discretion of the District.

2. The District may authorize necessary repairs using current/preferred vendors. Such repairs and/or replacements will be the sole responsibility of the contractor.

3. The District may reserve the right to withhold payment for unpaid damages.

**DISTRICT EMPLOYEES**

Each bidder shall affirm that no Board of Education member, officer, or employee of District 23 or their immediate family members, is interested financially in the proposed contract.

**HOLD HARMLESS AND INDEMNIFICATION**

The contractor shall assume all liability for, and shall protect, defend, indemnify, and hold harmless the Board of Education and its members individually, their officers, employees, servants, and agents from and against all claims, actions, suits, judgments, costs, losses, expenses, and liabilities of whatsoever kind or nature including reasonable legal fees incurred by owner arising out of:

1. Any infringement (actual or claimed) of any patents, copyrights, or trade names by reason of any work performed or to be performed by the contractor under this contract or by reason of anything to be supplied by the contractor pursuant to this contract.

2. Bodily injury, including death, to any person or persons (including contractor's officers, employees, agents, and servants) or damage to or destruction of any property, including the loss of use thereof:

    a. Caused in whole or in part by any act, error, or omissions by the contractor or any subcontractor or anyone directly or indirectly employed by any of them regardless of whether or not it is caused in part by a party to be indemnified hereunder.

    b. Arising directly or indirectly out of the presence of any person in or about any part of the project size or the streets, sidewalks, and property adjacent thereto.

    c. Arising directly or indirectly out of the use, misuse, or failure of any machinery or equipment used directly or indirectly in the performance of this contract.

The contractor hereby waives any limitation of liability defense based on workers compensation or benefit laws with respect to any claim for bodily injury or death of contractor's employees.

**GOVERNING LAW & VENUE**

The contract shall be governed and construed in accordance with the laws of the State of Illinois. If any provision hereof shall be held to contravene any applicable law, such provision shall be deemed reformed to the extent of conforming to said law, and in all other respects the terms hereof shall remain in full force and effect. Venue for any litigation between the parties will be in the Circuit Court for Cook County, Illinois.

**FORCE MAJEURE**

1. Except as described in Title 23, Part 120, Section 120.30e of the Illinois Administrative Code, In the event the District or the Contractor is prevented from performing in the customary manner by an act of God, civil disturbance, fire, flood, riot, war, loss of transportation facilities, oil or fuel shortage or embargo, governmental action, or condition/cause beyond the party's control, the party shall be excused from performance under this agreement.

2. The partial or total failure of the Contractor to perform its services as a result of extreme weather conditions, impassable roads, or Acts of God shall not be judged a breach of the proposed contract; however, the Contractor shall not be paid for any lack of total performance.

3. The Contractor shall be responsible for assisting the District in providing non-disruptive transportation services.

**CANCELLATION OF CONTRACT & PENALTIES FOR NON-COMPLIANCE**

1. In the following situations described below, the Board of Education may terminate the contract in whole or in part and either take over transportation services or subcontract them to a third party.

2. The Contractor shall remain liable to the District for all costs in excess of the costs that would have become payable to the Contractor had services not been canceled and/or subcontracted until the end of the contract.

3. Conditions Permitting Cancellation or Termination of the Contract by the Board of Education:

a. Bankruptcy, receivership or insolvency of the Contractor

b. Failure of the Contractor to pay for equipment and supplies

c. Failure of the Contractor to pay workers

d. A work stoppage or a failure to provide sufficient workers

e. Failure to provide sufficient buses

f. Failure to remedy non-compliance with this contract as prescribed below. Non-compliance includes, but is not limited to, the failure by the Contractor to transport students on a route or routes as contracted or as requested in accordance with the terms of this contract or the failure to make changes to routes as specified and directed by the District in accordance with the terms of this contract.

   i. In the event that the Contractor at any time fails to comply with, fully perform or strictly adhere to any covenant herein contained to be performed by the Contractor or its agents or employees, the District shall give notice in writing specifically informing the Contractor that they are in non-compliance and the parameters that must be met to become compliant.

   ii. In the event that the Contractor does not remedy such failure to comply within twenty-four (24) hours of receipt of such notice, or in the event that the Contractor shall at any time, except because of weather, fail to furnish at least ninety-five percent (95%) of the fully equipped and operating buses required by this contract for a period of twenty-four (24) hours; then at the option of the District, this contract may be terminated by delivery to the Contractor of written notice of such election to terminate.

g. Other material breach of the Contract.

4. If this contract is terminated in accordance with any of the foregoing provisions, all of the Contractor's rights shall cease and execution of the Performance Bond or Guarantee of Performance will be implemented. The Contractor shall remain liable for all costs to the District for vehicle transportation until the end of the contract in excess of the cost that would have become payable to the Contractor had the route or routes not been canceled and subcontracted.

5. In the event of termination the District reserves the right to arrange for the transportation of students itself or to enter into a contract with another person, firm, or corporation, to ensure continuity in the transportation of students.

6. In the event of any such termination, the District shall retain any other rights or remedies it may have against the Contractor and its surety including, but not limited to, recovering damages for breach of contract, recovery under the surety bond required under this contract, and recovering reasonable attorney's fees and costs should legal action become necessary to enforce any of the terms and provisions of the contract.

**INSURANCE**

1. The Contractor shall carry, pay for, and keep in force during the term of this contract, and any extension thereof, in companies rated "A" VII by A.M. Best, the coverage provided below.

   a. **Workers' Compensation**
   Contractor will maintain policies of insurance in companies satisfactory to the District covering Workers' Compensation including Occupational Diseases, with Statutory Limits as

provided by the laws of the State of Illinois or any other state which might take jurisdiction. Workers Compensation coverage:

i. Coverage A: Statutory
ii. Coverage B: $1,00,000

b. **General Liability**

i. $2,000,000 General Aggregate
ii. $2,000,000 Products – Comp/Op Aggregate
iii. $1,000,000 Personal & Adv. Injury
iv. $1,000,000 Each Occurrence
v. $10,000 Medical Payments (any one person)
vi. $1,000,000 Sexual Misconduct

c. **Automobile Liability**

i. $1,000,000 Limit of Liability (Incl. owned, non-owned and hired auto)
ii. $10,000 Medical Payments per Person
iii. $1,000,000 Uninsured Motorist
iv. $1,000,000 Underinsured Motorist

d. **Umbrella Liability**

i. $25,000,000 Umbrella Liability
ii. Follow from excess of all primary coverage.

2. Such insurance shall name the District as an additional insured on a primary and noncontributory basis and in addition, such coverage shall insure members of the Board of Education, officers, employees, and agents in all of their official capacities, and other persons, firms, or corporation as the District from time to time may direct for claims arising out of the performance of this contract.

3. Contractual liability shall be provided under the Commercial General Liability policy to include the indemnification provisions below.

4. A certificate of insurance shall be provided to the District evidencing the coverages below and must include the requirement of a thirty day cancellation notice. In such a case of termination, the Contractor will provide evidence of new insurance at the earliest possible date, but not later than ten days prior to the termination of the original policy.

5. A waiver of subrogation must be included in favor of the District. Also, an alternate employer endorsement naming the District must be included.

6. Contractor shall indemnify, hold harmless, and defend the District, members of the Board of Education, officers, employees, and agents thereof against all suits, actions, legal proceedings, claims and demands, and against all damages, losses, costs, expenses, and attorneys' fees, in any manner caused by, arising from, incident to, connected with, or growing out of the operation of buses under performance of this transportation contract.

7. Contractor shall present all policies or exact copies of original policies to the District for insurance required herein for approval and safekeeping during the life of this transportation contract.

8. Each insurance company must agree not to terminate their coverage without at least thirty (30) days written notice to both the District and Contractor and to include this clause in the insurance policy. In such cases of termination, the Contractor will provide evidence of new insurance at the earliest possible date, but not later than ten (10) days prior to the termination of the original policy.

**BID & PERFORMANCE BONDS**

1. A Bid Bond by a surety rated "A10" or better in the current edition of A.M. Best's Key Rating Guide of at least ten percent (10%) of the first year contract price shall be provided with this bid.

2. Within ten (10) days of the date of the Notice of Award, the successful Contractor shall enter into a formal contract with the Board of Education consistent with the Bid Documents, and shall provide a Performance Bond in the full estimated amount of the first year of the contract per the bid documents. Upon receipt of the Performance Bond, the Bid Bond will be returned to the contractor.

    a. On or before August 1 of each succeeding school year during the term of this contract, the Contractor shall furnish the District an annual Contractor's Performance Bond in the amount of one hundred percent (100%) of the previous school year's charges.

    b. The Performance Bonds shall be written with a company rated "A10" or better in the current edition of Best's Key Rating Guide.

    c. The Performance Bonds shall be conditioned upon the faithful performance by the Contractor of the terms and provisions of this bid and the contract entered into with the District.

3. The Contractor shall pay the cost of premiums for said bonds.

**BIDDER'S AGREEMENT**

1. The bidder hereby declares understanding, agreement, and certification of compliance to provide services to the School District, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original bid specifications, and any issued addenda.

2. The bidder further agrees that the language of this document shall govern in the event of a conflict with (1) his/her bid or (2) any subsequent purchase order between the bidder and the School District.

3. The bidder further agrees that upon receipt of an authorized purchase order or when an authorized official of the School District countersigns this document, a binding contract shall exist between the bidder and the School District.

4. This document combined with amendments, the bidder proposal, its required submittals, and the purchase order, if any, shall comprise the binding contract.

5. All costs directly or indirectly related to preparation of a bid responding to this Invitation, any oral presentations required to supplement and/or clarify a bid, and any reasonable appearance which may be required by the District in connection with this Invitation To Bid, shall be the sole responsibility of the Bidder, and shall not be reimbursed in any manner by the District.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# GENERAL INFORMATION & CONTRACTOR REQUIREMENTS

**MANDATORY PRE-BID MEETING:** Wednesday, November 4, 2026 at 1:00 PM at the Grodsky Administration Building, 700 N. Schoenbeck Road, Prospect Heights, IL 60070.

The specifications will be reviewed and only those in attendance may receive any amendments or corrections as a result of this conference. All bidders or their representatives are encouraged to attend as failing to do so will disqualify the Bidder from submitting bids.

**DUE DATE: Friday, November 13, 2026, 1:00 PM (CST)**
**BID OPENING: Friday, November 13, 2026, at 1:00 PM (CST) at the Grodsky Administration Building, 700 N. Schoenbeck Road, Prospect Heights, IL 60070**

**BIDDER INTERVIEWS (IF NEEDED): November 16-17, 2026. Time and location TBD.**

**EXPECTED AWARD DATE: Thursday, December 10, 2026, at the District 23 Board Meeting at 7:00 p.m. (CST)**

**OBJECTIVE:**
Prospect Heights School District 23 is seeking proposals from qualified vendors to provide both general and special education student transportation services for the 2027-28, 2028-29, 2029-30, 2030-31 and 2031-32 school years, with an option to renew for additional one-year terms. The District seeks to partner with providers who provide innovative solutions to improve services and safety for our students. The primary school sites being supported are as follows:

**MAIN CAMPUS:**

| | | |
|---|---|---|
| MacArthur Middle School | Anne Sullivan Elementary School | Betsy Ross Elementary School |
| 710 N. Schoenbeck Road | 610 N. Schoenbeck Road | 600 N. Schoenbeck Road |
| Prospect Heights, IL 60070 | Prospect Heights, IL 60070 | Prospect Heights, IL 60070 |

**EISENHOWER CAMPUS:**
Eisenhower Elementary School
1 N. Schoenbeck Road
Prospect Heights, IL 60070

**DEFINITIONS:**

- **Aide:** An individual who supports a bus driver in providing safe transportation for all students. For the purpose of this bid, the term 'General Aide' will refer to aides assigned to a bus route and 'One-to-One (1:1) Aide' to an aide assigned to a specific individual.
- **Bid:** The entirety of the vendor's submission to each point of this Invitation, including any and all supplemental bids or information not explicitly requested within this solicitation
- **Charter & Field Trips:** Bus trips to transport students from District schools to other venues within or out of the District.
- **Contractor:** The responding Transportation Company to which the contract is ultimately awarded.

- **Contract Year:** The period of time from August 1 of one year through July 31 of the next year. Includes the traditional school year (typically from August through May) and summer school (typically June and July).

- **District or School District:** Prospect Heights School District 23.

- **Dry Run:** A practice exercise of the bus routes prior to the start of the school year.

- **Extended School Year (ESY) or Summer School:** That period of time when classes are called into session after the regular closing of school and before the opening of the following school year, typically June through July 3rd.

- **Midday Routes:** At midday, the delivery of AM session students assigned bus stops and the pick-up of PM session students.

- **Regular Routes:** The daily pick-up and delivery of a group of students on an assigned bus from assigned bus stop to school (AM) or from school to assigned bus stop (PM). Does not include midday routes.

- **School Year:** The period of time from August 1 of one year through July 31 of the next year. Includes the traditional school year (typically from August through May) and summer school (typically June and July).

- **Tiered Route:** A route in which a bus will transport one group of students to school or home, then return to transport a second group of students to another school.

**GENERAL INFORMATION**

1. The Contractor must provide regular student bus transportation services for the District in accordance with the following terms and conditions. The intent of these specifications is to require superior service and equipment. All services must be performed to the satisfaction of the District.

2. Bid proposals are to be for a five-year contract, with mutual optional annual renewals for years six through ten as set forth in the contract below. The contract period will be for the 2027-28, 2028-29, 2029-30, 2030-31, and 2031-32 school years. Each year of the contract begins on August 1 and goes through July 31.

3. The contract may be extended by mutual agreement of the parties, and thereafter may be extended on a year-to-year basis by mutual agreement of the parties as may be permitted by the Illinois School Code.

4. No contract shall be assigned or any part of the same subcontracted without the written consent of the District, and in no case shall such consent relieve the Contractor from obligations, or change the terms of the contract.

**CONTRACTOR ADMINISTRATION & OFFICE PERSONNEL**

1. It is required that the Contractor have a dedicated, local manager to oversee the daily operations associated with the District's student transportation contract. The manager must be available five (5) days a week, twelve (12) months of the year to coordinate with the Superintendent of the District or their designated representatives, handle complaints, meet with parents and/or staff, and generally manage services according to the District's requirements.

2. The Contractor will provide a single phone number answered 24x7x365 for District staff to contact during trips should issues of scheduling, service, quality, bus breakdowns, or other issues arise that require immediate remedy by the Contractor.

3. The Contractor must have on their payroll a director who has the responsibility for safety and safety-related issues as their primary duty.

4. The office or terminal shall be staffed at all times that buses are in service, pursuant to the terms of this Contract, whether before, during, or after regular school or office hours, with at least a radio dispatcher operator on duty minimally between the hours of 6:30 am and 4:30 pm and personnel on duty or on call to service a disabled vehicle, or a vehicle otherwise in need of assistance.

5. The Contractor must employ sufficient maintenance staff to keep their equipment in good working order.

6. The contractor shall ensure that all personnel and services comply with every rule, regulation, and statute of the federal government, State of Illinois, Illinois State Board of Education, Suburban Cook County Regional Superintendent of Schools, and each local municipality in which the vehicles will be operated.

**BUS DRIVERS**

1. All drivers must comply with all requirements of Local, State, and Federal law which includes, but is not limited to, Drug and Alcohol Testing, Criminal Background Investigation checks, and Faith's Law checks. The Contractor must provide, upon request of the District, a certified list of all drivers and proof that each driver has passed all such tests. The cost of the Criminal Background and Faith's Law Checks will be paid by the Contractor. The cost of any Substance Abuse Testing will be paid by the Contractor.

2. Employees of persons or firms holding contracts with a school district or non-public school that may come into "direct, daily contact" with students must submit to a CHRI check prior to beginning work on campus. This is a determination made by the contracting district or non-public school, usually in consultation with the contracting firm. The contracting firm must make its employees available to submit to CHRI checks; however, the school district or non-public school must review the reports to determine whether any employee of the contracting firm has a conviction listed under Section 21B-80 of the School Code that would prohibit him or her from being on campus.

3. The Contractor shall comply with all applicable Federal, State, and Local laws and regulations pertaining to wages and hours of employment of personnel employed by the Contractor in the transportation operations.

4. Bus drivers shall be hired, employed, and under complete supervision by the Contractor. The Contractor shall be responsible for paying all drivers' salaries, wages, payroll taxes, Social Security benefits, benefits required under any collective bargaining agreements, worker's compensation, vacation benefits, sick benefits, and other such benefits as may be due to the driver by agreement or union contract, or as may be appropriate or required by statute.

5. The District reserves the right to require the removal or transfer of any driver or aide, as determined solely by the District when such driver or aide violates health requirements or conducts himself/herself in a manner that is detrimental to the physical, mental, or moral well-being of students. The District reserves the right to require a change in the assignment of a bus driver.

6. All drivers must participate in an orientation session scheduled and conducted on an annual basis as requested by the District and/or Contractor and shall attend whatever institutes, classes, or seminars are required or recommended by the Illinois State Board of Education.

7. Drivers will be required to perform test runs of their routes, without students. This shall be at no additional cost to the District.

8. Each driver assigned to duties in the performance of this contract must be at least twenty-one (21) years of age and fully licensed as a school bus driver by the State of Illinois. All drivers, including substitute drivers, must be thoroughly familiar with the areas and routes he/she is to cover.

9. Each driver shall be responsible for a complete safety test before leaving on any trip. This test shall consist of, but not be limited to the following: rear safety door, windows, fuel, tires, communication system, electrical system, and lights.

10. The Contractor shall instruct its employees to abide by the policies, rules, and regulations, with respect to the use of District premises, as established by District. The Contractor shall provide the District with a list of its personnel policies.

11. The Contractor shall maintain a sufficient number of substitute drivers, no less than five (5), to cover scheduled routes in the event of an absent driver.

12. In the event of the removal or suspension of any employee, the Contractor shall immediately notify the District and replace the employee without disruption in service.

13. Drivers shall supervise the loading and unloading of their buses. Bus route numbers must be clearly displayed in the bus window.

14. Drivers shall not permit more passengers to occupy the bus than there are seats available and shall not permit passengers to stand or sit on the floor while the bus is in motion.

15. Vulgarity, undue familiarity, rowdiness, gambling, use of tobacco, use of alcoholic beverages, use of drugs/narcotics/medical marijuana, and use of cell phones and other electronic devices are strictly prohibited. The Contractor shall not allow any person to drive a school bus who is not at the time in a condition of mental and emotional stability.

16. All drivers, regular or substitute, must have in their possession while driving a route, an up-to-date map of the route they are driving with hazards indicated. These maps are to be used as a backup should the driver's tablet computer fail.

17. Drivers shall not leave bus stops (student loading areas) prior to the scheduled time of departure. This provision shall have no application in the event of an emergency or an act of God.

18. Drivers and all other persons coming into contact with students must be able to communicate effectively in English both orally and in writing.

19. The Contractor shall furnish and the Drivers shall be required to properly wear and display a photo identification badge at all times they are providing transportation services for the District.

20. Whenever a regular driver is not working because of a planned absence or sick leave of more than two days, to the extent possible, the same substitute driver shall be used for the entire absence of the regular driver.

**BUS FLEET**

1. The contractor will furnish school buses as required by the District, properly equipped and meeting all requirements of the District, the State Board of Education, the Illinois Department of Transportation, and the State of Illinois Standards for School Buses for all years of the contract.

2. The number of buses required for regular routes to serve each District school will be estimated using the best information available, but bidders should understand that the number of buses required will depend upon the seating capacity of the Contractor's buses, budgetary availability, annual enrollment, and the changing needs of the District. Route information and ridership numbers provided as part of this bid are the District's current best approximations.

a. The Contractor shall maintain standby buses equal to a minimum of 10% of the total assigned fleet required to meet the regular route transportation needs of the District. There will be no additional charge for standby buses.

b. As part of this bid, the Contractor shall present suitable evidence certifying that the Contractor will have ample units available and ready for use at the beginning of and throughout the contract.

3. The age, mileage, and location of all buses anticipated to be used in connection with the contract shall be indicated at the time of the bid. Upon request, the Contractor will notify the District of any additions or deletions to the assigned fleet.

    a. Vehicles shall not be older than ten (10) years of age and the average fleet age must not be greater than five (5) years at the beginning of the first day of each year of the contract unless otherwise agreed upon by the District.

    b. If Contractor does not have adequate equipment at the time of award of the contract, Contractor shall present the District with a certified statement from an authorized dealer, manufacturer, or another reliable source, showing that all necessary equipment will be supplied and that all such equipment will be available on-site for use by Contractor for performance of the contract at least ten (10) calendar days prior to the first date that pupil transportation services are to be provided. Equipment must be ordered within fourteen (14) calendar days after the District's notification to the Contractor of the approval of the School Board's award of the contract.

4. The Contractor shall, at its expense, procure and maintain any and all licenses, permits, and certifications which are or may be required by regulatory bodies for the performance of student transportation service.

5. The Contractor shall ensure that all vehicles used in the completion of this Contract will comply with all regulations concerning inspections. The Contractor shall have each vehicle inspected every six (6) months or 10,000 miles, whichever comes first, at a State Certified Inspection Station. The cost of said inspection shall be paid by the Contractor. No vehicle may be used in the transportation of students without first having completed these required inspections. It is further required that, upon request, a copy of the inspection, as provided by the firm approved by the State of Illinois, will be provided to the District certifying that the vehicle is safe for use. Buses not passing inspections shall not be used until conditions have been corrected.

6. In addition to semi-annual inspections, the District also requires that the following specifications are met:

    a. All front tires must have a tread of at least 5/32 and no recaps/retreads are allowed

    b. All rear tires must have a tread of at least 3/32 and no recaps/retreads are allowed

    c. The water, oil, tire pressure, tire conditions, and lights will be checked at least weekly by a transportation garage employee and a log will be kept.

    d. The brake adjustments and fluid, as well as the clutch adjustments, will be checked at least weekly by a transportation garage employee and a log will be kept.

7. All buses and vehicles transporting students in wheelchairs shall be equipped with hydraulic lifts and wheelchair securement devices that comply with federal and state legal requirements. Lifts shall have a manual override to provide for operation in the event of a failure in the electrical system.

8. All vehicles used to complete this Contract shall, at all times, be maintained in a clean, suitable, and proper mechanical condition.

    a. Each bus shall be cleaned and left in broom-swept condition each day.

    b. Each bus exterior shall be washed at least once a week, weather permitting.

9. All vehicles transporting District students, including stand-by buses, shall be equipped with the technology specified in these specifications.

10. At any time the District may request the Contractor to provide the District with the following information on all vehicles to be used in the transportation of students:

    a. Make, model year, and serial number

    b. State license number, municipal vehicle sticker number

    c. Capacity of vehicle

    d. Proof of ownership/lease

    e. Inspection reports

11. All vehicles used to service the District under this contract shall be equipped with operable air conditioning.

12. Should an act of vandalism occur on the bus, the Contractor shall fix or repair all damage as quickly as possible. The District shall assist, to the extent legally possible, in helping the Contractor obtain restitution from persons guilty of causing vandalism should they be District students.

13. The Contractor shall keep spare vehicles on hand to cover emergencies or breakdowns on the road. There shall be a minimum of two, or 10% margin, whichever is greater, of spare buses available. The District shall only be charged for the number of vehicles used for assigned routes. The District reserves the right to ask the Contractor to increase their spare count if need exists.

14. The presence and possession of any firearm, including a handgun as defined in the *Illinois Firearm Concealed Carry Act,* 430 ILCS 66/1, *et seq.,* and/or weapon as defined by District policy, shall be prohibited by all persons boarding the bus, including but not limited to the driver and students. Each bus shall have displayed, at every entrance to the bus, a "no firearm" colored sign that will be provided by the District to the Contractor.

**BUS TERMINAL, DISPATCH OFFICE, & MAINTENANCE GARAGE**

1. The bus terminal and dispatch office must be located within ten (10) miles of the District's boundaries. An occupancy permit issued by the appropriate municipal authority must be submitted as evidence of location before the beginning of the contract. The fully operational terminal facility shall (at a minimum) be fenced, lighted, and provide facilities for employees and staff.

2. The Contractor will have a fully operational maintenance facility. The contractor shall purchase, furnish, and supply all lubricants, replacement parts, greasing, cleaning, washing, and such repairs as necessary to keep the buses in good and safe operating condition at all times.

3. If the Contractor does not have an adequate bus terminal, office space, and/or maintenance facilities at the time of award of the contract, the Contractor shall present the District with a certified statement from a responsible supplier showing that firm arrangements have been made for obtaining the required facilities for use by the Contractor for performance of required services

within thirty (30) calendar days of the District's notification of the award of contract. The statement shall indicate that such facilities will be available to the Contractor before the beginning of the contract.

**FUEL**

1. It is the responsibility of the Contractor to procure and arrange for the delivery of fuel as well as provide the necessary fueling and dispensing equipment necessary for the operation of the transportation services.

2. The cost of fuel shall be paid for by the District, but all fuel delivery charges will be the sole responsibility of the Contractor. The Contractor may choose to forward invoices to the District for payment directly to the vendor or submit a request for reimbursement from the District. There shall be no mark-up for fuel costs.

a. All fuel invoices and/or reimbursement requests for a school year and the previous year's summer school must be received by the District's Accounts Payable Department by June 15th in order to be paid in the correct fiscal year. The District will make every effort to pay an invoice received after June 15th, but under no circumstance will the District be required to pay an invoice from the following fiscal year because an invoice was not received in a timely manner.

3. Upon request, the Contractor shall provide the District with the estimated amount of fuel used annually.

4. The Contractor assumes responsibility for all cleanup costs and liability arising out of a spill or leak.

5. The Contractor agrees to indemnify, defend and hold harmless the District, their Board of Education, the Board's predecessors, successors and assigns and its past, present and future Board members, individually and jointly, officers, employees and agents and each and every one of them of and from any and all claims, debts, dues, demands, liens, obligations, fees, including but not limited to attorneys' fees, actions or causes of action of every kind or nature at law or in equity, whether known or unknown, anticipated or unanticipated against the District arising or growing out of Contractor's operation and use of fuel.

**SAFETY**

1. It is essential that students be transported to and from school safely, efficiently, and without interruption or incident. The safety of the students shall take precedence over the interest of the Contractor, drivers, and the District.

2. It shall be a primary obligation of the Contractor to operate its affairs so that the District will be assured of this safe and efficient service.

3. The Contractor shall plan and administer a safety program in conformance with state laws and regulations. Such programs shall include, but are not limited to, the following:

    a. All drivers must participate in both classroom and on-the-road training programs devoted to safety, proper bus operation, rules and regulations, and safety.

    b. It is mandatory that all Contractor employees participate in safety meetings throughout the year.

    c. All new drivers will be trained a minimum of twenty (20) hours in the classroom and fifteen (15) hours "Behind the Wheel".

    d. All drivers must be evaluated after thirty (30) days of employment and at least annually thereafter and must annually be given a review course on rules, regulations, and safety.

e. One bus evacuation drill must be held at each of our schools each school year. A second bus evaluation may be required at the District's discretion. Two (2) buses shall be made available for a two-day period for each drill. The contractor will provide a qualified and competent trainer to conduct evacuation drills in compliance with the Illinois School Safety Drill Act (105 ILCS 128) when requested by the District. This will be provided at no cost to the District.

f. Each driver shall observe all state and local traffic regulations including, but not limited to, those contained in the Illinois Motor Vehicle Code.

4. The Contractor shall notify the District as quickly as possible in the event of a vehicle collision or other incident. The Contractor's first priority, however, is to see that the students involved are cared for. The Contractor will supplement the phone notification with a written report, including a copy of the police report when applicable, to the District.

**STUDENT SAFETY & DISCIPLINE**

1. The ultimate responsibility and authority with respect to all disciplinary problems, suspensions, or expulsions of any student from transportation services shall rest with the District. The Contractor's drivers are responsible only for such discipline required to properly operate the bus. Each driver shall handle all disciplinary matters in strict accordance with District's policies.

2. In no case will a driver eject a student from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other students and then only after radio notice to the Contractor's terminal, the pupil's building administrator, and the District's Transportation Department. In all cases of disciplinary ejection, the bus/vehicle shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on the route.

3. All discipline problems shall be promptly reported using an electronic system of reporting that is effectively communicated directly with the District Supervisor and Building Administrator. in writing following completion of the route. Further administrative procedures and regulations will be established cooperatively between the District and the Contractor.

4. All vandalism damages to the Contractor's equipment or facilities will be the responsibility of the Contractor; however, the District will assist the Contractor in receiving restitution for damaged equipment.

5. Drivers are expected to follow all instructions, rules and regulations for proper discipline and safe operation of buses as outlined in the Illinois School Bus Driver Instructional Program-Trainee Guide and Regulations of the District.

**RECORDKEEPING & BILLING**

1. The Contractor shall keep ongoing, complete, and accurate records of all information used to invoice the District including, but not limited to, mileage, fuel purchases and usage, charter trips, etc. The contractor shall provide the District with timely access to such records upon request by the District.

a. The District shall have the right to audit these records in a manner that does not unreasonably interfere with the conduct of the Contractor's business. Any excesses in charges for the mileage disclosed by an audit shall be refunded within five (5) days of notice of the excess to the Contractor. If an audit discloses a discrepancy of more than five percent (5%) of the amount charged for the period at issue, the Contractor shall pay to the District all reasonable costs connected with the audit; including, but not limited to, wages of its staff, accountants' fees, and attorney's fees. The Contractor shall fully cooperate with all personnel authorized by the District to conduct any audit.

b. The Contractor shall retain such records for a period of three (3) years plus the current year. If any audit findings have not been resolved, the records shall be retained beyond the three

(3) year period as long as required for the resolution of the issues raised by the audit. Such records must be available, for a period of three (3) years from the date of receipt of final payment under the Contract, for inspection and audit by representatives of the District.

2. Upon request, the Contractor shall provide on-time reports (arrival and departure) to the District including AM and PM bus arrivals to designated buildings/schools.

3. Upon request, the Contractor shall provide student ridership counts for all routes.

4. By July 15th of each year, the Contractor shall provide the District with the mileage information needed to complete the Illinois Student Transportation Claim. Total mileage must be broken down into at least the following categories: Regular Education, Special Education and Non-Reimbursable miles.

5. The Contractor shall maintain and provide the following personnel records and information upon District request:

    a. Name: first, middle, and last of all drivers and employees

    b. Valid permit number for drivers of school buses

    c. Proof and date of completion of the Illinois School Bus Driver Instructional Program for school bus drivers

    d. Health certificate and date issued

    e. Driver's license number and date of expiration

    f. Evidence of freedom from tuberculosis for drivers and aides

    g. Proof of age

    h. Proof of drug testing

    i. Proof of a completed Criminal History Records Information (CHRI) investigation check

    j. A complete Section 10-21.9 criminal history records check consisting of:

        i. Fingerprint-based CHRI checks through the Illinois State Police (ISP) and the FBI

        ii. A check of the Illinois Sex Offender Registry

        iii. A check of the Murderer and Violent Offender Against Youth Registry.

6. Timely and accurate invoicing is critical to the District's budgeting process. To enable schools to stay within their budget, the following invoicing timelines will be strictly adhered to:

    a. All regularly scheduled routes shall be combined into a single monthly invoice (special education routes may be invoiced separately) and must include documentation showing the number of each type of route being invoiced for each day of the month.

        i. Monthly invoices for all months except May must be received by the District Accounts Payable Department by the last day of the month following the month of service (i.e. the invoice for service during September must be received by October 31st).

        ii. May statements must be received by the District Accounts Payable Department by June 15th in order to be paid in the correct fiscal year. The District will make every

effort to pay an invoice received after June 15th, but under no circumstance will the District be required to pay an invoice from the following fiscal year because an invoice was not received in a timely manner.

b. Each charter bus shall be invoiced separately. Charter invoices must clearly identify the school that ordered the ride and a brief description of the activity or purpose for the bus.

   i. Invoices for charter in all months except May must be received by the District Accounts Payable Department within a month following the day of service (i.e. a charter taking place on February 12th must be received by March 12th).

   ii. May charter invoices must be received by the District Accounts Payable Department by June 15th in order to be paid in the correct fiscal year. The District will make every effort to pay invoices received after June 15th, but under no circumstance will the District be required to pay an invoice from the following fiscal year because an invoice was not received in a timely manner.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# TRANSPORTATION SERVICE DETAILS

The following is a description of the District's current transportation needs. While no major changes are anticipated, the District reserves the right to add or remove services as needed to best meet the District's needs. All student counts and route information provided as part of this bid represent a snapshot in time; bidders acknowledge that student counts and exact routes are in constant flux.

**DISTRICT BACKGROUND**

Prospect Heights School District 23, located in Prospect Heights, Illinois, is dedicated to providing engaging, high-quality educational experiences that inspire every student to grow as a learner, individual, and community member. Serving students from early childhood through eighth grade, District 23 is committed to fostering a supportive, inclusive learning environment where every child is encouraged to reach their full potential. Through innovative instruction, dedicated educators, and strong partnerships with families and the community, we strive to prepare our students for future success while building a strong foundation for lifelong learning.

**DISTRICT OVERVIEW AND GEOGRAPHIC CONTEXT**

Prospect Heights School District 23 is a public elementary and middle school district in the northwest suburbs of Chicago, Illinois. The district serves portions of four communities: Prospect Heights, Arlington Heights, Mount Prospect, and Wheeling. Its schools serve students from early childhood through eighth grade, with Eisenhower, Betsy Ross, Anne Sullivan, and MacArthur Middle School among its educational facilities. The district office is located at 700 N. Schoenbeck Road in Prospect Heights.

**GEOGRAPHIC SETTING AND TRANSPORTATION CHALLENGES**

The district is situated in a developed suburban area characterized by residential neighborhoods, commercial corridors, and a network of busy arterial roads. Major roadways, including Elmhurst Road, Rand Road, Hintz Road, Camp McDonald Road, and Schoenbeck Road, present potential challenges for student travel and school access. High traffic volumes, turning vehicles, multiple intersections, and the movement of school buses and parent vehicles can create safety concerns, particularly during morning drop-off and afternoon dismissal.

These conditions may be especially challenging for younger students who walk or bike to school and for families navigating busy intersections. The District has identified 30+ locations within its boundaries as hazardous transportation areas under Illinois Department of Transportation criteria, highlighting the importance of continued attention to safe routes, traffic management, and student transportation.

**KEY CONSIDERATIONS**

Maintaining safe and accessible routes to school requires coordination among the District, families, local municipalities, and transportation authorities. Potential priorities include reviewing crossing locations, improving driver awareness around school zones, managing congestion during arrival and dismissal, and evaluating pedestrian infrastructure where busy roads intersect with student travel routes. A continued focus on traffic safety and coordinated transportation planning can help ensure that students across District 23's diverse suburban communities can travel to and from school as safely as possible.

District 23 routes special education students as required and all general education students who qualify for transportation whether because of living 1.5+ miles from school or because they live in a zone deemed

hazardous by IDOT. All qualifying students are routed, as even students with alternate transportation methods may need to utilize the bus from time to time.

**GENERAL SERVICE REQUIREMENTS**

1. Before routes are created for a school year, the Contractor's local manager shall meet with the District designee to review changes in the needs of the District, problems that need to be addressed by either party, and any other pertinent information and concerns.

2. It is the responsibility of the Contractor to establish routes, stop sequences, and pick-up times in a manner that will provide the safest, most efficient, and most cost-effective service to the students within the Board approved guidelines, given by the District. Schedules and routes are subject to final approval by the District.

3. While the District does not desire to become involved in the daily transportation operations, should an event occur that would hinder the Contractor from providing this service, the District shall pursue all options available to insure the education process continues.

4. Routes shall be designed with riding time not to exceed forty-five (45) minutes.

5. Preliminary routes for regular and special education students shall be established by July 10th of each year. Routes are to be finalized by August 5th of each year, unless otherwise specified.

6. The District reserves the right to revise the routes and schedules in order to best meet its needs. The District shall notify the Contractor whenever changes are necessary to routes or time schedules, and the Contractor shall adjust its operations to incorporate such changes within forty-eight (48) hours after notice is received from the District.

7. It is the responsibility of the Contractor to review established routes, stops, and times on an ongoing basis and make suggestions that may result in more efficient service to the students. The Contractor shall minimize the costs to the District by revising routes to require the minimum number of vehicles for effective student transportation. The District retains the right to reduce/increase the number of routes. No changes, alterations, or modifications of routes, scheduled stops, or times may be made independently by the Contractor. Any such changes will be made mutually by the District and the Contractor when it is determined they will add to the safety or convenience of the students. The District shall be responsible for informing parents of changes in scheduled pick-up and drop-off times. The District may require the assistance of the Contractor in contacting parents for such changes.

8. The final established bus routes will be followed by the bus driver. Any changes that are presented to a driver by a parent or member of the community will be referred to the District for a decision. Any changes the driver feels should be made for convenience must be approved by the District.

9. In the event that bad weather, road conditions, or other emergencies make it impossible or impractical to follow the scheduled route, temporary alternate routes may be established jointly by the District and the Contractor to ensure that all students on the affected route are provided transportation service with a minimum of inconvenience.

10. Prior to the first day of school each year the Contractor shall require drivers to perform test runs of their route. These shall be at no additional charge to the District.

11. Each time a new driver is assigned to a route the newly assigned driver shall dry-run the route.

12. Only students, school-authorized personnel, Contractor supervisors, and drivers in training will be permitted to ride on buses used for school purposes. All other riders, including family members of school bus drivers, are excluded from riding the bus without prior approval of the Superintendent or his/her appointed representative.

13. Students shall be picked up and delivered at or as near as possible to the designated bus stops and shall be delivered to the school in the District's designated areas.

14. No driver will leave a bus stop (student loading/unloading area) prior to the scheduled time of departure.

15. The District shall be notified in a timely manner of any route that will be more than ten (10) or more minutes late.

16. The District shall be notified by phone no later than fifteen (15) minutes after an accident involving a Contractor's vehicle if students are on board or if the incident occurs on District property. This initial report must include the route, location of the accident, whether students are involved, whether any injuries or fatalities occurred, a general description of any property damage, and any law enforcement response. Follow-up written reports (email is acceptable) shall be made periodically until all the pertinent facts have been reported to the District. A legible copy of both the responding police agency and the Contractor's accident investigator's final report shall be submitted to the District within seven (7) working days following the incident or when such reports are completed, whichever comes first.

17. The Contractor shall operate school buses on behalf of the District for field trips and charters. The Contractor shall guarantee the District the availability of sufficient equipment and drivers to satisfy District requirements. However the District reserves the right to look to available sources should the need exist.

18. The Contractor shall cooperate with the District regarding pertinent items affecting the transportation program. Any requests for information through news or social media must promptly be directed to the District.

19. In the event of an emergency situation at any of the District schools covered by this contract that necessitates the removal of students from said school or emergency location, the Contractor shall provide the required transportation within forty-five (45) minutes of such request. The Contractor will confer with the District before determining that weather conditions preclude the movement of buses. Emergency procedures will be reviewed each year by the District Superintendent and/or his designee and the Contractor before publication to schools and parents.

20. In the event of inclement weather or any reason for school being canceled or delayed, the Superintendent, or his/her designee shall notify the Contractor prior to 6:00 a.m. on the day of such cancellation or delay. In the event that a school shall be dismissed early, the Superintendent or his/her designee shall notify the Contractor to make the appropriate transportation arrangements.

21. The Contractor represents that any student information provided by the District will be kept strictly confidential and only be used for purposes as authorized by the District.

22. As recommended by the Illinois State Board of Education, all bus routes should be reviewed by the Contractor twice a year for hazards. The Contractor will review all routes according to Illinois State Board of Education guidelines and report findings to the School District.

**TECHNOLOGY**

The use of technology to enhance safety, timeliness, and transparency is of extreme importance to the District. It is critical that Contractors not only have the required software and equipment but also ensure their staff is well-trained and utilizes the technology appropriately. The Contractor is responsible for ensuring their staff complies with the District's procedures regarding the use of transportation technology. In addition to equipment required by local, state, and federal laws, the District requires the Contractor to have and fully utilize the following technology:

1. Equipment for All Buses (including stand-bys)

a. The Contractor will provide, operate, and maintain two-way radios so that clear channels are always available in case emergency communication is required. The two-way radios must be turned on and adjusted in a manner that would alert the school bus driver of an incoming communication request. The driver shall test the two-way radio and ensure that it is functioning properly before operating the bus.

b. GPS Tracking. The successful Contractor shall equip each bus, including any replacement buses used, with GPS technology. The Contractor shall make available to the District access to key "Real Time" information that will allow for enhanced service. This access can be web-based with the capability to gather important information such as on-time performance, late buses, stop times, route times, speed, etc. The District will work closely with the vendor to coordinate these efforts. Acceptable GPS products include, but are not limited to, Synovia and Zonar products. The District prefers a GPS system that can provide real time notification to parents of bus locations.

c. The successful Contractor shall provide and manage a web-based notification system to communicate time-critical transportation information to parents and district personnel. Currently the District utilizes Bus Bulletin, Inc.

d. The successful Contractor shall equip each bus, including any replacement buses used, with Digital Camera technology, to ensure the safety and wellbeing of all riders. At a minimum the system should allow for three viewing angles (isles, door, and driver). In addition the system should be capable of recording in color and be viewable in low light conditions. The system must be able to store at least 120 hours of video. The Contractor shall make available to the District access to video as needed or as requested by the District. The Contractor understands that the District has sole rights to this video and the District must approve and may direct all distribution and viewing of any video of District students, routes, etc. The usage of the Digital cameras shall be in strict compliance of policies and procedures established/adopted by the Board of Education/ Administration.

e. All vehicles used to service the District under this contract shall be equipped with operable air conditioning.

2. Routing Software & Scheduling Tools

a. Route Scheduling: The District currently uses Versatrans as its routing software. Expectations are that the successful Contractor hosts and maintains a similar software on a server accessible by the District.

b. Routing services are defined as providing routing software, designing bus routes, assigning riders, pairing or packaging bus routes, and/or optimizing accordingly.

c. The Contractor shall use compatible Software and receive the necessary training to provide local support. Any training needed by the Contractor from the software will be conducted at the sole expense of the Contractor. It is expected that routing information will be communicated electronically to the Contractor.

d. All student data will be treated as confidential information and shall not be given or sold to any third party by the Contractor. It is further understood that the map, student data and bus routes shall remain the property of the District in the event that the contract between the Contractor and the District are terminated.

e. Whenever the ridership requirements or educational programs change to the degree that adjustment of existing routes is needed, the Contractor shall provide additional bus(es) or

to reduce bus(es) as may be required. These adjusted bus(es) shall be furnished at the rate of cost as set forth in the price page of this contract.

f. Absolutely no increase or decrease in the number of buses utilized or services provided shall be made without prior approval from the District. The effective day of any increase or decrease in transportation services shall be mutually agreed upon by the Contractor and the District.

g. The Contractor will work with the District to correct any errors or adjustments to routes prior to any implementation. It is expected the Contractor will perform Dry Runs to ensure the route directions, timing, and efficiency is correct prior to the start of the school year. Any changes needed shall be communicated immediately to the District for correction/ adjustment in Versatrans. In no case shall a driver perform his/her route in an unsafe manner as a result of incorrect route information.

**PERSONNEL**

1. The Contractor shall provide adequate supervisors, dispatch, maintenance, safety, and office personnel based on need and available to the District during route times every day school is in session. The Contractor shall also provide adequate support to address parental concerns involving the routing of students throughout the month of August. Upon District request, this support shall be provided at the District's administrative offices. The designated supervisor shall be on duty and available between 7:00 a.m. and 4:30 p.m.

2. The Contractor shall employ only qualified and licensed bus drivers, substitutes, and monitors who shall be required at all times to exercise the highest degree of care and to observe and comply with all laws, ordinances, rules and regulations pertaining to the operation of school buses. All drivers shall possess a valid school bus driver's permit. All drivers shall possess a commercial drivers license (CDL) as required by law.

3. Contractor shall provide the school district with a list of its personnel policies, its safety and training manual, procedural manual and employee handbook.

4. **Background Checks and Screening**
   a. The Contractor shall ensure that all pre-employment conditions have been met, including successful completion of a criminal background investigation through the Department of State Police and submission of fingerprints to the FBI for criminal history information. The Contractor shall complete all required criminal background checks before any employee or agent is assigned to drive school district students.

   b. No driver will be assigned to a school district who would be prohibited from obtaining or keeping the required bus permit or would otherwise prohibit the driver from being employed by a school district due to conviction of a crime listed in 105 ILCS 5/10-21.9 or who is listed in the Illinois Sex Offender Registry or the Illinois Murderer and Violent Offender Against Youth Registry, or who has been convicted of an offense which prohibits issuance of a school bus driver permit pursuant to 626 ILCS 5/6-106.1.

   c. If any driver is convicted of any felony that is not a prohibited or enumerated offense under 105 ILCS 5/10-21.9 or which prohibits the possession of a school bus driver permit under 625 ILCS 5/6-106.1, Contractor shall immediately forward such criminal history results to the District.

   d. If the Contractor receives notification of any convictions that would prohibit the driver from keeping the required permit or would otherwise prohibit the driver from working at the school district, the Contractor must report the conduct immediately to the school district and the driver must be removed from assignment at the school district. The Contractor

shall keep a copy of the driver's criminal history records on file. A copy of the Illinois State Police and FBI criminal history records can be requested by the school district and shall be promptly disclosed by Contractor.

e. Contractor certifies that prior to commencement of the work, Contractor will comply with all employment history review and other obligations of 105 ILCS 5/22-94 for any employee present on a bus transporting the District's students. If Contractor receives a response from a former employer that discloses that Contractor's employee (or subcontractor) was the subject of an allegation of sexual misconduct or was discharged or otherwise separated from employment while an allegation of sexual misconduct against the employee was pending, under investigation or due to an adjudication of sexual misconduct as described in 105 ILCS 5/22-94, Contractor shall immediately forward such response(s) to the District for review. Upon request of the District, Contractor agrees to promptly disclose all records, information and determinations related to Section 22-94 employment history review for each of its employees or independent contractors.

f. Within 24 business hours of any request by the District, the Contractor shall submit information and documentation about each specific Contractor employee (drivers, monitors, substitutes, etc.), including:

i. Legal name;

ii. Driver's CDL number and school bus driver's permit number;

iii. Evidence of the drivers and monitors successfully passing drug and alcohol screening;

iv. Any request by the District to remove or transfer a particular Contractor employee from a route shall be honored immediately.

6. Contractor shall employ personnel competent and proficient in the use of the routing software, GPS, electronic communications, databases, access and reporting systems described in these Specifications and as required by State and Federal laws and regulations. With its bid, Contractor shall submit proof of experience and present ability in these areas and identify the positions and personnel that will be assigned to ensure the delivery of these services as part of the contract if awarded to Contractor.

7. Should an accident ever occur, the Contractor will immediately notify the appropriate District personnel, giving all information known at the time. The Contractor shall submit to the District, within 24 hours, a detailed written report.

8. Each bus driver shall complete a thorough walk-through of the bus at the end of each run and immediately after the last drop off to make certain no student has fallen asleep between the seats or on the floor. In the event an employee of the Contractor discovers a student asleep or otherwise present on the bus after the final stop on the route, the Contractor shall submit to the District a detailed written report of the situation within 24-hours. At no time will the Contractor permit unauthorized passengers on the bus.

9. The Contractor shall provide and carry out a school bus safety program. The program will be provided to all of the District schools. The Contractor will collaborate with the District to develop drop off policies that conform to the expectations of the District. The program shall include the performance of the twice a year bus evacuation drills per State of Illinois regulations.

10. The Contractor shall be responsible for implementing and maintaining a comprehensive student transportation safety program. A summary of the safety program and copies of the annual safety updates shall be provided to the District for review upon request. THE CONTRACTOR'S RESPONSE

MUST INCLUDE A SUMMARY OF ITS EXPERIENCE WITH SPECIAL NEEDS CHILDREN AND THE TRAINING THAT ITS EMPLOYEES RECEIVE RELATED TO SUCH STUDENTS AND RELATED TO STUDENT TRANSPORTATlON SAFETY. The Contractor will provide CDL training. The Contractor will provide a list of certified drivers indicating the type of training they have received. The District may require a student identification process as part of this program.

**ROUTING AND SCHEDULES**

1. Routes must be designed to safely and efficiently transport students, with safety being the highest priority. The District utilizes a system of shared Community Stops. To the extent possible, stop locations and routes shall remain consistent from year to year. Community Stop locations are to be shared throughout route sets. Individual bus stops are identified for long term sustainability within a neighborhood, so stops are not required to be significantly altered on an annual basis.

2. The number of buses and the number of runs they make (as set forth herein) is not binding on the District. If additional equipment is needed to service the District, the Contractor shall secure such equipment as quickly as possible. There is no guarantee of the number of buses needed to serve the District during the term of the contract. The District reserves the right to change the number of routes as it deems in its best interest.

3. It is the District's desire not to be involved in the daily transportation operations, including routing and customer service.

4. The District will provide detailed student information for school bus routes to the Contractor. This will include any special student directions. Most student information will be electronically provided to the Contractor prior to June 15 of each year. There will be multiple pushes for routing, from this information, the Contractor shall create routes. The Contractor shall then provide to the District detailed route information for school bus routes and stops prior to July 10th of each year.

5. The District reserves the right to adjust any route or stop deemed necessary by the District, including to achieve efficiencies in routing and the number of buses. The District will prepare parent notifications.

6. The District will forward new student information promptly to the Contractor. To the extent possible, these students should be routed on existing routes and stops, and in a manner that does not disturb the existing routes. It is understood that routes may need to be altered at the beginning of the year in order to meet individual school arrival and dismissal times and address any unforeseen safety and inefficiency concerns. The Contractor will work with the District to ensure timely notifications to parents regarding any changes or unanticipated issues.

7. The bus routes designed by the Contractor and approved by the District shall be followed exactly by the bus driver. All buses shall be properly identified by a route number on a large visible placard on the exterior of the bus located to the left of the front door (as viewed from the exterior of the bus).

8. Any changes that are presented to a driver by a parent or member of the community will be referred to the Contractor and the District for a decision, not driver decision. Any change the bus driver feels should be made for convenience must be pre-approved by the Contractor. The District reserves the right to adjust any routes or stops as deemed necessary.

9. Routes shall be designed to be ordinarily completed in **no more** than 45 minutes from the pickup at the first bus stop or no more than 45 minutes from departing the school. The District reserves the right to adjust this expectation should budgetary constraints warrant a reduction in routes or other adjustment.

10. It is the District's expectation that buses arrive at least 5 minutes prior to the starting bell and depart no more than 8 minutes after the dismissal bell. The highest standards of service are expected to be provided to the school district at all times during the term of the Contract.

**LATE ROUTE PENALTIES**

The District reserves the right to withhold certain payments in part or in whole based on the Contractor's performance under the terms of the Contract. By accepting the Contract, the Contractor agrees that in the event of the specific service violations listed below, that sums listed under each occurrence may be withheld from the next subsequent payment due the Contractor. Conditions such as weather, traffic accidents that impede traffic, and construction that are outside of the Contractor's control will not result in the assessment of a penalty for applicable situations outlined below, provided that the Contractor provides reasonable notice to the District and, at the discretion of the District, determines that the Contractor's reason for the service violation is valid.

1. Late AM drop off at school program site after final bell without advance notice to District's Supervisor, $100 per occurrence. In addition, any individual route late more than three times in a month with or without notification, will be charged $500 per occurrence.

2. Late PM arrival at school site after dismissal bell, $100 per occurrence**.**

3. Late pickup for chartered bus routes (athletic; field trips; etc.) defined as later than 15 minutes from the scheduled departure time and/or late drop off for activity bus routes (athletic; field trips; etc.) defined as later than 15 minutes from the scheduled arrival time, $100 per occurrence**.**

4. Leaving a child on a bus after the Contractor has completed the last stop, $5,000.00 per occurrence

5. Camera system or GPS system non-operational: $500 per occurrence.

6. Failure to perform a scheduled route will result in no charge for the route and a penalty equal to the cost for the route. District may enforce routes not performed within 45 minutes of scheduled time.

Imposition of the above penalties shall not be the District's exclusive remedy and shall not prohibit the District from terminating the Contract for cause. Failure of the District to impose the above penalties shall not be a waiver of any right nor shall be construed necessarily as evidence of Contractor's adequate performance.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# SPECIFICATIONS

**GENERAL**

1. Bidder shall submit a bid evidencing the ability to service the District's regular transportation needs as outlined in these Specifications and in the attached Overview of Service.

2. From time to time, the District has additional transportation needs that exceed the scope of this Invitation to Bid. Particularly, the District may have the need to transport one or more students with disabilities to out-of-district placement locations or to transport homeless students to/from other school districts. In some of these situations, a single student may be the only student on a particular route. As the District's needs in such situations are unknown in advance, they are not part of this Invitation to Bid. The District, however, expects the Bidder to submit information as part of this Bid exhibiting an ability to service under separate agreement these types of students and routes on an as needed basis through the use of more efficient and economic, but legally compliant, vehicles other than large school buses.

3. Contractor shall, during the life of the contract, operate and maintain the minimum-required number of school buses to transport conveniently and safely all students designated by the District to be served under the provisions of the bid. Such transportation shall be provided on each and every day that school is convened and in accordance with the bus routes and schedules developed by the District and affirmed by the Contractor.

4. Service Quality/Assurance: It is recognized that service to the District and its patrons is the essence of this agreement and to that end this service shall be regularly monitored. Contractor shall be responsible for daily transportation operations, including but not limited to routing and customer service. Upon the District's request, Contractor shall submit to the District a monthly transportation report. This report shall outline specific levels of operation; number of buses, routes, drivers, students transported, route miles, number of accidents, on-time arrival percentage, complaints received and their reconciliation, as well as outline any service issues along with actions and recommendations. At least once annually, Contractor shall be prepared to conduct quality assurance surveys of all buildings served. Such surveys shall be attached to the following month's Transportation Report. District and Contractor shall jointly design such surveys. These surveys may also be used to measure satisfaction levels of the District patrons.

5. The Contractor or its local management shall belong and have access to professional associations related to school transportation such as NAPT (National Association of Pupil Transportation) IAPT (Illinois Association of Pupil Transportation), etc.

6. **FACILITY/MAINTENANCE SERVICES:** Contractor's facility that houses the buses must be within a 10 mile radius of the District administration office, which is located at 700 N. Schoenbeck Road, Prospect Heights. The facility shall have and publish a phone number dedicated to the patrons and administration of the District.

**LAW AND REGULATIONS**

During the entire term of this contract, the Contractor shall comply in every aspect with the official policies of the District, federal laws and regulations and all laws and regulations of the State of Illinois affecting or regulating the transportation of school children including but limited to the Motor Vehicle Code, the School Code, and the rules and regulations of the Illinois State Board of Education.

**TERMINATION OF CONTRACT**

In addition to any termination rights elsewhere in the Bid Documents,the District shall have the right to terminate this contract for convenience at the end of any school year by giving written notice to the Contractor no later than April 1 of the school year at the end of which service will terminate. Termination for cause by either party is permitted only after the breaching party is provided notice of the breach and has not cured the breach within 7 days.

**COMPENSATION**

1. In consideration for services rendered under this contract, the District shall pay to the Contractor all sums due and calculated in accordance with the rates set forth in "Price Page". The Contractor shall invoice the District by the third (3rd working day of the month for transportation services provided through the last day of the preceding month, together with such other information as may be required by the District to enable the District to comply with all relevant requirements for reimbursement.
2. After verification of the statement, the District shall pay the verified amount due to the Contractor within 30 days. The Contractor shall provide a separate invoice for all additional charters and any other transportation that is not part of the regular routes. Such invoice shall list the date of the trip, point of origin, destination, for who service was provided and the cost.

3. The Contractor shall also submit such other reports as may from time to time be requested by the District. Such reports shall be on such forms as may be furnished or prescribed by the District. Records sufficient to confirm the accuracy of all such reports shall be kept by the Contractor and made available for inspection by the District at all reasonable times for one (1) year after the submission of each report.

4. Payment of any disputed items may be withheld by the District until mutual agreement is reached between the Contractor and the District relative to the item or provision upon which the difference arises or until the matter is judicially resolved.

**AWARD OF CONTRACT**

1. In preparing its bid, the transportation Contractor shall specify the daily rate for the District. The total arrived at for the category of cost, shall be added together and that final total is the cost that will be compared with the bids made by other transportation Contractors.
2. Factors to be considered in evaluating proposals will include an analysis of the cost, quality of performance, quality of supervision, training procedures and practices general experience, satisfaction of references, financial responsibility of the Contractor and any other information the District deems appropriate for its evaluation.

3. Award of the contract will be made by the District on the basis of the proposal which, in the District sole and absolute judgment, will best serve the interest of the District, and as is permitted by the Illinois School Code, 105 ILCS 5/10-20.21.

4. Upon award of contract, Contract agrees to execute a contract substantially in the form of the contract attached hereto.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# BID SUBMISSION CHECKLIST

Each bid must be accompanied by a Bid submission Checklist. This list must be utilized as the cover sheet for all itemized documents required to be included in your sealed bid. Submit your bid documents in the order of the checklist.

_____

Name of Bidder

| Description | Contractor Confirmation | District Confirmation |
|---|---|---|
| Bid Submission Checklist | | |
| Bid Bond ($50,000) | | |
| Details of experience (5 years) | | |
| Provide audited financial statement (past 4 years) | | |
| Management experience, bus availability, mechanic availability | | |
| Drug and Alcohol Testing Procedures | | |
| References | | |
| Evidence of Liability Insurance | | |
| Affidavit (notarized) that employees have completed a background check | | |
| Show evidence of the ability to purchase/lease vehicles | | |
| Experience in Special needs Transportation | | |
| Certifications By Bidder | | |
| Bid Proposal | | |

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# OVERVIEW OF BUS SERVICE

The District serves approximately 1,500 pre-kindergarten through eighth grade students in four different communities: Prospect Heights, Arlington Heights, Mount Prospect, and Wheeling. District 23 operates four schools: Eisenhower Elementary School, Betsy Ross Elementary School, Anne Sullivan Elementary School, and MAcArthur Middle School. Students attend Eisenhower as a district-wide grade center for pre-kindergarten through grade 1. Effective 2027-2028, the District is expected to transition to full-day Kindergarten services at Eisenhower, which may impact the number of routes needed and bids should account for such transition. Early childhood/pre-Kindergarten services at Eisenhower are expected to remain status quo. Students attend Betsy Ross for grades 2-3 and move on to Anne Sullivan for grades 4-5. All students attend MacArthur for grades 6 through 8.

The regular morning and afternoon transportation needs are met with 24 regularly scheduled routes (AM & PM) plus 3 Wheelchair routes, 4 Kindergarten routes, 3-4 PreK/Midday Routes. The students, parents, and principals enjoy and expect a very high level of service.

Miles· per year per 2025-26 transportation claim: 147,664

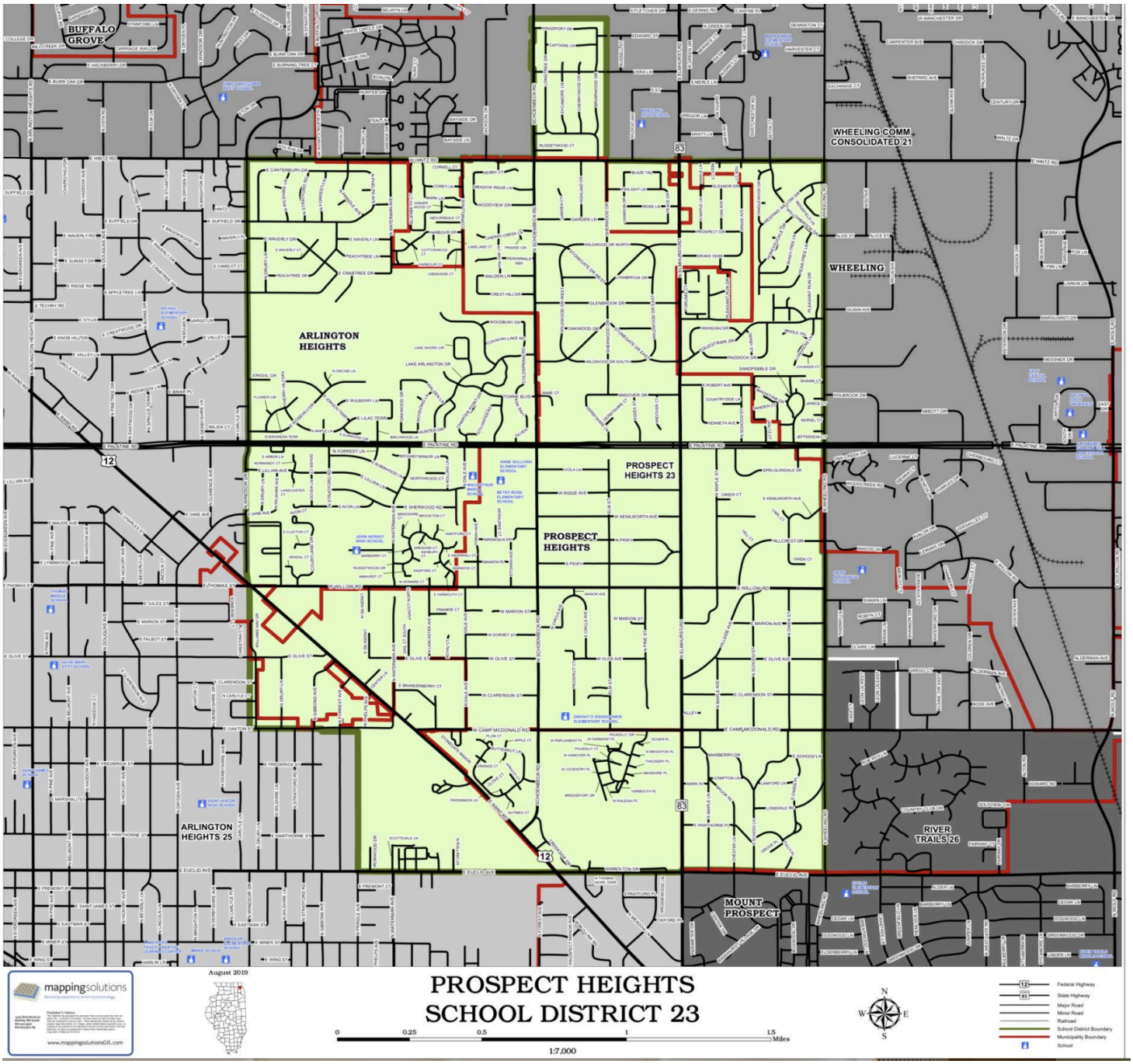
Student Transported: Approximately: 1,029

Charter and Field Trips Volume: Approximately 100

Student Transportation Days: 174

Summer School ESY Transportation Days: Summer school typically runs for three weeks in June (total of approximately 15 days), from 8:30 AM - 12:05 PM. The program serves Special Education students in grades EC-7

# DISTRICT 23 BOUNDARY MAP



# SCHOOL DISTRICT BELL TIMES

Below are the current bell times for the 2025-26 school year. Kindergarten bell times will change in 2027-2028 with the addition of Full-Day Kindergarten.

## Start/End Times & Attendance Lines

| School | Program | Early Drop-off | School Day Starts | School Day Ends |
|---|---|---|---|---|
| Eisenhower (847) 870-3876 | Morning 1/2 Day K & EC | 7:40 am | 8:00 am | 10:45 am |
| | Afternoon 1/2 Day K & EC | 11:40 am | 11:45 am | 2:30 pm |
| | 1st Grade & Full Day K | 7:40 am | 8:00 am | 2:30 pm |
| Betsy Ross (847) 870-3869 | Grades 2 & 3 | 7:45 am | 8:10 am | 2:40 pm |
| Anne Sullivan (847) 870-3872 | Grades 4 & 5 | 7:45 am | 8:10 am | 2:40 pm |
| MacArthur (847) 870-5375 | Grades 6, 7, & 8 | 8:00 am | 8:25 am | 3:15 pm |

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# CERTIFICATIONS

By signing this document, I state and declare that the bidder/contractor listed below and I, are in compliance, and will comply with all of the certifications listed herein.

1. CERTIFICATION – The undersigned bidder of Contractor hereby certifies that he/she is not barred from bidding on this contract as a result of a violation of either the bid-rigging or bid-rotation provision of Article 33E of the Criminal Code of 1961 as amended. Additionally, the undersigned bidder certifies that they, either individually or corporately, are not under investigation or currently under suspension from IDOT or other State agencies. The bidder also certifies that he/she has read, understands and agrees that acceptance by SD23 of the bidder's offer by issuance of a purchase order and/or contract will create a binding contract. SD23 may declare the contract void if the certificate is false.

2. NON-COLLUSION AFFIDAVIT – The undersigned bidder or agent states that he/she has not, nor has any other member, representative, or agent of the firm, company, corporation, or partnership represented by him, entered into any combination, collusion, or agreement with any person relative to the price to be bid by anyone at such letting, nor to prevent any person from bidding nor to induce anyone to refrain from bidding , and this bid is made without reference to any other bid and without any agreement, understanding or combination with any other person in reference to such bidding. Bidder further state that no person, firm or corporation has, or will receive directly or indirectly, any rebate, fee, gift, commission or thing of value on account of sale.

3. PREVAILING WAGE – Prevailing wage is not required for this contract.

4. FAIR EMPLOYEE PRACTICES – It shall be mandatory that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or ancestry, and further that he will comply with all provisions of the Illinois Fair Employee Practices Commission as required by the Rules and Regulations for Public Contract.

5. TOXIC SUBSTANCE – The successful bidder must comply with the Toxic Substance Control Act. This Act requires that an MSDS be provided for any product containing one or more toxic substances covered in this Act. The MSDS shall accompany delivery or have been submitted prior to delivery. Payment to the Contractor will not be paid until the MSDS is provided.

6. SEXUAL HARASSMENT CLAUSE – Each bidder must certify that he has complied with the requirements of section 2-105 of the Illinois Human Rights Act effective July 1, 1993, with respect to sexual harassment policies. The terms of that law, as applicable, are hereby incorporated in this contract.

7. NO SMOKING CLAUSE – Bidder agrees that they, their employees, and sub-contractors, will abide by the SD23 no smoking policy on all District sites.

8. DRUG-FREE WORKPLACE – Each bidder must certify compliance with the Drug-Free Workplace Requirement, which stipulates the prohibition of the unlawful manufacture and distribution, dispensing, possession, or use of a controlled substance while of SD23 premises or while performing work for the District.

9. COMPLIANCE – The bidder is directed that all applicable state laws, municipal ordinances, District policies and the rules and regulations of all authorities having jurisdiction over any aspect of the herein described project shall apply to the contract throughout, and will be deemed to be included in the contract the same as though herein written in full.

10. BID MODIFICATION – In accordance with Illinois Law, once the bids have been opened, such bids may not be modified in any way without written approval of Prospect Heights SD23. All bidders will be bound by any and all math calculations, misquotes of any kind once the bids have been accepted, it may not be modified or rescinded without the approval of Prospect Heights SD23.

11. SAFETY PRECAUTION CLAUSE – The Contractor expressly agrees that it is solely and exclusively responsible for initiating, maintaining, and supervising all safety precautions, and programs in connection with the performance of this contract. The District is not responsible for means, methods, and techniques of construction, maintenance work, or safety precautions and programs in connection with the performance of the contract.

12. CRIMINAL BACKGROUND CHECK CLAUSE – The Contractor understands and acknowledges that its work, in whole or in part, will be performed on public school property where there may by direct, daily contact with school students. The Contractor further understands and acknowledges that the State of Illinois requires that all employees of Contractors, licenses, Contractors or others having direct daily contact with students are subject to a criminal background check and may not be listed on the State Sex Offender Registry. Prior to allowing any of its employees who will be performing the scope of work access to school property, the Contractor agrees to provide the District with the following in writing:
    A. Evidence that each employee, agent, Contractor, or other person performing work on school property under this agreement was subjected to a criminal background check in conformity with 105 ILCS 5/10-21.9; that said persons are not listed on said Registry; and said persons have no criminal convictions for the offenses listed under 105 ILCS 5/10-21.9;
    B. The Contractor will provide the District, upon request, a copy of the criminal check conducted on each such person.

    In the event the Contractor plans to subcontract with or use the services of another person or firm that has direct, daily contact with students on school property, in order to fulfill its obligations under this agreement with the District, the Contractor will require all such persons or firms to comply with the provisions of this paragraph and 105 ILCS 5/10-21.9.

    In the event that the Contractor fails to comply with the provisions of this paragraph and 105 ILCS 5/10-21.9, and as a result a suit or claim is instituted by a student for harm caused by an employee of the Contractor, or caused by an employee of a subcontractor to the Contractor, then in that event the Contractor agrees to fully defend and indemnify the District, including reimbursement of the attorney's fees and costs, against any such claim.

13. ASBESTOS HAZARD EMERGENCY ACT (AHERA) – Not applicable.

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# ACKNOWLEDGEMENT OF CERTIFICATIONS

By signing this document, I state and declare that the bidder/contractor listed below and I, are in compliance, and will comply with all of the certifications listed above.

Date: _____

Company: _____

Authorized Representative Name (Printed): _____

Authorized Representative Signature: _____

Company Address: _____

Company Phone: _____

Email: _____

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# REFERENCE LISTING

A Bidder submitting a bid shall have a minimum of five (5) years experience in providing contracted student transportation to Pre-K through Eighth grade, public school districts in the State of Illinois. A Bidder must include within its submission details of its experience in providing such service that includes a list of references that includes the name, address, and contact information for four (4) current clients and include the type of services provided. Prior work experience with school district clients is **required.**

**Customer #1** _____

Contact _____

Phone Number _____

Description of Work _____

Dates of Service _____

**Customer #2** _____

Contact _____

Phone Number _____

Description of Work _____

Dates of Service _____

**Customer #3** _____

Contact _____

Phone Number _____

Description of Work _____

Dates of Service _____

**Customer #4** _____

Contact _____

Phone Number _____

Description of Work _____

Dates of Service _____

# PROSPECT HEIGHTS SCHOOL DISTRICT 23
# STUDENT TRANSPORTATION SERVICES
# 2027-28, 2028-29, 2029-30, 2030-31, 2031-32
# BID PROPOSAL FORM

Please provide the contractor rates for the 2027-2028 School Year below:

| Rates | Proposed Daily Rate Cost | Estimated Days | Estimated Total Annual Cost for 2027-28 |
|---|---|---|---|
| Regular Routes (AM & PM ) (Grades Kdg. - 8) | | 174 | |
| Pre School Vans - AM or PM | | 174 | |
| Wheelchair - AM or PM | | 174 | |
| Wheelchair Bus - Mid Day | | 174 | |
| Summer School (AM & PM) | | 15 | |
| **Miscellaneous Routes - Incl. Athletic/Field Trips** | **Addl. Rate per Hour** | **Estimated Trips (2 Hours)** | **Estimated Total Annual Cost for 2027-28** |
| 2 Hour Minimum Charge per Trip | | | |

Percentage Increase/Decrease for 2028-2029 _____

Percentage Increase/Decrease for 2029-2030 _____

Percentage Increase/Decrease for 2030-2031 _____

Percentage Increase/Decrease for 2031-2032 _____

We propose to furnish all necessary supplies, equipment, and personnel to fulfill all requirements for transporting students designated by District pursuant to the price sheets submitted herewith. This bid is to provide service from July 1, 2027, to the close of summer school, should there be any, in June 2032. This is a five-year bid encompassing school years 2027-28 through 2031-32. It is further realized our obligation is to meet all requirements stated in this bid package.

Company Name: _____

Authorized
Company Representative: _____

Email: _____

# Natural Gas Choice Master Agreement

Master Agreement # MS1928

This Natural Gas Choice Master Agreement, hereinafter referred to as "Agreement", entered into by and between NextEra Energy Services Midwest, LLC("Seller")andCustomeridentifiedbelow("Customer"),fromtimetotimereferredtoindividuallyandcollectivelyas"Party"and"Parties",asof October 27, 2026 ("Effective Date") establishes legally binding terms and conditions to govern the sale and purchase of natural gas ("Gas") delivered by Seller to Customer subject to the terms and conditions in accordance with the applicable tariff of the Customer's public utility, hereinafter referred to as the"Choice Program".

| **Customer Contact Information** | **Billing Contact Information** |
|---|---|
| Customer Name: **Prospect Heights School District 23** | Customer Name: **Prospect Heights School District 23** |
| Contact Name: Amy McPartlin | Contact Name: Amy McPartlin |
| E-Mail Address: amcpartlin@d23.org | E-Mail Address: amcpartlin@d23.org |
| Address: 700 N SCHOENBECK RD C/O DIST OFFICE | Address: 700 N SCHOENBECK RD C/O DIST OFFICE |
| City / State / Zip: Prospect Heights, 60070 | City / State / Zip: Prospect Heights, 60070 |
| Phone Number: 847-870-5552 | Phone Number: 847-870-5552 |
| Facsimile Number: | Facsimile Number: **Federal Tax ID #** |

**1. Gas Sale and Purchase:** This Agreement is intended to facilitate purchase and sale transactions of Gas from Seller to Customer. The terms of any transactions for the sale and purchase of Gas between the Parties shall be set out in a fully executed confirmation ("Confirmation") between the Parties from time to time.

**2. Agency:** The Customer authorizes Seller to initiate utility service and to make all rate and tariff selections necessary to meet its obligations under this Agreement, and to access current and future gas utility Customer account information. Customer authorizes and understands that Seller will transfer Customer's natural gas supply from any public utility or alternative gas supplier that may be serving the Customer. Customer understands it may be subject to cancellation or termination fees from a public utility or an alternative gas supplier by terminating an existing contract.

**3. Term:** For purposes of this Agreement, Seller shall begin providing service on the date that Customer's local distribution service ("LDC") establishes service for Customer as determined by Customer's LDC until terminated in accordance with the terms herein. Upon termination, this Agreement shall continue to apply to all Confirmations then in effect until the obligations pursuant to the Confirmations are completed.

**4. Rescission Period:** THE LDC WILL SEND CUSTOMER A LETTER CONFIRMING THE TRANSFER OF SERVICE. CUSTOMER MAY RESCIND ITS ENROLLMENT WITHIN 10 BUSINESS DAYS OF THE DATE OF THE LETTER BY EITHER CONTACTING SELLER AS SPECIFIED IN SECTION 15 BELOW OR THE LDC.

**5. Supplier's and LDC's Role:** Subject to the terms, conditions, and limitations set forth herein, Seller agrees to sell and cause to be delivered to Customer and Customer agrees to purchase and receive from Seller natural gas for the Customer facilities ("Accounts") listed on a Confirmation. The LDC will deliver the natural gas to the Account(s) and shall invoice and collect Seller's charges. The LDC's billing and payment procedures shall apply in accordance with the applicable tariff, including but not limited to, the LDC's right to assess late payment fees. Seller may deny enrollment for any reason.

**6. Customer Representations & Basic Obligations:** Customer represents that any and all of the information Customer has provided and shall provide to Seller is true and correct. Customer will subscribe to and make payment for any and all reasonable and necessary LDC charges. In addition to the price, as set out in a Confirmation, Customer will also be responsible for paying LDC's delivery charges, applicable late fees, and all taxes associated with your natural gas service and consumption. Customer understands and agrees to these terms and agrees to participate in the programs established by Customer's applicable public utility. In the event Customer's facilities lack any equipment required by Customer's LDC necessary for Customer to receive Gas and services from Seller, Customer will install, or cause to be installed, make payment for and maintain said equipment. Customer will provide periodic meter readings to Seller upon request. Customer will also provide Seller with reasonable, advance written notice of any events and/or operational changes that may affect Customer's Gas usage.

**7. Default:** If Customer does not comply with any terms of this Agreement or any Confirmation (including any representations contained herein), fails to make timely payments for Gas and services rendered hereunder, or fails to make credit arrangements in accordance with Section 10 below, Sellermay suspend performance or may terminate this Agreement and all Confirmations on reasonable notice. If Seller terminates this Agreement pursuant

to this paragraph, Customer is responsible for any, other costs or damages incurred by Seller, including, but not limited to, administrative costs, and reasonable attorney's fees incurred by Seller. Such commercially reasonable costs and losses shall be: (i) the product of (A) total contracted quantities in the unexpired portion of the term of any Confirmations and (B) 110% of Seller's expected margin for the transactions under the Confirmations; plus (ii) any costs associated with liquidating, terminating the supply arrangements underlying the transactions under a Confirmation; and (iii) any administrative costs, and reasonable attorney's fees incurred by Seller (collectively the "Settlement Amount"). This Settlement Amount will be due within five (5) business days after Seller has notified the Customer of the Settlement Amount. If at the time of termination there are no Confirmations outstanding no Settlement Amount will be due. Notwithstanding the foregoing, if Customer's usage does not exceed 5000 therms in any calendar year during the term of any affected Confirmation, then the termination amount shall be $50 for such Confirmation. If Seller is subject to an event of default, and Customer terminates this Agreement or any affected Confirmation in no event will Seller's liability under this Agreement and any Confirmations exceed the difference between the price of the gas not delivered and the reasonable replacement cost for such gas.

**8. Early Termination:** If Customer terminates a Confirmation prior to the end of the term or any renewal term of the Confirmation, then Customer will pay Seller the costs associated with such early termination. Such commercially reasonable costs shall be calculated by Seller. These costs include, but are not limited to, liquidating positions, administrative costs, attorney fees, and lost margin. This settlement amount will be due within five (5) business days after Seller has notified the Customer of the settlement amount. Notwithstanding the foregoing, if Customer's usage does not exceed 5000 therms in any calendar year during the term of any affected Confirmation, then the termination amount shall be $50 for such Confirmation.

**9. Payment & Tax Considerations:** Any payment not received by Seller or the LDC as applicable on or before the due date indicated on Customer's invoice shall be deemed a late payment and result in Customer being assessed a late payment fee equal to one and one-half percent (1.5%) multiplied by Customer's total past due balance, per month. This late payment fee will also apply to any past due balances arising out of disputed amounts that are eventually found to have been disputed in error. Customer shall be responsible for any and all taxes, fees or charges imposed on the sale or subsequent use of the gas at or after said delivery to Customer's LDC, as well as any and all taxes, fees or charges imposed on any and all gas or services covered by this Agreement that may be levied after the Effective Date.

**10. Credit Requirements:** Customer shall make credit arrangements satisfactory to Seller, which may include providing a deposit, prepayments, letter of credit, or other security as requested by Seller within five (5) days of the receipt of Seller' request. Seller reserves the right to request such credit arrangements or updates or revisions to such credit arrangements at any time before or during the Term. In the event Customer (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) defaults in the payment or performance of any obligation under this Agreement; (iii) files a petition or otherwise commence, authorize, or acquiesce in the commencement proceeding or cause under any bankruptcy or similar law for the protection from creditors or have such a petition filed or proceeding commenced against it; r (iv) otherwise becomes bankrupt or insolvent; (v) becomes unable to pay its debts as they become due; or (vi) fails to provide Seller with adequate assurances that Seller deems sufficient to deem itself secure relative to Customer's ability to satisfy its financial obligations under this Agreement within twenty-four (24) hours of such a request then Seller , without prior notice, may to suspend or withhold its performance hereunder or terminate this Agreement, and any Confirmation in addition to any and all other remedies available herein or pursuant by law.

**11. Utility Tariffs & Regulations:** If any regulatory changes arise that may adversely affect Seller' ability to perform under this Agreement, i.e. change in tariffs, rules or procedures of Customer's LDC or of the transporting pipelines utilized by Seller to perform hereunder, then Seller may, at its sole discretion, amend or terminate this Agreement and any or all Confirmations, upon written notice to Customer.

**12. Title:** Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Customer at the city gate, where the Gas is delivered into the LDC's distribution system delivery point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Customer at the specified delivery point(s). Customer shall have responsibility for and any liability with respect to the Gas at and after its delivery to Customer at the delivery point(s). Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Customer, free and clear of all liens, encumbrances, and claims.

**13. Miscellaneous:**

(a) The term "Agreement" means this Agreement and any and all applicable Confirmations which are incorporated herein by reference, and which shall form one agreement. This Agreement constitutes the entire agreement between the Parties and supersedes any and all other agreements, discussions and/or understandings (whether written or oral) regarding the transactions subject hereto.

(b) This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Seller may assign this Agreement or any of its rights or obligations without the prior written consent of the Customer. Customer may not assign or otherwise transfer its rights hereunder without Seller's prior written consent, which shall not be unreasonably withheld. In the event Customer transfers and/or assigns this Agreement, sells its business and/or changes its legal name, Customer shall be obligated to pay all commodity costs and other charges incurred hereunder (including, but not limited to, natural gas consumed by the assignee and/or new owner) until such time as Seller and the applicable LDC are notified of such assignment, sale and/or name change and approve of such transfer and/or assignment as applicable. In the event of a name change, Customer agrees to take any and all steps as may be required by the applicable LDC to continue as Seller's Customer.

(c) This agreement shall be governed by, construed and enforced in accordance with the laws of the State of Illinois without regard to conflict of law principles. Venue for the resolution of any dispute between the parties shall be in the Circuit Court in DuPage County, Illinois. Both Seller and Customer waive the right to a jury trial in any action brought by either Seller or Customer against the other.



**850 East Diehl Rd, Ste 142, Naperville, IL 60563**
**Phone: 630-955-1500 Website:** www.NextEraEnergyServices.com

(d) Both Parties agree not to disclose any term of this Agreement to a third-party (other than to its affiliates, officers, directors, employees, accountants, lenders, or counsel) except as necessary for the other Party to perform its obligations herein or to comply with any applicable law, regulation, or order.
(e) Neither party shall be liable to the other for any damages caused or occasioned by force majeure.
(f) Seller shall indemnify and hold Customer harmless for excess storage charges and unauthorized use charges as imposed by Customer's utility up to the Maximum Daily Contract Quantity as defined and specified by Customer's LDC, which are caused by Seller's failure to perform under the terms of this Agreement, subject to Sections 5 and 7.
(g) Customer shall indemnify and hold Seller harmless for any losses, liabilities, damages, claims or costs (including attorney's fees) from any and all persons or entities resulting from or out of Customer's failure to comply with the terms and conditions of this Agreement and/or as a result of Customer's negligence hereunder.
(h) In the event that Seller incurs any additional costs relating directly to Customer's account because of any action taken by Customer or any action not taken by Customer that Customer should have taken under this Agreement, then Seller, may invoice Customer for those additional charges.
(i) In the event Seller is directed by Customer's LDC to either increase or decrease gas deliveries as a result of a "Critical Day" or an "Operational Flow Order" whether for Customer's actual or historically potential gas consumption as determined by Customer's LDC, Customer agrees that it shall be responsible for any and all incremental costs, expenses, charges, damages or liabilities incurred by Seller as a result of Seller's compliance with said Customer's LDC directive as applied to Customer's account.
(j) In the event any provision in this Agreement is determined to be invalid or unenforceable, that determination shall not render the entire Agreement invalid or unenforceable.

**14. Limitations:** Customer agrees that the express remedies and measures of damages provided in this Agreement satisfy its essential purpose(s). If an express remedy is provided, that remedy is the sole and exclusive remedy. EXCEPT WITH RESPECT TO THE REMEDY EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY, OR ANYONE CLAIMING BY THROUGH OR UNDER SUCH PARTY, FOR ANY DAMAGES OTHER THAN DIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, OR PUNITIVE DAMAGES, LOST PROFITS, OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE AND ALL OTHER REMEDIES ARE WAIVED. These limitations apply even if the damages result from a Party's negligence, whether sole, joint, concurrent, active, or passive. To the extent any damages required to be paid are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine. Acknowledging the limitation of damages to only direct damages set forth herein and notwithstanding anything to the contrary contained herein, in no event will Seller's liability to Customer, arising out of or related to this Agreement ever exceed the lesser of (x) $10,000 or (y) $1,000 per month of Gas service remaining on the Confirmation(s).

**15. Customer Service & Contact Information:** Customer may contact Seller by calling 1-888-955-1920, at Seller's website https://www.nexteraenergyservices.com, by writing to NextEra Energy Services Midwest, LLC, Attn: Customer Service, 850 East Diehl Road, Suite 142, Naperville, Illinois 60563, or by sending an e-mail to NaturalGas@nexteraenergyservices.com**.** Customer may file complaints or concerns with the Illinois Commerce Commission at 527 E. Capitol Ave. Springfield, IL 62701 or by calling toll free at 1 (800)-524-0795 or on its website at www.icc.illinois.gov/complaints/.

In Witness Whereof, the parties have executed this Agreement. This Agreement may be signed in counterparts, including by electronic signature and such documents shall be deemed originals and form one and the same agreement.

**By signing below, I acknowledge I have read, understand and agree to all the Terms and Conditions of this Agreement.**

| **NEXTERA ENERGY SERVICES MIDWEST, LLC** | | **CUSTOMER: Prospect Heights School District 23** | |
|---|---|---|---|
| Signed: | _____ | Signed: | _____ |
| By: | PJ Zonsius | By: | _____ |
| Title: | Vice President | Title: | _____ |
| Date: | _____ | Date: | _____ |


**850 East Diehl Rd, Ste 142, Naperville, IL 60563**
**Phone: 630-955-1500 Website:** www.NextEraEnergyServices.com

# CHOICE GAS SALES CONFIRMATION

Confirmation # GC1928

This Confirmation is made and entered into by and between NextEra Energy Services Midwest, LLC ("Seller") and **Prospect Heights School District 23** ("Customer"), establishes legally binding terms and conditions to govern the sale and purchase of natural gas ("Gas") and services delivered by Seller to Customer. This Confirmation is effective on the first day of **December 2026** and shall terminate on the last day of **November 2028 (the "Term").**

In addition to the terms and conditions contained herein, this Confirmation is governed by the terms and conditions contained in the executed Natural Gas Choice Master Agreement # MS1928 dated October 27, 2026 by and between Seller and Customer, which is incorporated herein and made a part hereof (the "Master Agreement"). Any capitalized terms not defined in this Confirmation shall have the meaning provided in the Master Agreement.

**1. Sale and Purchase of Gas:** Seller agrees to sell and deliver, and Customer agrees to purchase and receive, 100% of the Product contracted Volumes delivered by Seller to Customer's LDC for Customer's facilities as listed within Exhibit A, attached hereto (the "Accounts") .

**2. Product:** Fixed Full Requirements

**3. Product Price**: **$0.4203 per therms.**

**4. Local Gas Distribution Utility Charges:** Customer will be responsible for payment of monthly LDC charges as issued by the utility. If applicable, Seller will include any charges not billed directly to customer by utility for the Accounts.

**5. Seller Service Fee: $**0.00 **monthly.**

**6. LDC: Nicor**

**7. Volumes:** The Customer's contracted (indexed) volumes (the "Volumes") as well as the applicable unit of measure associated with this transaction shall be as indicated on Exhibit A

**8. Billing and Payment:** Customer will receive one total bill for Gas and services under this Confirmation. If a billing period spans more than one calendar month, the Gas Price will be prorated based on the applicable forecasted volumes and the applicable monthly market-based rate.

**9. Term:** This Confirmation shall automatically renew for subsequent one (1) year periods after the initial Term (each a "Renewal Term") unless either Party provides the other Party with written notice of its intention to not renew this Confirmation, no less than sixty (60) days prior to the end of the then effective term, including any Renewal Term. Provided however, Product Price for any Renewal Term shall be a variable rate equal to the market-based rate for Gas purchased by Seller as determined by Seller in its sole discretion (the "Holdover Rate"), plus a monthly service fee of **$0.00**. Customer may contact Seller at any time after expiration of the Term to enter into a new Confirmation with Seller. If this Confirmation is automatically renewed pursuant to this Section 9 the Seller may adjust the monthly contract volumes identified in Section 7, based on historical usage and normalized for weather.

**10. Miscellaneous:** In the event Seller is directed by Customer's LDC to either increase or decrease gas deliveries as a result of a 'Critical Day', whether for Customer's actual or historically potential Gas consumption as determined by Customer's LDC, Customer agrees that it shall be responsible for any and all incremental costs, expenses, charges, damages or liabilities incurred by Seller as a result of Seller's compliance with said Customer's LDC directive as applied to Customer's account. Seller may adjust the monthly delivery volumes above based on historical usage, normalized for weather.



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**Phone: 630-955-1500**

In Witness whereof, the Parties acknowledge that they have heretofore executed this Confirmation to the Master Agreement, as well as any necessary and applicable exhibit(s) and rider(s), which are hereby incorporated herein by reference and made a part hereto.

| **NextEra Energy Services Midwest, LLC** | | **CUSTOMER** | **Prospect Heights School District 23** |
|---|---|---|---|
| Signed: | | Signed: | |
| By: | PJ Zonsius | By: | |
| Title: | Vice President | Title: | |
| Date: | | Date: | |



**850 East Diehl Rd, Ste 142, Naperville, IL 60563**
**Phone: 630-955-1500**

# Exhibit A

**List of Accounts Served**

| Account Number | Utility | Legal Name | Street 1 | Street 2 | City | State | Postal Code |
|---|---|---|---|---|---|---|---|
| 2305540000 | NICORGAS | **Prospect Heights School District 23** | 1 N Schoenbeck Rd | | Prospect Heights | IL | 60070 |
| 6274170000 | NICORGAS | **Prospect Heights School District 23** | 700 N Schoenbeck Rd. | | Prospect Heights | IL | 60070 |
| 5274170000 | NICORGAS | **Prospect Heights School District 23** | 700 N Schoenbeck Rd. | | Prospect Heights | IL | 60070 |
| 7274170000 | NICORGAS | **Prospect Heights School District 23** | 700 N Schoenbeck Rd. | | Prospect Heights | IL | 60070 |

**Monthly Contract Quantity (therms)**

| Account Number | Utility | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2305540000 | NICORGAS | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements |
| 6274170000 | NICORGAS | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements |
| 5274170000 | NICORGAS | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements |
| 7274170000 | NICORGAS | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements | Full Requirements |