



LINCOLNWOOD SCHOOL DISTRICT 74
BOARD OF EDUCATION
 Finance Committee Meeting AGENDA
 Thursday, November 20, 2025 at **6:30 PM**

BOARD OF EDUCATION
 Peter D. Theodore, *President*
 Myra A. Foutris, *Vice President*
 John P. Vranas, *Secretary*
 Ted Kwon
 Jay Oleniczak
 Elissa B. Rosenberg
 Mihra Seta

ADMINISTRATION
 Dr. David L. Russo, *Superintendent of Schools*
 Dr. Dominick M. Lupo, *Assistant Superintendent for Curriculum & Instruction*
 Courtney L. Whited, *Business Manager/CSBO*

***Agenda of the Finance Committee Meeting of the Board of Education of Lincolnwood School District 74,
 Cook County, Illinois, to be held in the Marvin Garlich Administration Building
 6950 N. East Prairie Road
 Lincolnwood, Illinois 60712,
 on Thursday, November 20, 2025.***

IN-PERSON PARTICIPATION: It is expected that all members of the Finance Committee, plus several administrators, will be physically present at the Marvin Garlich Administration Building located at 6950 N. East Prairie Road, Lincolnwood, IL. The public is welcome.

1. CALL TO ORDER/ROLL CALL

FINANCE COMMITTEE MEMBERS

- Jay Oleniczak (BOE), Chair
- Mihra Seta (BOE), Co-Chair
- John P. Vranas (BOE)
- Michael Bartholomew, Community Member
- Adam Kriticos, Community Member
- Steven Pawlow, Community Member

ADMINISTRATORS/STAFF

- Dr. David L. Russo, Superintendent of Schools
- Dr. Dominick M. Lupo, Assistant Superintendent for Curriculum & Instruction
- Courtney L. Whited, Business Manager/CSBO
- Jordan Stephen, Director of Technology

2. AUDIENCE TO VISITORS

3. APPROVAL OF MINUTES

- a. Finance Committee Meeting Minutes - **OCTOBER 23, 2025** 3

Motion by member: _____ Seconded by: _____

4. INFORMATION/DISCUSSION: FUND BALANCE REPORT

- a. Fund Balance Report - **SEPTEMBER 2025** 6

5. OLD BUSINESS

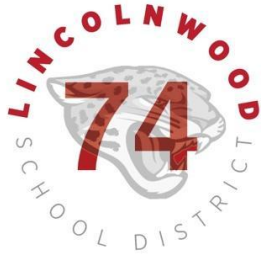
- a. INFORMATION/DISCUSSION: FY25 Final Audit and The OPEB GASB 74/75 by Lauterbach & Amen, LLP 14

b.	<u>INFORMATION/DISCUSSION/ACTION</u> : 2025 Levy	<u>163</u>
6.	NEW BUSINESS	
a.	<u>INFORMATION/DISCUSSION/ACTION</u> : IGS Electricity Contract Beginning April 2026	<u>186</u>
b.	<u>INFORMATON/DISCUSSION/ACTION</u> : IGS Natural Gas Contract Beginning August 2026	<u>199</u>
c.	<u>INFORMATION/DISCUSSION</u> : Adding Vanguard to SD74's SRA Offerings	<u>214</u>
7.	<u>INFORMATION/DISCUSSION</u> : District Purchasing Update(s) - <i>Dr. David L. Russo, Dr. Dominick M. Lupo, Jordan Stephen</i>	<u>216</u>
a.	Writable for 2025-2026	
8.	<u>INFORMATION/DISCUSSION</u> : District Finance Update - <i>Courtney Whited, Business Manager/CSBO</i>	<u>217</u>
a.	Scope and budget for document archive services.	
9.	ADJOURNMENT	

Motion by member: _____ Seconded by: _____

Dr. David L. Russo, Superintendent of Schools

Lincolnwood School District 74 is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of this meeting or facility, are requested to contact the District Office at 847-675-8234 promptly to allow Lincolnwood School District 74 to make reasonable accommodations for those persons.



**LINCOLNWOOD SCHOOL DISTRICT 74
BOARD OF EDUCATION**
Finance Committee Meeting Minutes
Thursday, October 23, 2025 at 6:30 PM

BOARD OF EDUCATION
Peter D. Theodore, *President*
Myra A. Foutris, *Vice President*
John P. Vranas, *Secretary*
Ted Kwon
Jay Oleniczak
Elissa B. Rosenberg
Mihra Seta

ADMINISTRATION
Dr. David L. Russo, *Superintendent of Schools*
Dr. Dominick M. Lupo, *Assistant Superintendent for Curriculum & Instruction*
Courtney L. Whited, *Business Manager/CSBO*

***Minutes of the Finance Committee Meeting of the Board of Education of Lincolnwood School District 74,
Cook County, Illinois, was held in the Marvin Garlich Administration Building
6950 N. East Prairie Road, Lincolnwood, Illinois 60712, on Thursday, October 23, 2025.***

1. CALL TO ORDER/ROLL CALL

Chair Oleniczak called the Finance Committee meeting to order at 6:31 p.m.

FINANCE COMMITTEE MEMBERS

Jay Oleniczak (BOE), Chair
Mihra Seta (BOE), Co-chair
Michael Bartholomew, Community Member
Steven Pawlow, Community Member

FINANCE COMMITTEE MEMBERS NOT PRESENT

John P. Vranas (BOE)
Adam Kriticos, Community Member

ADMINISTRATORS/STAFF PRESENT

Dr. David L. Russo, Superintendent of Schools
Dr. Dominick M. Lupo, Assistant Superintendent for Curriculum and Instruction
Courtney L. Whited, Business Manager/CSBO

2. AUDIENCE TO VISITORS

None

3. APPROVAL OF MINUTES

a. Finance Committee Meeting Minutes - **SEPTEMBER 18, 2025**

A motion was made, seconded and passed to approve the minutes from the September 18, 2025 Finance Committee meeting.

4. FUND BALANCE REPORT

a. Fund Balance Report - **AUGUST 2025**

Courtney Whited, Business Manager/CSBO, presented the Fund Balance Report for August 2025.

5. OLD BUSINESS

a. Children's Care & Development Center, Inc. Lease Extension

Dr. David L. Russo, Superintendent of Schools, explained that subsequent to the October Board of Education meeting, an opt out clause has been added to the CCDC Lease extension.

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to approve the Lease Extension with Children's Care & Development Center, Inc. from July 1, 2026 through May 31, 2027 at a total rental payment of \$94,215 or \$8,565 per month.

b. 2025 Estimated Levy Draft

Courtney Whited explained the 2025 Estimated Tax Levy. The Estimated levy notice will appear in the Lincolnwood Review on November 20th.

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to approve the Estimated 2025 Property Tax Levy in the amount of \$29,513,350 and approve publication of the corresponding Truth-in-Taxation Notice. This represents a 2.90% increase on last year's capped funds extension combined with a 4.49% decrease on debt service for an overall 2.52% increase on the prior year's extension.

6. NEW BUSINESS

a. Pitney Bowes Postage Meter Lease Renewal

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to approve the Agreement from Pitney Bowes for postage meter leasing in the amount of \$9,625.80 for 60 months beginning January 1, 2026.

b. Fiscal Years 2026 - 2030 Annual Audit Services

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to approve this Letter of Engagement from Lauterbach & Amen, LLP for annual audit services averaging \$33,550 per year for five (5) fiscal years from 2026 through 2030.

c. Fiscal Years 2026 - 2030 Annual Actuarial Report Services

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to approve the Letter of Engagement from Lauterbach & Amen, LLP for annual actuarial services at a cost totaling \$17,890 for five (5) fiscal years from 2026 through 2030.

d. PSACG Waiver Request- FY26 Facilities Rental Fees

This soccer club is requesting a reduction in rental fee prices. The Committee recommended keeping the existing fee structure in place.

A motion was made, seconded and passed that the Finance Committee concurs with the Administration's recommendation to the Board of Education to maintain Class IV facility rental fee rates during fiscal year 2025-26 for West Loop Soccer Club doing business as Paris Saint-Germain Academy Chicago (PSGAC).

7. District Purchasing Update(s) - *Dr. David L. Russo, Dr. Dominick M. Lupo, Jordan Stephen*

a. XtraMath Renewal for 2025-2026

b. Signup Genius Platinum Renewal for 2025-2026

c. Scholastic BookFlix Renewal for 2025-2026

8. ADJOURNMENT

A motion was made, seconded and passed to adjourn the Finance Committee meeting. The Finance Committee meeting was adjourned at 6:57 p.m.

The next Finance Committee meeting will be Thursday, November 20, 2025 at 6:30 p.m. The public is welcome.

Jay Oleniczak, Chair

Mihra Seta, Co-chair

Lincolnwood School District 74

Fund Balances

Fiscal Year: 2025-2026

Month: September
 Year: 2025
 Fund Type:

Include Cash Balance
 FY End Report

<u>Fund</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Transfers</u>	<u>Fund Balance</u>
10	EDUCATIONAL	\$17,356,305.94	\$1,561,425.08	(\$3,357,866.81)	\$0.00	\$15,559,864.21
20	OPERATIONS & MAINTENANCE	\$2,203,522.75	\$135,199.67	(\$644,876.45)	\$0.00	\$1,693,845.97
30	DEBT SERVICE	\$880,501.14	\$45,438.50	\$0.00	\$0.00	\$925,939.64
40	TRANSPORTATION	\$1,961,707.44	\$43,155.17	(\$303,461.23)	\$0.00	\$1,701,401.38
50	MUNICIPAL RETIREMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
51	IMRF	\$746,536.29	\$11,591.12	(\$47,660.70)	\$0.00	\$710,466.71
52	SOCIAL SECURITY AND MEDICARE	\$330,330.38	\$17,292.62	(\$71,108.06)	\$0.00	\$276,514.94
60	CAPITAL PROJECTS	\$3,580,606.37	\$58,052.97	(\$2,461,001.78)	\$0.00	\$1,177,657.56
70	WORKING CASH	\$626,858.16	\$3,088.17	\$0.00	\$0.00	\$629,946.33
80	TORT IMMUNITY	\$533,239.18	\$8,278.09	\$0.00	\$0.00	\$541,517.27
90	FIRE PREVENTION & SAFETY	\$138,230.09	\$6,042.31	(\$135,000.00)	\$0.00	\$9,272.40
99	LINCOLNWOOD SCHOOLS ACTIVITY FUN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:		\$28,357,837.74	\$1,889,563.70	(\$7,020,975.03)	\$0.00	\$23,226,426.41

End of Report

Lincolnwood School District 74

Treasurers Report FUND- All Funds As of 09/30/2025

Fiscal Year: 2025-2026

ASSETS

CASH & INVESTMENTS

Cash in Bank (+)	\$22,993,525.58
Imprest Fund (+)	\$14,687.99
Petty Cash (+)	\$100.00

Sub-total : CASH & INVESTMENTS \$23,008,313.57

DUE FROM OTHER GOVERNMENTS

Inter-Governmental Loans (+)	(\$467.03)
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Sub-total : DUE FROM OTHER GOVERNMENTS (\$467.03)

Total : ASSETS \$23,007,846.54

LIABILITIES

ACCOUNTS PAYABLE

Accounts Payable (+)	\$155,601.80
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Sub-total : ACCOUNTS PAYABLE \$155,601.80

OTHER CURRENT LIABILITIES

Other Liabilities (+)	\$40,020.72
Payroll Liabilities (+)	(\$414,202.39)

Sub-total : OTHER CURRENT LIABILITIES (\$374,181.67)

Total : LIABILITIES (\$218,579.87)

FUND BALANCE

Unreserved Fund Balance

Fund Balance (+)	\$28,357,837.74
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Sub-total : Unreserved Fund Balance \$28,357,837.74

NET INCREASE (DECREASE)

NET INCREASE (DECREASE) (+)	(\$5,131,411.33)
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Sub-total : NET INCREASE (DECREASE) (\$5,131,411.33)

Total : FUND BALANCE \$23,226,426.41

Total LIABILITIES + FUND BALANCE \$23,007,846.54

End of Report

Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	<u>09/01/2025 - 09/30/2025</u>	<u>Year To Date</u>	<u>Budget</u>	<u>Budget Balance</u>	
REVENUE					
LOCAL SOURCES					
Property Tax Receipts (+)	\$38,171.04	\$768,628.39	\$29,377,780.00	\$28,609,151.61	2.6%
Payments in Lieu of Taxes (+)	\$0.00	\$157,496.45	\$760,000.00	\$602,503.55	20.7%
Tuition Payments Received (+)	\$800.00	\$30,360.00	\$434,619.00	\$404,259.00	7.0%
Interest Revenue Received (+)	\$40,609.05	\$128,666.15	\$1,000,000.00	\$871,333.85	12.9%
Sales to Pupils & Adults (+)	\$967.50	\$16,387.89	\$210,000.00	\$193,612.11	7.8%
Activity Fees Received (+)	\$362.00	\$45,973.93	\$117,750.00	\$71,776.07	39.0%
Other Local Revenue (+)	\$134,054.58	\$207,407.73	\$427,200.00	\$219,792.27	48.6%
Rental Revenue (+)	\$52.00	\$44,909.07	\$95,015.00	\$50,105.93	47.3%
Sub-total : LOCAL SOURCES	\$215,016.17	\$1,399,829.61	\$32,422,364.00	\$31,022,534.39	4.3%
STATE SOURCES					
State Grants & Aid Received (+)	\$106,272.00	\$212,544.00	\$1,680,132.00	\$1,467,588.00	12.7%
Sub-total : STATE SOURCES	\$106,272.00	\$212,544.00	\$1,680,132.00	\$1,467,588.00	12.7%
FEDERAL SOURCES					
Federal Grants & Aid Received (+)	\$14,661.23	\$277,190.09	\$913,504.00	\$636,313.91	30.3%
Sub-total : FEDERAL SOURCES	\$14,661.23	\$277,190.09	\$913,504.00	\$636,313.91	30.3%
Total : REVENUE	\$335,949.40	\$1,889,563.70	\$35,016,000.00	\$33,126,436.30	5.4%
EXPENDITURES					
REGULAR K-12 PROGRAMS					
Salaries (-)	\$625,762.26	\$929,985.08	\$8,182,305.00	\$7,252,319.92	11.4%
Employee Benefits (-)	\$125,110.24	\$141,354.99	\$1,564,725.00	\$1,423,370.01	9.0%
Termination Benefits (-)	\$18,200.23	\$42,369.32	\$273,540.00	\$231,170.68	15.5%
Purchased Services (-)	\$3,562.83	\$31,662.25	\$310,776.00	\$279,113.75	10.2%
Supplies & Materials (-)	\$35,408.06	\$106,884.36	\$839,950.00	\$733,065.64	12.7%
Capital Expenditures (-)	\$2,018.45	\$2,667.45	\$228,500.00	\$225,832.55	1.2%
Other Objects (-)	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.0%
Non-Capitalized Equipment (-)	\$190.10	\$232.20	\$119,600.00	\$119,367.80	0.2%
Sub-total : REGULAR K-12 PROGRAMS	(\$810,252.17)	(\$1,255,155.65)	(\$11,520,396.00)	(\$10,265,240.35)	10.9%
PRE-K PROGRAMS					
Salaries (-)	\$22,498.80	\$33,748.20	\$296,824.00	\$263,075.80	11.4%
Employee Benefits (-)	\$9,110.22	\$12,724.69	\$121,682.00	\$108,957.31	10.5%
Purchased Services (-)	\$0.00	\$2,000.00	\$2,000.00	\$0.00	100.0%
Supplies & Materials (-)	\$66.15	\$66.15	\$34,200.00	\$34,133.85	0.2%
Non-Capitalized Equipment (-)	\$0.00	\$0.00	\$750.00	\$750.00	0.0%
Sub-total : PRE-K PROGRAMS	(\$31,675.17)	(\$48,539.04)	(\$455,456.00)	(\$406,916.96)	10.7%
SPECIAL ED PROGRAMS K-12					
Salaries (-)	\$126,447.26	\$189,050.12	\$1,608,560.00	\$1,419,509.88	11.8%
Employee Benefits (-)	\$39,487.87	\$50,439.67	\$432,666.00	\$382,226.33	11.7%
Purchased Services (-)	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.0%
Supplies & Materials (-)	\$243.91	\$229.21	\$68,300.00	\$68,070.79	0.3%
Capital Expenditures (-)	\$2,760.20	\$5,054.20	\$9,000.00	\$3,945.80	56.2%
Other Objects (-)	\$625.00	\$875.00	\$0.00	(\$875.00)	0.0%

Operating Statement with Budget

Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	<u>09/01/2025 - 09/30/2025</u>	<u>Year To Date</u>	<u>Budget</u>	<u>Budget Balance</u>	
Non-Capital Equipment (-)	\$788.10	\$2,655.09	\$7,500.00	\$4,844.91	35.4%
Sub-total : SPECIAL ED PROGRAMS K-12	(\$170,352.34)	(\$248,303.29)	(\$2,128,026.00)	(\$1,879,722.71)	11.7%
REMEDIAL & SUPPLEMENTAL K-12					
Salaries (-)	\$47,705.64	\$71,558.46	\$622,673.00	\$551,114.54	11.5%
Employee Benefits (-)	\$9,787.53	\$10,677.32	\$122,010.00	\$111,332.68	8.8%
Purchased Services (-)	\$13,706.00	\$43,064.47	\$58,000.00	\$14,935.53	74.2%
Supplies & Materials (-)	\$0.00	\$0.00	\$33,175.00	\$33,175.00	0.0%
Sub-total : REMEDIAL & SUPPLEMENTAL K-12	(\$71,199.17)	(\$125,300.25)	(\$835,858.00)	(\$710,557.75)	15.0%
INTERSCHOLASTIC PROGRAMS					
Salaries (-)	\$1,547.50	\$2,251.16	\$120,000.00	\$117,748.84	1.9%
Employee Benefits (-)	\$58.06	\$77.08	\$6,706.00	\$6,628.92	1.1%
Supplies & Materials (-)	\$354.47	\$354.47	\$9,200.00	\$8,845.53	3.9%
Capital Expenditures (-)	\$0.00	\$0.00	\$1,500.00	\$1,500.00	0.0%
Other Objects (-)	\$0.00	\$5,500.00	\$5,500.00	\$0.00	100.0%
Sub-total : INTERSCHOLASTIC PROGRAMS	(\$1,960.03)	(\$8,182.71)	(\$142,906.00)	(\$134,723.29)	5.7%
SUMMER SCHOOL PROGRAMS					
Salaries (-)	\$0.00	\$41,280.00	\$56,800.00	\$15,520.00	72.7%
Employee Benefits (-)	\$0.00	\$1,977.01	\$3,104.00	\$1,126.99	63.7%
Supplies & Materials (-)	\$901.42	\$2,727.39	\$3,000.00	\$272.61	90.9%
Sub-total : SUMMER SCHOOL PROGRAMS	(\$901.42)	(\$45,984.40)	(\$62,904.00)	(\$16,919.60)	73.1%
GIFTED PROGRAMS					
Salaries (-)	\$45,308.60	\$67,962.90	\$589,012.00	\$521,049.10	11.5%
Employee Benefits (-)	\$10,638.97	\$11,316.92	\$130,476.00	\$119,159.08	8.7%
Supplies & Materials (-)	\$546.56	\$631.51	\$5,375.00	\$4,743.49	11.7%
Other Objects (-)	\$605.00	\$605.00	\$650.00	\$45.00	93.1%
Sub-total : GIFTED PROGRAMS	(\$57,099.13)	(\$80,516.33)	(\$725,513.00)	(\$644,996.67)	11.1%
BILINGUAL PROGRAMS					
Salaries (-)	\$53,205.54	\$79,616.01	\$692,343.00	\$612,726.99	11.5%
Employee Benefits (-)	\$9,629.55	\$10,608.25	\$94,995.00	\$84,386.75	11.2%
Purchased Services (-)	\$0.00	\$0.00	\$4,000.00	\$4,000.00	0.0%
Supplies & Materials (-)	\$0.00	\$1,275.17	\$9,925.00	\$8,649.83	12.8%
Sub-total : BILINGUAL PROGRAMS	(\$62,835.09)	(\$91,499.43)	(\$801,263.00)	(\$709,763.57)	11.4%
ATTENDANCE & SOCIAL WORK					
Salaries (-)	\$40,365.22	\$60,259.83	\$512,762.00	\$452,502.17	11.8%
Employee Benefits (-)	\$5,419.01	\$6,014.25	\$67,277.00	\$61,262.75	8.9%
Purchased Services (-)	\$0.00	\$3,031.01	\$4,450.00	\$1,418.99	68.1%
Supplies & Materials (-)	\$31.99	\$359.26	\$2,275.00	\$1,915.74	15.8%
Sub-total : ATTENDANCE & SOCIAL WORK	(\$45,816.22)	(\$69,664.35)	(\$586,764.00)	(\$517,099.65)	11.9%
HEALTH SERVICES					
Salaries (-)	\$20,462.90	\$31,905.06	\$218,440.00	\$186,534.94	14.6%

Operating Statement with Budget

Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	<u>09/01/2025 - 09/30/2025</u>	<u>Year To Date</u>	<u>Budget</u>	<u>Budget Balance</u>	
Employee Benefits (-)	\$4,294.76	\$6,647.38	\$78,400.00	\$71,752.62	8.5%
Purchased Services (-)	\$0.00	\$16,897.50	\$102,000.00	\$85,102.50	16.6%
Supplies & Materials (-)	\$215.11	\$594.98	\$8,000.00	\$7,405.02	7.4%
Capital Expenditures (-)	\$0.00	\$0.00	\$3,000.00	\$3,000.00	0.0%
Other Objects (-)	\$0.00	\$0.00	\$900.00	\$900.00	0.0%
Non-Capital Equipment (-)	\$0.00	\$0.00	\$1,800.00	\$1,800.00	0.0%
Sub-total : HEALTH SERVICES	(\$24,972.77)	(\$56,044.92)	(\$412,540.00)	(\$356,495.08)	13.6%
PSYCHOLOGICAL SERVICES					
Salaries (-)	\$15,460.40	\$23,190.60	\$200,985.00	\$177,794.40	11.5%
Employee Benefits (-)	\$1,507.62	\$1,738.97	\$18,701.00	\$16,962.03	9.3%
Purchased Services (-)	\$0.00	\$464.18	\$1,500.00	\$1,035.82	30.9%
Supplies & Materials (-)	\$32.66	\$32.66	\$1,025.00	\$992.34	3.2%
Sub-total : PSYCHOLOGICAL SERVICES	(\$17,000.68)	(\$25,426.41)	(\$222,211.00)	(\$196,784.59)	11.4%
SPEECH PATHOLOGY & AUDIOLOGY					
Salaries (-)	\$28,226.86	\$41,740.29	\$351,350.00	\$309,609.71	11.9%
Employee Benefits (-)	\$4,978.20	\$5,383.04	\$61,673.00	\$56,289.96	8.7%
Purchased Services (-)	\$0.00	\$220.00	\$1,400.00	\$1,180.00	15.7%
Supplies & Materials (-)	\$0.00	\$0.00	\$1,550.00	\$1,550.00	0.0%
Sub-total : SPEECH PATHOLOGY & AUDIOLOGY	(\$33,205.06)	(\$47,343.33)	(\$415,973.00)	(\$368,629.67)	11.4%
OTHER SUPPORT SERVICES - PUPILS					
Salaries (-)	\$10,233.29	\$11,549.33	\$109,470.00	\$97,920.67	10.6%
Employee Benefits (-)	\$654.42	\$706.64	\$8,044.00	\$7,337.36	8.8%
Sub-total : OTHER SUPPORT SERVICES - PUPILS	(\$10,887.71)	(\$12,255.97)	(\$117,514.00)	(\$105,258.03)	10.4%
IMPROVEMENT OF INSTRUCTION					
Salaries (-)	\$42,047.63	\$115,676.90	\$460,778.00	\$345,101.10	25.1%
Employee Benefits (-)	\$5,268.72	\$17,837.74	\$62,553.00	\$44,715.26	28.5%
Purchased Services (-)	\$5,435.78	\$13,258.42	\$100,950.00	\$87,691.58	13.1%
Supplies & Materials (-)	\$84.05	\$84.05	\$1,800.00	\$1,715.95	4.7%
Other Objects (-)	\$0.00	\$0.00	\$2,700.00	\$2,700.00	0.0%
Sub-total : IMPROVEMENT OF INSTRUCTION	(\$52,836.18)	(\$146,857.11)	(\$628,781.00)	(\$481,923.89)	23.4%
EDUCATIONAL MEDIA					
Salaries (-)	\$23,861.78	\$35,792.67	\$310,203.00	\$274,410.33	11.5%
Employee Benefits (-)	\$4,056.82	\$4,414.75	\$49,883.00	\$45,468.25	8.9%
Purchased Services (-)	\$0.00	\$16.89	\$0.00	(\$16.89)	0.0%
Supplies & Materials (-)	\$0.00	\$0.00	\$20,500.00	\$20,500.00	0.0%
Sub-total : EDUCATIONAL MEDIA	(\$27,918.60)	(\$40,224.31)	(\$380,586.00)	(\$340,361.69)	10.6%
ASSESSMENT & TESTING					
Supplies & Materials (-)	\$0.00	\$0.00	\$322.00	\$322.00	0.0%
Sub-total : ASSESSMENT & TESTING	\$0.00	\$0.00	(\$322.00)	(\$322.00)	0.0%
ADMIN SERVICES - BOARD OF ED					

Operating Statement with Budget

Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	<u>09/01/2025 - 09/30/2025</u>	<u>Year To Date</u>	<u>Budget</u>	<u>Budget Balance</u>	
Employee Benefits (-)	\$0.00	\$0.00	\$8,000.00	\$8,000.00	0.0%
Purchased Services (-)	\$37,997.95	\$46,624.44	\$219,200.00	\$172,575.56	21.3%
Supplies & Materials (-)	\$242.86	\$565.83	\$2,500.00	\$1,934.17	22.6%
Other Objects (-)	\$0.00	\$0.00	\$15,000.00	\$15,000.00	0.0%
Sub-total : ADMIN SERVICES - BOARD OF ED	(\$38,240.81)	(\$47,190.27)	(\$244,700.00)	(\$197,509.73)	19.3%
SUPERINTENDENT					
Salaries (-)	\$21,766.54	\$77,171.90	\$283,955.00	\$206,783.10	27.2%
Employee Benefits (-)	\$4,133.13	\$23,071.04	\$60,989.00	\$37,917.96	37.8%
Purchased Services (-)	\$380.07	\$380.07	\$4,000.00	\$3,619.93	9.5%
Supplies & Materials (-)	\$156.50	\$166.99	\$2,000.00	\$1,833.01	8.3%
Other Objects (-)	\$0.00	\$0.00	\$3,500.00	\$3,500.00	0.0%
Sub-total : SUPERINTENDENT	(\$26,436.24)	(\$100,790.00)	(\$354,444.00)	(\$253,654.00)	28.4%
ADMIN SERVICES - SPECIAL ED					
Salaries (-)	\$12,594.66	\$44,081.31	\$163,733.00	\$119,651.69	26.9%
Employee Benefits (-)	\$4,196.74	\$12,936.11	\$55,042.00	\$42,105.89	23.5%
Other Objects (-)	\$0.00	\$0.00	\$300.00	\$300.00	0.0%
Sub-total : ADMIN SERVICES - SPECIAL ED	(\$16,791.40)	(\$57,017.42)	(\$219,075.00)	(\$162,057.58)	26.0%
WORKERS COMPENSATION INSURANCE					
Purchased Services (-)	\$0.00	\$0.00	\$76,000.00	\$76,000.00	0.0%
Sub-total : WORKERS COMPENSATION INSURANCE	\$0.00	\$0.00	(\$76,000.00)	(\$76,000.00)	0.0%
PROPERTY INSURANCE					
Purchased Services (-)	\$0.00	\$0.00	\$124,000.00	\$124,000.00	0.0%
Sub-total : PROPERTY INSURANCE	\$0.00	\$0.00	(\$124,000.00)	(\$124,000.00)	0.0%
PRINCIPAL					
Salaries (-)	\$60,036.16	\$206,824.56	\$768,509.00	\$561,684.44	26.9%
Employee Benefits (-)	\$18,633.88	\$57,533.48	\$228,191.00	\$170,657.52	25.2%
Purchased Services (-)	\$72.43	\$975.38	\$5,600.00	\$4,624.62	17.4%
Supplies & Materials (-)	\$19.00	\$19.00	\$4,000.00	\$3,981.00	0.5%
Capital Expenditures (-)	\$0.00	\$0.00	\$3,444.00	\$3,444.00	0.0%
Other Objects (-)	\$20.00	\$938.00	\$2,000.00	\$1,062.00	46.9%
Sub-total : PRINCIPAL	(\$78,781.47)	(\$266,290.42)	(\$1,011,744.00)	(\$745,453.58)	26.3%
OTHER SUPPORT SERVICES - SCH ADMIN					
Salaries (-)	\$9,298.46	\$32,544.61	\$120,880.00	\$88,335.39	26.9%
Employee Benefits (-)	\$2,747.89	\$8,423.73	\$33,499.00	\$25,075.27	25.1%
Sub-total : OTHER SUPPORT SERVICES - SCH ADMIN	(\$12,046.35)	(\$40,968.34)	(\$154,379.00)	(\$113,410.66)	26.5%
OPERATION OF BUSINESS SERVICES					
Salaries (-)	\$16,800.54	\$58,801.89	\$218,407.00	\$159,605.11	26.9%
Employee Benefits (-)	\$3,082.19	\$9,571.91	\$37,819.00	\$28,247.09	25.3%
Other Objects (-)	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.0%

Operating Statement with Budget

Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	09/01/2025 - 09/30/2025	Year To Date	Budget	Budget Balance	
Sub-total : OPERATION OF BUSINESS SERVICES	(\$19,882.73)	(\$68,373.80)	(\$258,226.00)	(\$189,852.20)	26.5%
FISCAL SERVICES					
Salaries (-)	\$20,151.08	\$70,629.58	\$262,468.00	\$191,838.42	26.9%
Employee Benefits (-)	\$8,749.36	\$27,881.08	\$111,432.00	\$83,550.92	25.0%
Purchased Services (-)	\$63.25	\$999.11	\$115,940.00	\$114,940.89	0.9%
Supplies & Materials (-)	\$637.82	\$1,260.82	\$5,600.00	\$4,339.18	22.5%
Other Objects (-)	\$0.00	\$5,303.15	\$30,000.00	\$24,696.85	17.7%
Sub-total : FISCAL SERVICES	(\$29,601.51)	(\$106,073.74)	(\$525,440.00)	(\$419,366.26)	20.2%
FACILITY ACQUISITION & CONSTRUCTION					
Purchased Services (-)	\$9,808.38	\$22,021.50	\$401,451.00	\$379,429.50	5.5%
Capital Expenditures (-)	\$27,537.28	\$2,438,980.28	\$3,255,700.00	\$816,719.72	74.9%
Sub-total : FACILITY ACQUISITION & CONSTRUCTION	(\$37,345.66)	(\$2,461,001.78)	(\$3,657,151.00)	(\$1,196,149.22)	67.3%
OPERATION & MAINTENANCE OF PLANT					
Salaries (-)	\$47,545.78	\$149,658.98	\$589,279.00	\$439,620.02	25.4%
Employee Benefits (-)	\$14,935.82	\$44,811.78	\$183,322.00	\$138,510.22	24.4%
Purchased Services (-)	\$129,763.98	\$331,276.27	\$1,113,000.00	\$781,723.73	29.8%
Supplies & Materials (-)	\$19,356.04	\$130,913.70	\$559,082.00	\$428,168.30	23.4%
Capital Expenditures (-)	\$0.00	\$141,245.47	\$508,741.00	\$367,495.53	27.8%
Other Objects (-)	\$0.00	\$0.00	\$800.00	\$800.00	0.0%
Non-Capitalized Equipment (-)	\$4,068.22	\$4,975.78	\$5,000.00	\$24.22	99.5%
Sub-total : OPERATION & MAINTENANCE OF PLANT	(\$215,669.84)	(\$802,881.98)	(\$2,959,224.00)	(\$2,156,342.02)	27.1%
PUPIL TRANSPORTATION					
Purchased Services (-)	\$42,896.38	\$303,461.23	\$1,735,000.00	\$1,431,538.77	17.5%
Sub-total : PUPIL TRANSPORTATION	(\$42,896.38)	(\$303,461.23)	(\$1,735,000.00)	(\$1,431,538.77)	17.5%
FOOD SERVICES					
Salaries (-)	\$26,458.74	\$50,307.90	\$310,681.00	\$260,373.10	16.2%
Employee Benefits (-)	\$10,784.00	\$21,514.77	\$122,205.00	\$100,690.23	17.6%
Purchased Services (-)	\$564.30	\$1,572.30	\$6,300.00	\$4,727.70	25.0%
Supplies & Materials (-)	\$42,277.74	\$44,053.76	\$310,500.00	\$266,446.24	14.2%
Capital Expenditures (-)	\$1,454.71	\$1,454.71	\$11,000.00	\$9,545.29	13.2%
Other Objects (-)	\$99.00	\$1,097.00	\$2,400.00	\$1,303.00	45.7%
Non-Capitalized Equipment (-)	\$0.00	\$0.00	\$4,000.00	\$4,000.00	0.0%
Sub-total : FOOD SERVICES	(\$81,638.49)	(\$120,000.44)	(\$767,086.00)	(\$647,085.56)	15.6%
INTERNAL SERVICES					
Purchased Services (-)	\$1,716.42	\$5,272.77	\$26,275.00	\$21,002.23	20.1%
Supplies & Materials (-)	\$0.00	\$0.00	\$2,100.00	\$2,100.00	0.0%
Sub-total : INTERNAL SERVICES	(\$1,716.42)	(\$5,272.77)	(\$28,375.00)	(\$23,102.23)	18.6%
INFORMATION SERVICES					
Salaries (-)	\$7,128.54	\$24,949.89	\$92,671.00	\$67,721.11	26.9%
Employee Benefits (-)	\$4,355.62	\$13,638.44	\$53,626.00	\$39,987.56	25.4%

Operating Statement with Budget

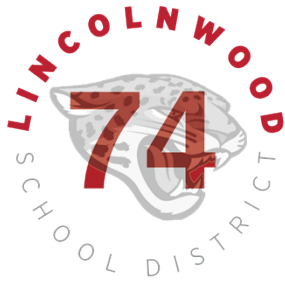
Lincolnwood School District 74

Treasurers Report FUND- All Funds For the Period 09/01/2025 through 09/30/2025

Fiscal Year: 2025-2026

	<u>09/01/2025 - 09/30/2025</u>	<u>Year To Date</u>	<u>Budget</u>	<u>Budget Balance</u>	
Purchased Services (-)	\$1,604.31	\$5,608.31	\$21,000.00	\$15,391.69	26.7%
Supplies & Materials (-)	\$485.12	\$2,088.85	\$8,000.00	\$5,911.15	26.1%
Other Objects (-)	\$529.07	\$863.99	\$1,400.00	\$536.01	61.7%
Sub-total : INFORMATION SERVICES	(\$14,102.66)	(\$47,149.48)	(\$176,697.00)	(\$129,547.52)	26.7%
OTHER SUPPORT SERVICES - ADMIN					
Salaries (-)	\$45,372.00	\$152,606.19	\$581,551.00	\$428,944.81	26.2%
Employee Benefits (-)	\$13,409.10	\$42,009.64	\$171,650.00	\$129,640.36	24.5%
Purchased Services (-)	\$0.00	\$0.00	\$500.00	\$500.00	0.0%
Other Objects (-)	\$0.00	\$0.00	\$200.00	\$200.00	0.0%
Sub-total : OTHER SUPPORT SERVICES - ADMIN	(\$58,781.10)	(\$194,615.83)	(\$753,901.00)	(\$559,285.17)	25.8%
COMMUNITY SERVICES					
Purchased Services (-)	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.0%
Supplies & Materials (-)	\$0.00	(\$209.96)	\$1,515.00	\$1,724.96	-13.9%
Sub-total : COMMUNITY SERVICES	\$0.00	\$209.96	(\$2,515.00)	(\$2,724.96)	8.3%
PAYMENTS TO OTHER LEAs					
Purchased Services (-)	\$0.00	\$11,700.00	\$261,130.00	\$249,430.00	4.5%
Other Objects (-)	\$21,122.52	\$87,099.99	\$3,079,400.00	\$2,992,300.01	2.8%
Sub-total : PAYMENTS TO OTHER LEAs	(\$21,122.52)	(\$98,799.99)	(\$3,340,530.00)	(\$3,241,730.01)	3.0%
DEBT SERVICE - INTEREST					
Interest on Bonds Outstanding (-)	\$0.00	\$0.00	\$536,325.00	\$536,325.00	0.0%
Sub-total : DEBT SERVICE - INTEREST	\$0.00	\$0.00	(\$536,325.00)	(\$536,325.00)	0.0%
DEBT SERVICE - PRINCIPAL					
Principal Payments on Bonds Outstanding (-)	\$0.00	\$0.00	\$865,000.00	\$865,000.00	0.0%
Sub-total : DEBT SERVICE - PRINCIPAL	\$0.00	\$0.00	(\$865,000.00)	(\$865,000.00)	0.0%
DEBT SERVICE - OTHER					
Debt Service Fees (-)	\$0.00	\$0.00	\$2,250.00	\$2,250.00	0.0%
Sub-total : DEBT SERVICE - OTHER	\$0.00	\$0.00	(\$2,250.00)	(\$2,250.00)	0.0%
Total : EXPENDITURES	(\$2,113,965.32)	(\$7,020,975.03)	(\$37,229,075.00)	(\$30,208,099.97)	18.9%
NET INCREASE (DECREASE)	(\$1,778,015.92)	(\$5,131,411.33)	(\$2,213,075.00)	\$2,918,336.33	231.9%

End of Report



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: FY25 Final Audit and The OPEB GASB 74/75 by Lauterbach & Amen, LLP

PREPARED BY: Courtney Whited

Recommended for:

Action

Discussion

Information

Purpose/Background:

Annually, the District's auditors present the Fiscal Year Audit to the Board of Education.

The firm of Lauterbach & Amen LLP has prepared the Fiscal Year Audit for 2025. The corresponding GASB report was completed in tandem with MWM Consulting Group.

Included in this packet::

- Lincolnwood School District 74 2025 Annual Financial Report
- Significant Audit Findings Summary
- Lincolnwood School District 74 Management Letter
- Actuarial GASB Statements 74/75 for SD #74 Post-Retirement Benefits

Fiscal Impact:

None

Recommendation:

The Fiscal Year 2025 Lauterbach & Amen, LLP Audit Report is presented to the Finance Committee for informational purposes only. The Audit Report will be presented to the Board of Education at the December 4, 2025 Lincolnwood School District 74 Board of Education meeting and subsequently posted on the District's website.

LINCOLNWOOD SCHOOL DISTRICT 74, ILLINOIS
ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

6950 North East Prairie Road
Lincolnwood, IL 60712
Phone: 847.675.8234
www.sd74.org

LINCOLNWOOD SCHOOL DISTRICT 74

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	<u>1</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>5</u>
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	<u>15</u>
Statement of Activities	<u>17</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds	<u>19</u>
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	<u>21</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>23</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities	<u>25</u>
Notes to the Financial Statements	<u>26</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree's Health Plan	<u>65</u>
Schedule of Employer Contributions	
Teacher's Health Insurance Security Fund	<u>67</u>
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability	
Teacher's Health Insurance Security Fund	<u>69</u>
Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions	
– Last Ten Fiscal Years	
Teachers' Retirement System	<u>71</u>
Schedule of Employer Contributions - Last Ten Fiscal Years	
Illinois Municipal Retirement Fund	<u>73</u>
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years	
Illinois Municipal Retirement Fund	<u>75</u>

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION - Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	77
Operations and Maintenance - Special Revenue Fund	78
Transportation - Special Revenue Fund	79
Municipal Retirement/Social Security - Special Revenue Fund	80

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet - General Fund - by Account	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
General Fund - by Account	86
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund by Account	
Educational Account - General Fund	87
Tort Immunity and Judgment Account - General Fund	96
Working Cash Account - General Fund	97
Debt Service Fund	98
Capital Projects Fund	99
Fire Prevention and Life Safety - Capital Projects Fund	100

SUPPLEMENTAL SCHEDULES

Schedule of Assessed Valuations, Tax Rates and Extensions - Last Five Tax Levy Years	102
Long-Term Debt Requirements	
General Obligation Limited School Bonds of 2015	103
General Obligation Limited School Bonds of 2016	104
General Obligation Limited School Bonds of 2018A	105
General Obligation Limited School Bonds of 2021	106

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENTAL ACCOUNTING STANDARDS</i>	108
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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

October 28, 2025

Members of the Board of Education
Lincolnwood School District 74
Lincolnwood, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnwood School District 74, Illinois (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnwood School District 74, Illinois, as of June 30, 2025, 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincolnwood School District 74, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are 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, 2025, 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 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.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

The discussion and analysis of Lincolnwood School District 74's (the District) financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2025. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$2,218,438. This represents a 6.7% increase from the 2024 net position and is due primarily to decreases Administration and Business, Operations and Other expenses while revenues remained relatively flat over the current year. Revenues of \$41,185,511 exceeded expenses of \$38,967,073 by \$2,218,438.
- General revenues accounted for \$31,798,560 in revenue or 77.2% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$9,386,951 or 22.8% of total revenues of \$41,185,511.
- The District had \$38,967,073 in expenses related to governmental activities. However, only \$9,386,951 of these expenses were offset by program specific charges and grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular program, special program and other), supporting services, operation and maintenance of facilities and transportation services.

Management's Discussion and Analysis

June 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be considered governmental funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Notes to Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's combined net position was higher on June 30, 2025, than it was the year before, increasing 6.7% to \$35,213,120.

	Net Position	
	2025	2024
Current/Other Assets	\$ 41,531,153	42,440,658
Capital Assets	42,296,366	38,737,895
Total Assets	83,827,519	81,178,553
Deferred Outflows	1,150,536	1,528,190
Total Assets/Deferred Outflows	84,978,055	82,706,743
Long-Term Debt	22,595,911	23,937,185
Other Liabilities	4,631,854	2,485,118
Total Liabilities	27,227,765	26,422,303
Deferred Inflows	22,537,170	23,289,758
Total Liabilities/Deferred Inflows	49,764,935	49,712,061
Net Position		
Net Investment in Capital Assets	23,715,551	20,889,718
Restricted	6,475,340	11,327,911
Unrestricted	5,022,229	777,053
Total Net Position	35,213,120	32,994,682

A large portion of the District's net position, \$23,715,551, reflects its investment in capital assets (for example, land, construction in progress, buildings, improvements other than buildings, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,475,340, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$5,022,229, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

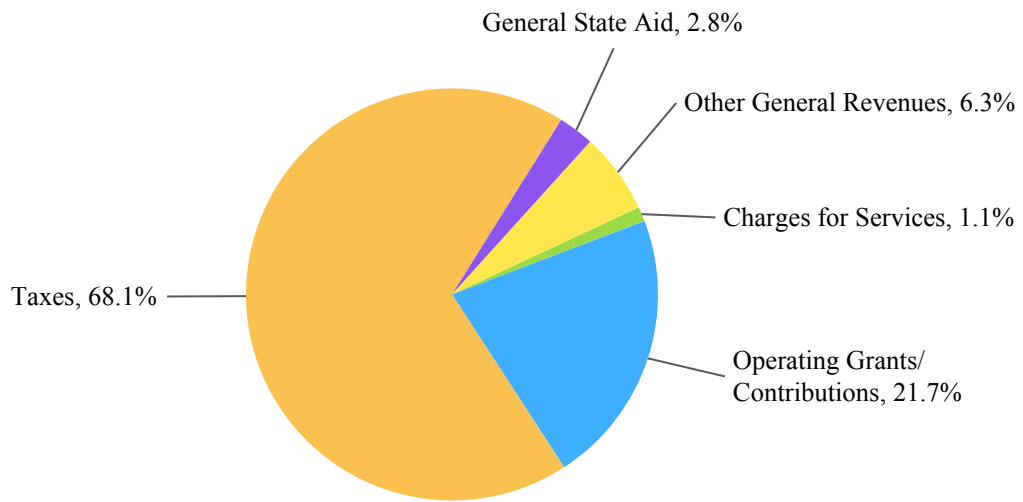
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Revenues of \$41,185,511 exceeded expenses of \$38,967,073 by \$2,218,438, resulting in an increase in net position for the current year. Although revenues exceeded expenses in the current year, the total change in net position decreased \$1,381,705 due to a \$1,061,817 increase in total expenses while tax receipts decrease \$698,454.

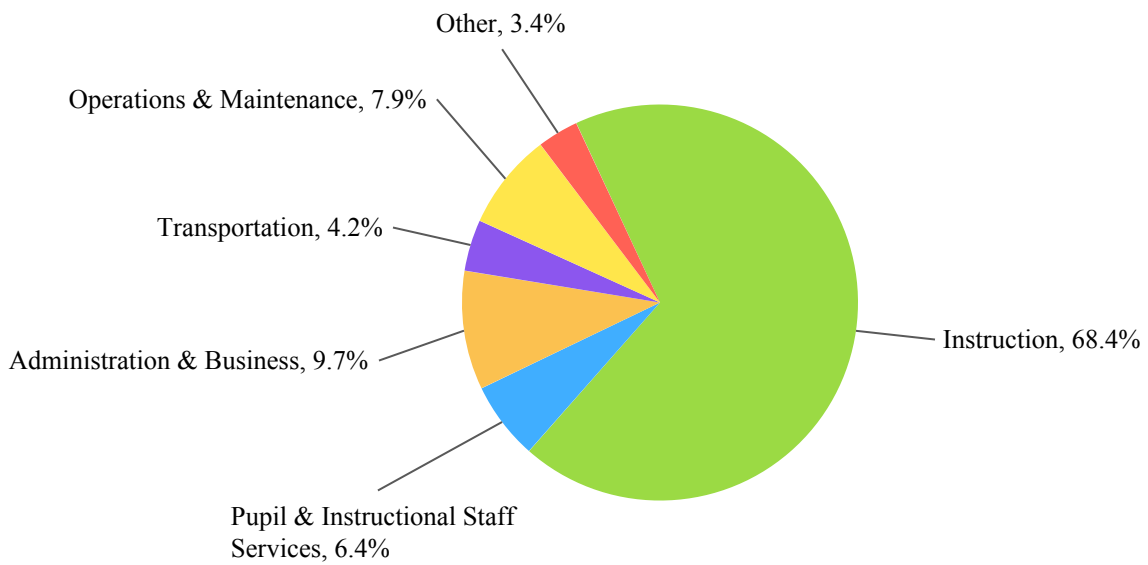
	Change in Net Position	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 466,852	396,517
Operating Grants/ Contributions	8,920,099	9,781,778
General Revenues		
Taxes	28,024,782	28,723,236
General State Aid	1,167,781	1,166,652
Other General Revenues	2,605,997	1,437,216
Total Revenues	<u>41,185,511</u>	<u>41,505,399</u>
Expenses		
Instruction	26,673,110	25,151,607
Pupil and Instructional Staff Services	2,482,382	2,421,060
Administration and Business	3,783,277	4,246,974
Transportation	1,640,176	1,570,201
Operations and Maintenance	3,077,937	3,175,183
Other	1,310,191	1,340,231
Total Expenses	<u>38,967,073</u>	<u>37,905,256</u>
Change in Net Position	2,218,438	3,600,143
Net Position - Beginning	<u>32,994,682</u>	<u>29,394,539</u>
Net Position - Ending	<u><u>35,213,120</u></u>	<u><u>32,994,682</u></u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

District-Wide Revenues by Source



District-Wide Expenses by Function



LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's Governmental Funds balance decreased from \$26,834,804 to \$22,965,225.

The General Fund (Educational Account, Tort Immunity and Judgment Account and Working Cash Account) had total revenues of \$33,645,835 and total expenditures of \$32,555,369, resulting in an increase of \$1,090,466. Fund balance at year-end totaled \$16,981,361.

The Operations and Maintenance Fund had revenues in the amount of \$2,607,425 which were more than the \$2,316,882 of expenditures by \$290,543. Replacement taxes, rentals and other revenue from local sources all increased over the prior year. Fund balance at year-end totaled \$1,779,751.

The Transportation Fund had total revenues of \$1,555,762 with increases to replacement taxes and special education transportation. Total expenditures exceeded last year by \$69,975 while also exceeding current year revenues resulting in a decrease to fund balance of \$84,414. Fund balance at year-end totaled \$1,510,089.

The Municipal Retirement and Social Security Fund also had a decrease in fund balance by \$18,883. While personal property replacement tax receipts and investment income increased over the prior year, total expenditures also increased by \$25,414. Fund balance at year-end totaled \$965,856.

The Debt Services Fund had total revenues of \$1,688,693, a \$130,344 decrease over the prior year. Principal debt payments and interest expenditures both decreased in the current year but continued to exceed current year revenues resulting in a decrease in fund balance to \$448,289 compared to \$476,846 in the prior year.

The Capital Projects Fund had total revenues of \$697,604. Investment income increased \$475,290 over the prior year. Total expenditures for the year totaled \$4,384,863 with a significant increase to capital outlay.

The Fire Prevention and Safety Fund revenues totaled \$422,090, which were relatively flat over the prior year. Total expenditures increased \$1,119,672, primarily in capital outlay, resulting in a decrease to fund balance from \$1,395,437 in the prior year to a deficit \$36,038 in the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the Educational, Tort Immunity and Judgment, and Working Cash Accounts. The General Fund's actual revenues were less than the budgeted revenues by \$387,590 in total, excluding on-behalf payments. Actual expenditures of \$25,166,232 were less than budgeted expenditures of \$25,814,558 by \$648,326, excluding on-behalf payments.

Within these accounts the Educational Account is the most significant budgeted fund. In the Educational Account revenues from local sources were under budget by \$781,623, state sources were over budget by \$30,217, and federal sources were over budget by \$75,745. Total budgeted revenues in the Educational Account were under actual revenues by \$675,661, excluding on-behalf payments. Actual Expenditures in the Educational Account were under total budgeted expenditures by \$629,051, excluding on-behalf payments.

LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the District had compiled a total investment of \$42,296,366 (net of accumulated depreciation) in a broad range of capital assets including land, construction in progress, buildings, improvements other than buildings, and equipment and vehicles). Total depreciation expense for the year was \$2,568,420.

	Capital Assets - Net of Depreciation	
	2025	2024
Land	\$ 2,337,500	2,337,500
Construction in Progress	224,757	—
Buildings	36,249,913	32,825,611
Improvements Other than Equipment and Vehicles	1,693,346	1,813,843
	1,790,850	1,760,941
Total	<u>42,296,366</u>	<u>38,737,895</u>

This year's major additions included:

Construction in Progress	\$ 224,757
Buildings	5,559,456
Improvements Other than Buildings	4,344
Equipment	343,834
	<u>6,132,391</u>

More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Debt Administration

The District did not issue any debt in the current fiscal year. General Obligation Bonds payable had a balance of \$15,565,000 at the end of the current fiscal year compared to \$16,715,000 in the prior year. More detailed information on long-term debt can be found in Note 3 of the basic financial statements.

LINCOLNWOOD SCHOOL DISTRICT 74

Management's Discussion and Analysis

June 30, 2025

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may significantly affect financial operations in the future:

The District conducts its operations through the use of a 5-year Strategic Plan. The plan assists in containing costs by focusing District resources relative to those initiatives outlined in the most current 2024-2029 version. Inflationary forces continue to drive up the prices on supplies and services. The District is closely monitoring property tax collections, especially during the "sunset" of a struggling local shopping mall and the "dawn" of a major new development on the corner of Lincoln and Touhy Avenues.

Major labor contracts are up for renegotiation in the next year while additional staff members have been added to create programming associated with a changing student body.

Another area of concern is the growing number of unfunded mandates imposed by the State. The District will continue to monitor the actions of the State legislators. The District's facilities are continually being addressed. Life Safety and capital project upgrades are taking place campus-wide to accommodate the growing needs of the programming and increased security of students and staff. Lingering supply chain issues tend to strain capital and life safety project timelines.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Lincolnwood School District 74's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Lincolnwood School District 74, 6950 N. East Prairie Road, Lincolnwood, IL 60712.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LINCOLNWOOD SCHOOL DISTRICT 74

Statement of Net Position

June 30, 2025

See Following Page

LINCOLNWOOD SCHOOL DISTRICT 74

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 25,572,236
Receivables - Net of Allowances	
Property Taxes	15,109,701
Intergovernmental	262,062
Leases	90,277
Prepays	496,877
Total Current Assets	<u>41,531,153</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	2,562,257
Depreciable	80,167,248
Accumulated Depreciation	<u>(40,433,139)</u>
Total Noncurrent Assets	<u>42,296,366</u>
Total Assets	<u>83,827,519</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - RHP	335,931
Deferred Items - THIS	205,240
Deferred Items - TRS	120,098
Deferred Items - IMRF	489,267
Total Deferred Outflows of Resources	<u>1,150,536</u>
Total Assets and Deferred Outflows of Resources	<u>84,978,055</u>

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 2,612,565
Retainage Payable	22,476
Accrued Interest Payable	41,991
Salaries and Benefits Payable	741,747
Current Portion of Long-Term Debt	1,213,075
Total Current Liabilities	<u>4,631,854</u>
Noncurrent Liabilities	
Compensated Absences	63,221
Total OPEB Liability - RHP	1,355,354
Total OPEB Liability - THIS	3,615,859
Net Pension Liability - TRS	1,088,105
Net Pension Liability - IMRF	870,493
General Obligation Bonds - Net	15,602,879
Total Noncurrent Liabilities	<u>22,595,911</u>
Total Liabilities	<u>27,227,765</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	15,109,701
Leases	79,439
Deferred Items - RHP	192,263
Deferred Items - THIS	7,069,367
Deferred Items - TRS	75,774
Deferred Items - IMRF	10,626
Total Deferred Inflows of Resources	<u>22,537,170</u>
Total Liabilities and Deferred Inflows of Resources	<u>49,764,935</u>
NET POSITION	
Net Investment in Capital Assets	23,715,551
Restricted	
Tort Immunity	478,303
Student Activities	19,126
Operations and Maintenance	1,779,751
Student Transportation	1,510,089
Retirement Benefits	965,856
Debt Service	406,298
Capital Projects	1,315,917
Unrestricted	<u>5,022,229</u>
Total Net Position	<u>35,213,120</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Statement of Activities

For the Fiscal Year Ended June 30, 2025

	Program Revenues		(Expenses)/
	Charges for Services	Operating Grants/ Contributions	Revenues Governmental Activities
Expenses			
Governmental Activities			
Instruction			
Regular Programs	\$ 11,425,639	—	1,000 (11,424,639)
Special Programs	1,919,454	—	924,472 (994,982)
Other Instructional Programs	2,905,484	—	18,493 (2,886,991)
State Retirement Contributions	7,389,137	—	7,389,137 —
Support Services			
Pupils	1,445,623	—	— (1,445,623)
Instructional Staff	1,036,759	—	— (1,036,759)
General Administration	895,153	—	— (895,153)
School Administration	1,135,677	—	— (1,135,677)
Business	1,752,447	255,121	70,646 (1,426,680)
Transportation	1,640,176	—	466,351 (1,173,825)
Operations and Maintenance	3,077,937	211,731	50,000 (2,816,206)
Central	877,921	—	— (877,921)
Community Services	3,385	—	— (3,385)
Payments to Other Districts/Govts.	3,033,396	—	— (3,033,396)
Interest on Long-Term Debt	428,885	—	— (428,885)
Total Governmental Activities	38,967,073	466,852	8,920,099 (29,580,122)
General Revenues			
Taxes			
Real Estate Taxes, Levied for General Purposes			24,963,285
Real Estate Taxes, Levied for Specific Purposes			904,621
Real Estate Taxes, Levied for Debt Services			1,551,510
Personal Property Replacement Taxes			605,366
State Aid-Formula Grants			1,167,781
Investment Income			1,966,010
Other General Revenues			639,987
			<u>31,798,560</u>
Change in Net Position			2,218,438
Net Position - Beginning			<u>32,994,682</u>
Net Position - Ending			<u><u>35,213,120</u></u>

LINCOLNWOOD SCHOOL DISTRICT 74

Balance Sheet - Governmental Funds

June 30, 2025

See Following Page

LINCOLNWOOD SCHOOL DISTRICT 74

Balance Sheet - Governmental Funds

June 30, 2025

	Special Revenue		
	General	Operations and Maintenance	Transportation
ASSETS			
Cash and Investments	\$ 17,217,081	1,847,315	1,759,263
Receivables - Net of Allowances			
Property Taxes	12,364,678	1,131,695	551,407
Intergovernmental	262,062	—	—
Leases	—	90,277	—
Due from Other Funds	36,038	—	—
Prepays	496,877	—	—
Total Assets	30,376,736	3,069,287	2,310,670
LIABILITIES			
Accounts Payable	334,661	32,691	249,174
Due to Other Funds	—	—	—
Salaries and Wages Payable	696,036	45,711	—
Retainage Payable	—	—	—
Total Liabilities	1,030,697	78,402	249,174
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	12,364,678	1,131,695	551,407
Leases	—	79,439	—
Total Deferred Inflows of Resources	12,364,678	1,211,134	551,407
Total Liabilities and Deferred Inflows of Resources	13,395,375	1,289,536	800,581
FUND BALANCES			
Nonspendable	496,877	—	—
Restricted	497,429	1,779,751	1,510,089
Unassigned	15,987,055	—	—
Total Fund Balances	16,981,361	1,779,751	1,510,089
Total Liabilities, Deferred Inflows of Resources and Fund Balances	30,376,736	3,069,287	2,310,670

Municipal Retirement/ Social Security	Debt Service	Capital Projects		Totals
		Capital Projects	Fire Prevention Life Safety	
965,856	448,289	3,334,432	—	25,572,236
207,434	744,208	—	110,279	15,109,701
—	—	—	—	262,062
—	—	—	—	90,277
—	—	—	—	36,038
—	—	—	—	496,877
<u>1,173,290</u>	<u>1,192,497</u>	<u>3,334,432</u>	<u>110,279</u>	<u>41,567,191</u>
—	—	1,996,039	—	2,612,565
—	—	—	36,038	36,038
—	—	—	—	741,747
—	—	22,476	—	22,476
—	—	2,018,515	36,038	3,412,826
207,434	744,208	—	110,279	15,109,701
—	—	—	—	79,439
<u>207,434</u>	<u>744,208</u>	<u>—</u>	<u>110,279</u>	<u>15,189,140</u>
207,434	744,208	2,018,515	146,317	18,601,966
—	—	—	—	496,877
965,856	448,289	1,315,917	—	6,517,331
—	—	—	(36,038)	15,951,017
<u>965,856</u>	<u>448,289</u>	<u>1,315,917</u>	<u>(36,038)</u>	<u>22,965,225</u>
<u>1,173,290</u>	<u>1,192,497</u>	<u>3,334,432</u>	<u>110,279</u>	<u>41,567,191</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2025

Total Governmental Fund Balances	\$ 22,965,225
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	42,296,366
Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - RHP	143,668
Deferred Items - THIS	(6,864,127)
Deferred Items - TRS	44,324
Deferred Items - IMRF	478,641
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(79,026)
Total OPEB Liability - RHP	(1,593,203)
Total OPEB Liability - THIS	(3,615,859)
Net Pension Liability - TRS	(1,088,105)
Net Pension Liability - IMRF	(870,493)
General Obligation Bonds - Net	(16,562,300)
Accrued Interest Payable	(41,991)
Net Position of Governmental Activities	<u>35,213,120</u>

LINCOLNWOOD SCHOOL DISTRICT 74

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2025**

See Following Page

LINCOLNWOOD SCHOOL DISTRICT 74

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

	General	Operations and Maintenance	Transportation
Revenues			
Local Sources			
Property Taxes	\$ 22,046,053	2,042,913	1,006,444
Corporate Personal Property Replacement Taxes	447,601	37,106	65,087
Investment Income	691,893	303,826	17,880
Other Revenue from Local Sources	888,759	223,580	—
State Sources	1,241,217	—	466,351
Federal Sources	941,175	—	—
On-Behalf Payments - State of Illinois	7,389,137	—	—
Total Revenues	<u>33,645,835</u>	<u>2,607,425</u>	<u>1,555,762</u>
Expenditures			
Instruction			
Regular Programs	10,927,921	—	—
Special Programs	1,826,620	—	—
Other Instructional Programs	2,871,179	—	—
Support Services			
Pupils	1,417,830	—	—
Instructional Staff	906,941	—	—
General Administration	863,022	—	—
School Administration	1,060,058	—	—
Business	1,453,054	—	—
Transportation	—	—	1,640,176
Operations and Maintenance	—	2,316,882	—
Central	802,826	—	—
Community Service	3,385	—	—
Payments to Other Districts and Govt. Units	3,033,396	—	—
Debt Service			
Principal Retirement	—	—	—
Interest and Other Fiscal Charges	—	—	—
On-Behalf Expenditures - State of Illinois	7,389,137	—	—
Total Expenditures	<u>32,555,369</u>	<u>2,316,882</u>	<u>1,640,176</u>
Net Change in Fund Balances	1,090,466	290,543	(84,414)
Fund Balances - Beginning	<u>15,890,895</u>	<u>1,489,208</u>	<u>1,594,503</u>
Fund Balances - Ending	<u>42 16,981,361</u>	<u>1,779,751</u>	<u>1,510,089</u>

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

Municipal Retirement/ Social Security	Debt Service	Capital Projects		Totals
		Capital Projects	Fire Prevention and Life Safety	
377,825	1,551,510	236,495	158,176	27,419,416
55,572	—	—	—	605,366
140,205	137,183	461,109	213,914	1,966,010
—	—	—	—	1,112,339
—	—	—	—	1,707,568
—	—	—	50,000	991,175
—	—	—	—	7,389,137
573,602	1,688,693	697,604	422,090	41,191,011
125,929	—	—	—	11,053,850
92,834	—	—	—	1,919,454
34,305	—	—	—	2,905,484
27,793	—	—	—	1,445,623
19,377	—	—	—	926,318
9,014	—	—	—	872,036
37,094	—	—	—	1,097,152
85,481	—	4,384,863	1,853,565	7,776,963
—	—	—	—	1,640,176
85,563	—	—	—	2,402,445
75,095	—	—	—	877,921
—	—	—	—	3,385
—	—	—	—	3,033,396
—	1,150,000	—	—	1,150,000
—	567,250	—	—	567,250
—	—	—	—	7,389,137
592,485	1,717,250	4,384,863	1,853,565	45,060,590
(18,883)	(28,557)	(3,687,259)	(1,431,475)	(3,869,579)
984,739	476,846	5,003,176	1,395,437	26,834,804
965,856	448,289	1,315,917	(36,038)	22,965,225

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

LINCOLNWOOD SCHOOL DISTRICT 74

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

Net Change in Fund Balances - Total Governmental Funds **\$ (3,869,579)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	6,132,391
Depreciation Expense	(2,568,420)
Disposals - Cost	(343,432)
Disposals - Accumulated Depreciation	337,932

Deferred Outflows/(Inflows) of Resources related to pensions/OPEB plans are not reported in the funds

Change in Deferred Items - RHP	(127,907)
Change in Deferred Items - THIS	1,640,261
Change in Deferred Items - TRS	56,713
Change in Deferred Items - IMRF	(469,138)

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences	(13,762)
Change in Total OPEB Liability - RHP	210,653
Change in Total OPEB Liability - THIS	(250,824)
Change in Net Pension Liability - TRS	(17,806)
Change in Net Pension Liability - IMRF	212,991
Retirement of Long-Term Debt	1,150,000
Amortization of Bond Premium	135,877

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

2,488

Changes in Net Position of Governmental Activities **2,218,438**

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lincolnwood School District 74 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

The District is a municipal corporation governed by an elected president and six-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, investment income/(loss), etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, or Capital Projects Funds. The District maintains three major special revenue funds. The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes. The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants. The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service. The Debt Service Fund is treated as a major fund.

Capital Projects Funds are used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Capital Projects Fund, a major fund, is used to account for construction projects and renovations financed through local property taxes, bond proceeds or transfers from other funds. The Fire Prevention and Life Safety Fund, also a major fund, is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.”

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the District considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid received after 60 days are being considers as available as historically, state aid collected within 60 days have represented all state aid expected to be collected. The state is currently being on payments to local government agencies, which is a highly unusual circumstance, resulting in current year state aid collections after 60 days of year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers’ Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost between \$500 and \$250,000, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	45 Years
Improvements Other than Buildings	20 - 50 Years
Equipment and Vehicles	4 - 20 Years

Compensated Absences

The District's policy allows full time employees to earn varying amounts of sick and vacation pay for each year employed.

Full time employees accrue vacation between 15 to 21 days. Employees are eligible to accrue vacation based on their length of service with the District. Full time employees earn up to 17 sick days per year without limit.

Upon separation of employment any unused and accrued sick time is paid out to the employee.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

June 30, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the governmental funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditure over budget as of the date of this report:

Fund	Excess
Capital Projects	\$ 1,240,043

DEFICIT FUND BALANCE

The following fund had a deficit fund balance as of the date of this report:

Fund	Deficit
Fire Prevention and Life Safety	\$ 36,038

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER

Under the Illinois Compiled Statutes, the Niles Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the Township. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Niles Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's Office.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 5.17 years at June 30, 2025. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2025, the fair value of all investments held by the Treasurer's Office was \$349,306,296 and the fair value of the District's proportionate share of the pool was \$25,538,552.

Because all cash and investments are pooled by a separate legal governmental agency (the Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

DEPOSITS AND INVESTMENTS IN THE CUSTODY OF THE DISTRICT

Deposits of the imprest fund, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	Carrying Value	Bank Balance
Deposits with Financial Institutions	\$ 33,584	35,956

The District maintains \$100 in petty cash.

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS IN THE CUSTODY OF THE DISTRICT - Continued

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2025, the bank balance of the District's deposits with financial institutions totaled \$35,956; this entire amount was insured through FDIC insurance.

PROPERTY TAXES

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2024 levy resolution was approved during the December 5, 2024 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner to real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2024 property tax levy is recognized as a receivable in the fiscal year 2025, net of estimated uncollectible amounts approximating 2% and less amounts already received. The District considers that the first installment of the 2024 levy is to be used to finance operations in fiscal year 2025. The District has determined that the second installment of the 2024 levy is to be used to finance operations in fiscal year 2025 and has included the corresponding receivable as a deferred inflow of resources.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General - Education Account	Fire Prevention and Safety	\$ <u><u>36,038</u></u>

JOINT AGREEMENTS

The District is a member of the Niles Township District for Special Education (NTDSE), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,337,500	—	—	2,337,500
Construction in Progress	—	224,757	—	224,757
	<u>2,337,500</u>	<u>224,757</u>	<u>—</u>	<u>2,562,257</u>
Depreciable Capital Assets				
Buildings	62,533,125	5,559,456	—	68,092,581
Improvements Other than Buildings	3,613,077	4,344	—	3,617,421
Equipment and Vehicles	8,456,844	343,834	343,432	8,457,246
	<u>74,603,046</u>	<u>5,907,634</u>	<u>343,432</u>	<u>80,167,248</u>
Less Accumulated Depreciation				
Buildings	29,707,514	2,135,154	—	31,842,668
Improvements Other than Buildings	1,799,234	124,841	—	1,924,075
Equipment and Vehicles	6,695,903	308,425	337,932	6,666,396
	<u>38,202,651</u>	<u>2,568,420</u>	<u>337,932</u>	<u>40,433,139</u>
Total Net Depreciable Capital Assets	<u>36,400,395</u>	<u>3,339,214</u>	<u>5,500</u>	<u>39,734,109</u>
Total Net Capital Assets	<u><u>38,737,895</u></u>	<u><u>3,563,971</u></u>	<u><u>5,500</u></u>	<u><u>42,296,366</u></u>

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Governmental Activities - Continued

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 1,612,970
Instructional Staff	110,441
General Administration	23,117
School Administration	38,525
Business	107,875
Operations and Maintenance	<u>675,492</u>
	<u><u>2,568,420</u></u>

LEASES RECEIVABLE

The District is a lessor on the following lease at year end:

Lease	Start Date	End Date	Payments	Interest Rate
Children's Care and Development Center	July 1, 2021	July 1, 2026	\$83,017 - \$93,436 per Year	3.50%

During the fiscal year, the District has recognized \$79,438 of lease revenue. There were no variable or other payments not previously included in the measurement of the leases receivable recognized in the current year.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2026	<u>\$ 90,277</u>	<u>3,160</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General Obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited School Bonds of 2015 - Due in annual installments of \$685,000 to \$1,590,000 plus semi-annual interest at 2.50% to 4.00% through December 1, 2025.	\$ 1,705,000	—	840,000	865,000
General Obligation Limited School Bonds of 2016 - Due in annual installments of \$30,000 to \$1,005,000 plus semi-annual interest at 2.50% to 4.00% through December 1, 2030.	4,205,000	—	—	4,205,000
General Obligation Limited School Bonds of 2018A - Due in annual installments of \$345,000 to \$815,000 plus semi-annual interest at 4.00% through December 1, 2035.	4,440,000	—	—	4,440,000
General Obligation Limited School Bonds of 2021 - Due in annual installments of \$295,000 to \$1,320,000 plus semi-annual interest at 2.00% to 3.00% through December 1, 2039.	6,365,000	—	310,000	6,055,000
	<u>16,715,000</u>	<u>—</u>	<u>1,150,000</u>	<u>15,565,000</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 65,264	13,762	—	79,026	15,805
Total OPEB Liability - RHP	1,803,856	—	210,653	1,593,203	237,849
Total OPEB Liability - THIS	3,365,035	250,824	—	3,615,859	—
Net Pension Liability - TRS	1,070,299	17,806	—	1,088,105	—
Net Pension Liability - IMRF	1,083,484	—	212,991	870,493	—
General Obligation Bonds	16,715,000	—	1,150,000	15,565,000	865,000
Plus: Unamortized Premium	1,133,177	—	135,877	997,300	94,421
	<u>25,236,115</u>	<u>282,392</u>	<u>1,709,521</u>	<u>23,808,986</u>	<u>1,213,075</u>

The total OPEB liabilities and the net pension liabilities are being repaid from the General Fund. The general obligation bonds are being paid by the Debt Service Fund.

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2023	<u>\$ 826,091,837</u>
Legal Debt Limit - 6.9% of Assessed Value	57,000,337
Amount of Debt Applicable to Limit	<u>(15,565,000)</u>
Legal Debt Margin	<u>41,435,337</u>

As of the date of the report, the 2024 tax levy assessed valuation and tax rates were not available.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2025	\$ 865,000	536,325
2026	895,000	505,450
2027	930,000	468,950
2028	965,000	431,050
2029	1,005,000	391,650
2030	1,080,000	352,000
2031	990,000	314,125
2032	1,085,000	275,900
2033	1,120,000	235,450
2034	1,165,000	193,500
2035	1,210,000	149,875
2036	1,245,000	108,975
2037	1,280,000	71,100
2038	1,320,000	32,100
2039	410,000	6,150
Totals	<u>15,565,000</u>	<u>4,072,600</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 42,296,366
Less: Capital Related Debt	
General Obligation Limited School Bonds of 2015	(865,000)
General Obligation Limited School Bonds of 2016	(4,205,000)
General Obligation Limited School Bonds of 2018A	(4,440,000)
General Obligation Limited School Bonds of 2021	(6,055,000)
Unamortized Premium	(997,300)
Capital Related Accounts Payable	(1,996,039)
Retainage Payable	<u>(22,476)</u>
Net Investment in Capital Assets	<u><u>23,715,551</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District's fund balance policy states that the fund balance of the operating funds should maintain a minimum fund balance greater than or equal to 25% of the budgeted expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue					Capital Projects		Totals
	General	Operations and Maintenance	Transportation	Municipal Retirement/Social Security	Debt Service	Capital Projects	Fire Prevention and Life Safety	
Fund Balances								
Nonspendable								
Prepays	\$ 496,877	—	—	—	—	—	—	496,877
Restricted								
Tort Immunity	478,303	—	—	—	—	—	—	478,303
Student Activities	19,126	—	—	—	—	—	—	19,126
Operations and Maintenance	—	1,779,751	—	—	—	—	—	1,779,751
Transportation	—	—	1,510,089	—	—	—	—	1,510,089
Retirement Benefits	—	—	—	965,856	—	—	—	965,856
Debt Service	—	—	—	—	448,289	—	—	448,289
Capital Projects	—	—	—	—	—	1,315,917	—	1,315,917
	497,429	1,779,751	1,510,089	965,856	448,289	1,315,917	—	6,517,331
Unassigned	15,987,055	—	—	—	—	—	(36,038)	15,951,017
Total Fund Balances	16,981,361	1,779,751	1,510,089	965,856	448,289	1,315,917	(36,038)	22,965,225

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: the Educational Benefit Cooperative (EBC) for health claims and the Collective Liability Insurance Cooperative (CLIC) for workers' compensation claims and for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

State and Federal Aid Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowances, if any, would be immaterial.

OTHER POST-EMPLOYMENT BENEFITS

The aggregate amounts recognized for the two plans are:

	OPEB Expense/ (Revenue)	OPEB Liability	Deferred Outflows	Deferred (Inflows)
OPEB - RHP	\$ 155,103	1,593,203	335,931	(192,263)
OPEB - THIS	(1,295,271)	3,615,859	205,240	(7,069,367)
	(1,140,168)	5,209,062	541,171	(7,261,630)

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan

Plan Description

Plan Administration. The District's defined benefit OPEB plan, Retiree's Health Plan (RHP), provides OPEB for all permanent full-time general and public safety employees of the District. RHP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RHP provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. Such coverage is provided for retired employees until they reach age 65. The District does not issue a stand-alone report for the postretirement health plan.

Plan Membership. As of June 30, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	14
Inactive Employee Entitled to but not yet Receiving Benefits	—
Active Employees	<u>183</u>
Total	<u><u>197</u></u>

Total OPEB Liability

The District's total OPEB liability of \$1,593,203 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	5.20%
Healthcare Cost Trend Rates	
Initial	6.25%
Ultimate	5.00%
Retirees' Share of Benefit-Related Costs	Non-Certificated employees contribute the blended average employee group cost.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Actuarial Assumptions and Other Inputs - Continued. The discount rate was based on a tax-exempt municipal bond rate based on an index of 20 Year general obligation bonds with an average AA credit rating.

Mortality rates are based on IMFR-PubG, TRS-PubT, and MP2021FG Improvement.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	\$ 1,803,856
Changes for the Year:	
Service Cost	62,598
Interest on the Total OPEB Liability	66,892
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(102,294)
Benefit Payments	(237,849)
Other Changes	—
Net Changes	<u>(210,653)</u>
Balance at June 30, 2025	<u>1,593,203</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a single discount rate of 5.20%, while the prior valuation used 3.97%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	\$ 1,673,480	1,593,203	1,516,523

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

		Healthcare Cost Trend	
	1% Decrease (Varies)	Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 1,548,779	1,593,203	1,639,840

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$155,103. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 243,891	—	243,891
Change in Assumptions	92,040	(192,263)	(100,223)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	335,931	(192,263)	143,668

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2026	\$ 25,613
2027	25,613
2028	25,613
2029	25,613
2030	18,827
Thereafter	<u>22,389</u>
Total	<u><u>143,668</u></u>

Teachers' Health Insurance Security Fund

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund.

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.

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$126,491, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2024 and June 30, 2023 were 0.90 and 0.90 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$122,548 and \$118,840, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. The employers contribution for the years ended June 30, 2024 and 2023 was 0.67 and 0.67, respectively. For the year ended June 30, 2025, 2024, and 2023 the District paid \$94,166, \$91,230, and \$88,470 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.25%
Salary Increases:	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Investment Rate of Return:	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 230 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25 in 2041.

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

Actuarial Assumptions - Continued. Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Single Discount Rate

Projected benefit payments were discounted to their actuarial present value 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 bond 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).

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023.

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.

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Employer's Proportionate Share of the OPEB Liability	\$ 4,035,265	3,615,859	3,246,081

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 6.00% in 2025, 8.00% in 2026, decreasing to an ultimate trend rate of 4.25% in plan year end 2041. Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 3,113,226	3,615,859	4,213,903

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

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2024, the District's proportion was 0.045709 percent, which was a decrease of 0.001504 from its proportion measured as of June 30, 2023 (0.047213 percent).

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

The State's support and total are for disclosure purposes only. The amount recognized by the District 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 District were as follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 3,615,859
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>4,910,523</u>
 Total	 <u><u>8,526,382</u></u>

For the year ending June 30, 2025, the District recognized OPEB revenue and expense of \$126,491 for support provided by the State. For the year ending June 30, 2025, the District recognized OPEB revenue of \$1,295,271. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 99,777	(1,524,005)	(1,424,228)
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(5,086,392)	(5,086,392)
Changes of Assumptions	945	(2,908)	(1,963)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	10,352	(456,062)	(445,710)
Total Pension Expense to be Recognized in Future Periods	<u>111,074</u>	<u>(7,069,367)</u>	<u>(6,958,293)</u>
Employer Contributions Subsequent to the Measurement Date	94,166	—	94,166
 Totals	 <u><u>205,240</u></u>	 <u><u>(7,069,367)</u></u>	 <u><u>(6,864,127)</u></u>

For the fiscal year ended, \$94,166 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

Fiscal Year	Net Deferred (Inflows) of Resources
2026	\$ (1,405,412)
2027	(1,360,125)
2028	(1,342,652)
2029	(1,236,681)
2030	(954,827)
Thereafter	<u>(658,596)</u>
Total	<u><u>(6,958,293)</u></u>

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

The aggregate amounts recognized for the two pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability	Deferred Outflows	Deferred Inflows
TRS	\$ (38,907)	1,088,105	120,098	(75,774)
IMRF	457,292	870,493	489,267	(10,626)
	<u>418,385</u>	<u>1,958,598</u>	<u>609,365</u>	<u>(86,400)</u>

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and at 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. Disability and death benefits are also provided.

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

Essentially all Tier 1 retirees receive an annual 3 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 2 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.

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

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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 mini-mum 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, 2024, 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, 2025, 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 \$7,262,646 in pension contributions from the State.

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, 2025 were \$81,517 and are deferred because they were paid after the June 30, 2024 measurement date.

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2025, salaries totaling \$182,837 were paid from federal and special trust funds that required employer contributions of \$18,905. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

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

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid \$— to TRS for employer contributions due on salary increases in excess of 6 percent, \$5,642 for salary increases in excess of 3 percent and \$— for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2024, the District paid \$— to TRS for employer contributions due on salary increase in excess of 3 percent, \$9,571 for contributions on salaries in excess of the Governor's statutory salary and paid \$— 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, 2024, 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 follows below:

Employer's Proportionate Share of the Net Pension Liability	\$ 1,088,105
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>90,724,613</u>
Total	<u><u>91,812,718</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was 0.00127 percent, which was an increase of 0.00001 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the employer recognized pension expense of \$7,262,646 and revenue of \$7,262,646 for support provided by the state.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 4,092	(2,824)	1,268
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(9,342)	(9,342)
Changes of Assumptions	14,993	(577)	14,416
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,364	(63,031)	(57,667)
Total Pension Expense to be Recognized in Future Periods	24,449	(75,774)	(51,325)
Employer Contributions Subsequent to the Measurement Date	95,649	—	95,649
Totals	120,098	(75,774)	44,324

\$95,649 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ (40,126)
2027	(6,944)
2028	(6,620)
2029	521
2030	1,844
Thereafter	—
Total	(51,325)

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions

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

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

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	7.6%
Private Equity	15.0%	10.3%
Public Income	18.0%	5.8%
Private Credit	8.0%	9.2%
Real Assets	18.0%	7.0%
Diversifying Strategies	4.0%	5.2%
Total	<u>100.0%</u>	

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

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

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the OPEB Liability	\$ 1,343,840	1,088,105	876,112

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Administration. All employees (other than those covered by the Teachers Retirement Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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.

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	151
Inactive Plan Members Entitled to but not yet Receiving Benefits	170
Active Plan Members	<u>58</u>
 Total	 <u><u>379</u></u>

Contributions. As set by statute, the District’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2025, the District’s contribution was 8.02% of covered payroll.

Net Pension Liability. The District’s net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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.

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity - Continued

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,521,530	870,493	(469,992)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 16,561,944	15,478,460	1,083,484
Changes for the Year:			
Service Cost	219,818	—	219,818
Interest on the Total Pension Liability	1,172,474	—	1,172,474
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(88,128)	—	(88,128)
Changes of Assumptions	—	—	—
Contributions - Employer	—	195,052	(195,052)
Contributions - Employees	—	110,685	(110,685)
Net Investment Income	—	1,544,444	(1,544,444)
Benefit Payments, Including Refunds of Employee Contributions	(999,583)	(999,583)	—
Other (Net Transfer)	—	(333,026)	333,026
Net Changes	304,581	517,572	(212,991)
Balances at December 31, 2024	16,866,525	15,996,032	870,493

LINCOLNWOOD SCHOOL DISTRICT 74

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended June 30, 2025, the District recognized pension expense of \$457,292. At June 30, 2025, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(10,626)	(10,626)
Changes of Assumptions	—	—	—
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	381,800	—	381,800
Total Pension Expense to be Recognized in Future Periods	381,800	(10,626)	371,174
Pension Contributions Made Subsequent to the Measurement Date	107,467	—	107,467
Total Deferred Amounts Related to IMRF	489,267	(10,626)	478,641

\$107,467 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, 2026. 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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 174,635
2027	491,201
2028	(202,766)
2029	(91,896)
2030	—
Thereafter	—
Total	371,174

81

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Employer's Total OPEB Liability
Retiree's Health Plan
- Schedule Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions -
Last Ten Fiscal Years
Teachers' Retirement System
- Schedule Employer Contributions - Last Ten Fiscal Years
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Operations and Maintenance - Special Revenue Fund
Transportation - Special Revenue Fund
Municipal Retirement/Social Security - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgeted amounts are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

LINCOLNWOOD SCHOOL DISTRICT 74

Retiree's Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

See Following Page

LINCOLNWOOD SCHOOL DISTRICT 74

Retiree's Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

	<u>6/30/2018</u>	<u>6/30/2019</u>
Total OPEB Liability		
Service Cost	\$ 225,230	233,946
Interest	180,556	183,489
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	—
Change of Assumptions or Other Inputs	—	141,198
Benefit Payments	(312,416)	(347,558)
Other	—	—
Net Change in Total OPEB Liability	93,370	211,075
Total OPEB Liability - Beginning	<u>4,821,735</u>	<u>4,915,105</u>
Total OPEB Liability - Ending	<u><u>4,915,105</u></u>	<u><u>5,126,180</u></u>
Covered-Employee Payroll	\$ 13,522,519	14,076,363
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.35%	36.42%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 - 2025.

6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
217,888	102,171	83,065	67,976	63,067	62,598
173,718	45,602	42,125	67,928	65,892	66,892
(3,169,801)	—	—	—	—	—
133,068	—	130,845	—	93,440	—
56,249	4,493	(123,343)	(15,655)	3,586	(102,294)
(325,643)	(296,439)	(234,469)	(249,710)	(258,377)	(237,849)
—	—	—	—	—	—
(2,914,521)	(144,173)	(101,777)	(129,461)	(32,392)	(210,653)
5,126,180	2,211,659	2,067,486	1,965,709	1,836,248	1,803,856
2,211,659	2,067,486	1,965,709	1,836,248	1,803,856	1,593,203
14,373,723	14,733,066	14,293,229	15,009,475	16,366,965	16,766,139
15.39%	14.03%	13.75%	12.23%	11.02%	9.50%

LINCOLNWOOD SCHOOL DISTRICT 74

**Teacher's Health Insurance Security Fund
 Schedule of Employer Contributions
 June 30, 2025**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 99,691	\$ 99,691	\$ —	\$ 11,328,576	0.88%
2019	108,258	108,258	—	11,767,192	0.92%
2020	110,638	110,638	—	12,025,829	0.92%
2021	113,301	113,301	—	12,315,343	0.92%
2022	87,337	87,337	—	13,035,370	0.67%
2023	88,470	88,470	—	13,204,484	0.67%
2024	91,230	91,230	—	13,616,451	0.67%
2025	94,166	94,166	—	14,054,571	0.67%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

LINCOLNWOOD SCHOOL DISTRICT 74

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions - Continued
June 30, 2025**

Notes to the Schedule of Employer Contributions

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Sponsor's Fiscal Year End	June 30, 2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

LINCOLNWOOD SCHOOL DISTRICT 74

Teacher's Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability

June 30, 2025

	<u>6/30/18</u>
Employer's Proportion of the Net OPEB Liability	0.047807%
Employer's Proportionate Share of the Net OPEB Liability	\$ 12,405,717
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>16,291,855</u>
Total	<u><u>28,697,572</u></u>
Employer's Covered Payroll	\$ 10,996,376
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	112.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)

Notes:

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
0.048192%	0.047521%	0.047538%	0.047443%	0.047257%	0.047213%	0.045709%
12,696,479	13,152,640	12,709,607	10,463,752	3,234,581	3,365,035	3,615,589
17,048,632	16,663,057	17,218,085	14,149,598	4,400,317	4,550,595	4,910,523
29,745,111	29,815,697	29,927,692	24,613,350	7,634,898	7,915,630	8,526,112
11,328,576	11,767,192	12,025,829	12,315,343	13,035,370	13,204,484	13,616,451
112.07%	111.77%	105.69%	84.97%	24.81%	25.48%	26.55%
(0.07%)	0.25%	0.70%	1.40%	5.24%	6.21%	7.43%

LINCOLNWOOD SCHOOL DISTRICT 74

Teachers' Retirement System

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions

– Last Ten Fiscal Years

June 30, 2025

	6/30/16	6/30/17	6/30/18
Employer's Proportion of the Net Pension Liability	0.001700%	0.001400%	0.001700%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,119,875	1,091,688	1,310,767
State's Proportionate Share of the Net Pension Liability Associated with the Employer	66,871,248	73,297,917	90,235,898
Total	67,991,123	74,389,605	91,546,665
Employer's Covered Payroll	\$ 10,321,300	10,426,039	10,996,376
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	10.85%	10.47%	11.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.50%	36.40%	39.30%
Contractually-Required Contribution	\$ 59,900	63,778	65,706
Contributions in Relation to the Contractually Required Contribution	59,633	63,739	65,649
Contribution Deficiency (Excess)	267	39	57
Employer's Covered Payroll	\$ 10,426,039	10,996,376	11,328,576
Contributions as a % of Covered Payroll	0.57%	0.58%	0.58%

Notes:

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

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

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

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

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

6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
0.001600%	0.001500%	0.001400%	0.000014	0.000013	0.0013%	0.0013%
1,231,558	1,225,651	1,231,407	1,071,217	1,068,529	1,070,299	1,088,105
84,366,887	87,228,212	96,450,211	89,779,366	92,687,822	92,367,329	90,724,613
85,598,445	88,453,863	97,681,618	90,850,583	93,756,351	93,437,628	91,812,718
11,328,576	11,767,192	12,025,829	12,315,343	13,035,370	13,204,484	13,616,451
10.87%	10.42%	10.24%	8.70%	8.20%	8.11%	7.99%
39.26%	40.00%	37.80%	45.10%	42.80%	43.90%	45.40%
87,524	79,827	82,156	112,671	106,064	89,733	100,422
109,912	79,830	80,659	106,244	105,326	89,736	95,649
(22,388)	(3)	1,497	6,427	738	(3)	4,773
11,767,192	12,025,829	12,315,343	13,035,370	13,204,484	13,616,451	14,054,571
0.93%	0.66%	0.65%	0.82%	0.80%	0.66%	0.68%

LINCOLNWOOD SCHOOL DISTRICT 74

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
June 30, 2025**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 247,204	\$ 570,680	\$ 323,476	\$ 1,884,175	30.29%
2017	244,955	244,955	—	1,721,391	14.23%
2018	228,813	241,840	13,027	1,871,116	12.92%
2019	232,248	232,248	—	2,044,706	11.36%
2020	252,125	252,125	—	2,056,230	12.26%
2021	268,289	287,131	18,842	2,089,258	13.74%
2022	232,051	232,051	—	2,109,839	11.00%
2023	192,381	192,381	—	2,207,264	8.72%
2024	186,715	186,715	—	2,405,693	7.76%
2025	201,145	201,145	—	2,508,052	8.02%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

LINCOLNWOOD SCHOOL DISTRICT 74

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

June 30, 2025

See Following Page

LINCOLNWOOD SCHOOL DISTRICT 74

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years

June 30, 2025

	12/31/15	12/31/16	12/31/17
Total Pension Liability			
Service Cost	\$ 195,240	204,493	188,711
Interest	929,311	970,705	1,002,894
Differences Between Expected and Actual Experience	152,652	32,813	342,512
Change of Assumptions	—	(28,764)	(454,888)
Benefit Payments, Including Refunds of Member Contributions	(705,468)	(751,382)	(802,170)
Net Change in Total Pension Liability	571,735	427,865	277,059
Total Pension Liability - Beginning	12,679,055	13,250,790	13,678,655
Total Pension Liability - Ending	13,250,790	13,678,655	13,955,714
Plan Fiduciary Net Position			
Contributions - Employer	\$ 570,680	244,955	214,131
Contributions - Members	88,503	91,764	84,117
Net Investment Income	57,205	802,273	2,165,052
Benefit Payments, Including Refunds of Member Contributions	(705,468)	(751,382)	(802,170)
Other (Net Transfer)	190,122	141,625	(228,569)
Net Change in Plan Fiduciary Net Position	201,042	529,235	1,432,561
Plan Net Position - Beginning	11,464,131	11,665,173	12,194,408
Plan Net Position - Ending	11,665,173	12,194,408	13,626,969
Employer's Net Pension Liability/(Asset)	\$ 1,585,617	1,484,247	328,745
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	89.15%	97.64%
Covered Payroll	\$ 1,884,175	1,721,391	1,808,200
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	84.15%	86.22%	18.18%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014, 2017 and 2023.

12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
187,972	220,484	211,783	184,388	209,060	210,773	219,818
1,021,965	1,048,767	1,058,346	1,066,781	1,115,897	1,135,272	1,172,474
99,900	(231,025)	(66,934)	381,523	(63,496)	172,574	(88,128)
371,277	—	(132,888)	—	—	(9,860)	—
(846,999)	(868,644)	(934,862)	(945,655)	(989,472)	(1,000,697)	(999,583)
834,115	169,582	135,445	687,037	271,989	508,062	304,581
13,955,714	14,789,829	14,959,411	15,094,856	15,781,893	16,053,882	16,561,944
14,789,829	14,959,411	15,094,856	15,781,893	16,053,882	16,561,944	16,866,525
264,508	210,872	295,099	264,622	218,392	172,375	195,052
102,795	96,766	92,241	102,574	98,572	102,533	110,685
(769,616)	2,288,429	2,006,552	2,620,296	(2,240,821)	1,575,501	1,544,444
(846,999)	(868,644)	(934,862)	(945,655)	(989,472)	(1,000,697)	(999,583)
(248,508)	71,222	(77,252)	44,477	(215,604)	361,795	(333,026)
(1,497,820)	1,798,645	1,381,778	2,086,314	(3,128,933)	1,211,507	517,572
13,626,969	12,129,149	13,927,794	15,309,572	17,395,886	14,266,953	15,478,460
12,129,149	13,927,794	15,309,572	17,395,886	14,266,953	15,478,460	15,996,032
2,660,680	1,031,617	(214,716)	(1,613,993)	1,786,929	1,083,484	870,493
82.01%	93.10%	101.42%	110.23%	88.87%	93.46%	94.84%
2,115,393	2,003,560	2,016,475	2,169,035	2,190,499	2,280,831	2,459,672
125.78%	51.49%	-10.65%	(74.41%)	81.58%	47.50%	35.39%

LINCOLNWOOD SCHOOL DISTRICT 74

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(With Comparative Actual Amounts for Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance Final	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes	\$ 22,858,543	22,858,543	22,046,053	(812,490)	21,949,848
Corporate Personal Property					
Replacement Taxes	480,000	480,000	447,601	(32,399)	330,097
Other Revenue from Local Sources	809,815	809,815	888,759	78,944	830,078
State Sources					
Federal Sources	1,211,000	1,211,000	1,241,217	30,217	1,212,095
Investment Income	865,430	865,430	941,175	75,745	1,290,114
	419,500	419,500	691,893	272,393	242,474
Total Direct Revenues	26,644,288	26,644,288	26,256,698	(387,590)	25,854,706
On-Behalf Payments - State of Illinois	—	—	7,389,137	7,389,137	7,905,377
Total Revenues	26,644,288	26,644,288	33,645,835	7,001,547	33,760,083
Expenditures					
Instruction	16,047,280	16,047,280	15,625,720	421,560	14,548,936
Support Services	6,657,141	6,657,141	6,503,731	153,410	6,257,332
Community Services	1,800	1,800	3,385	(1,585)	2,882
Payments to Other Districts and Governmental Units	3,108,337	3,108,337	3,033,396	74,941	2,765,403
Total Direct Expenditures	25,814,558	25,814,558	25,166,232	648,326	23,574,553
On-Behalf Payments - State of Illinois	—	—	7,389,137	(7,389,137)	7,905,377
Total Expenditures	25,814,558	25,814,558	32,555,369	(6,740,811)	31,479,930
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	829,730	829,730	1,090,466	260,736	2,280,153
Other Financing (Uses)					
Transfers Out	—	—	—	—	(211,965)
Net Change in Fund Balance	829,730	829,730	1,090,466	260,736	2,068,188
Fund Balances - Beginning			15,890,895		13,822,707
Fund Balance - Ending			16,981,361		15,890,895

LINCOLNWOOD SCHOOL DISTRICT 74

Operations and Maintenance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes	\$ 2,147,167	2,147,167	2,042,913	(104,254)	2,051,146
Replacement Taxes	40,000	40,000	37,106	(2,894)	—
Investment Income	53,500	53,500	303,826	250,326	312,704
Rentals	216,208	216,208	211,731	(4,477)	180,183
Proceeds from Vendor Contracts	5,000	5,000	—	(5,000)	—
Other Revenue from Local Sources	—	—	11,849	11,849	—
Total Local Sources	2,461,875	2,461,875	2,607,425	145,550	2,544,033
Expenditures					
Support Services					
Business					
Operation and Maintenance of Plant Services					
Salaries	573,222	573,222	560,756	12,466	739,719
Employee Benefits	90,246	90,246	88,713	1,533	92,856
Purchased Services	1,151,700	1,151,700	1,043,925	107,775	1,037,404
Supplies and Materials	515,950	515,950	548,169	(32,219)	476,804
Capital Outlay	148,500	148,500	70,997	77,503	—
Other Objects	1,000	1,000	—	1,000	757
Non-Capitalized Equipment	5,000	5,000	4,322	678	87,364
Total Expenditures	2,485,618	2,485,618	2,316,882	168,736	2,434,904
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,743)	(23,743)	290,543	314,286	109,129
Other Financing (Uses)					
Transfers Out	—	—	—	—	(2,000,000)
Net Change in Fund Balance	(23,743)	(23,743)	290,543	314,286	(1,890,871)
Fund Balance - Beginning			1,489,208		3,380,079
Fund Balance - Ending			<u>1,779,751</u>		<u>1,489,208</u>

LINCOLNWOOD SCHOOL DISTRICT 74

**Transportation - Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2025
 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)**

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes	\$ 1,070,664	1,070,664	1,006,444	(64,220)	1,024,802
Corporate Personal Property					
Replacement Taxes	70,000	70,000	65,087	(4,913)	—
Investment Income	41,500	41,500	17,880	(23,620)	37,796
Total Local Sources	<u>1,182,164</u>	<u>1,182,164</u>	<u>1,089,411</u>	<u>(92,753)</u>	<u>1,062,598</u>
State Sources					
Transportation - Regular/Vocational	230,000	230,000	155,656	(74,344)	200,933
Transportation - Special Education	350,000	350,000	310,695	(39,305)	282,447
Total State Sources	<u>580,000</u>	<u>580,000</u>	<u>466,351</u>	<u>(113,649)</u>	<u>483,380</u>
Total Revenues	1,762,164	1,762,164	1,555,762	(206,402)	1,545,978
Expenditures					
Support Services					
Business					
Pupil Transport Services					
Purchased Services	1,650,000	1,650,000	1,640,176	9,824	1,570,201
Net Change in Fund Balance	<u>112,164</u>	<u>112,164</u>	(84,414)	<u>(196,578)</u>	(24,223)
Fund Balance - Beginning			<u>1,594,503</u>		<u>1,618,726</u>
Fund Balance - Ending			<u>1,510,089</u>		<u>1,594,503</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Municipal Retirement/Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(With Comparative Actual Amounts for Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes	\$ 102,593	102,593	67,352	(35,241)	125,359
Social Security/Medicare Only Levy	306,112	306,112	310,473	4,361	324,950
Corporate Personal Property					
Replacement Taxes	60,000	60,000	55,572	(4,428)	50,784
Investment Income	28,100	28,100	140,205	112,105	37,421
Total Revenues	496,805	496,805	573,602	76,797	538,514
Expenditures					
Instruction					
Regular Programs	135,205	135,205	125,929	9,276	124,913
Pre-K Programs	11,270	11,270	10,734	536	9,225
Special Education Programs	90,263	90,263	84,244	6,019	69,665
Remedial and Supplemental Programs K-12	8,730	8,730	8,590	140	8,298
Interscholastic Programs	5,110	5,110	3,597	1,513	4,942
Summer School Programs	2,450	2,450	1,552	898	1,807
Gifted Programs	7,495	7,495	7,439	56	6,744
Bilingual Programs	10,950	10,950	10,983	(33)	9,862
Total Instruction	271,473	271,473	253,068	18,405	235,456
Support Services					
Pupils					
Attendance and Social Work Services	6,210	6,210	5,576	634	5,783
Health Services	31,200	31,200	10,064	21,136	21,465
Psychological Services	2,782	2,782	2,716	66	2,523
Speech Pathology and Audiology Services	3,590	3,590	3,463	127	3,412
Other Support Services - Pupils	7,140	7,140	5,974	1,166	5,819
Total Pupils	50,922	50,922	27,793	23,129	39,002
Instructional Staff					
Improvement of Instruction Services	15,415	15,415	15,338	77	14,313
Educational Media Services	4,234	4,234	4,039	195	3,946
Total Instructional Staff	19,649	19,649	19,377	272	18,259

LINCOLNWOOD SCHOOL DISTRICT 74

Municipal Retirement/Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Support Services - Continued					
General Administration					
Executive Administration Services	\$ 4,000	4,000	3,941	59	3,763
Special Area Administration Services	5,195	5,195	5,073	122	4,851
Total General Administration	<u>9,195</u>	<u>9,195</u>	<u>9,014</u>	<u>181</u>	<u>8,614</u>
School Administration					
Office of the Principal Services	35,925	35,925	35,423	502	32,399
Other Administration	1,682	1,682.00	1,671	11	—
Total School Administration	<u>37,607</u>	<u>37,607</u>	<u>37,094</u>	<u>513</u>	<u>32,399</u>
Business					
Direction of Business Support Services	2,970	2,970	2,960	10	2,845
Fiscal Services	37,108	37,108	36,859	249	34,960
Operations and Maintenance of					
Plant Services	89,603	89,603	85,563	4,040	84,213
Food Services	47,875	47,875	45,662	2,213	40,295
Total Business	<u>177,556</u>	<u>177,556</u>	<u>171,044</u>	<u>6,512</u>	<u>162,313</u>
Central					
Information Services	15,091	15,091	15,167	(76)	12,094
Data Processing Services	61,741	61,741	59,928	1,813	58,934
Total Central	<u>76,832</u>	<u>76,832</u>	<u>75,095</u>	<u>1,737</u>	<u>71,028</u>
Total Support Services	<u>371,761</u>	<u>371,761</u>	<u>339,417</u>	<u>32,344</u>	<u>331,615</u>
Total Expenditures	<u>643,234</u>	<u>643,234</u>	<u>592,485</u>	<u>50,749</u>	<u>567,071</u>
Net Change in Fund Balance	<u>(146,429)</u>	<u>(146,429)</u>	<u>(18,883)</u>	<u>127,546</u>	<u>(28,557)</u>
Fund Balance - Beginning			<u>984,739</u>		<u>1,013,296</u>
Fund Balance - Ending			<u>965,856</u>		<u>984,739</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund Accounts
- Budgetary Comparison Schedules - General Fund Accounts
- Budgetary Comparison Schedules - Major Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

INDIVIDUAL FUND DESCRIPTIONS - Continued

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund

The Capital Projects Fund is used to account for construction projects and renovations financed through local property taxes, bond proceeds or transfers from other funds.

Fire Prevention and Life Safety Fund

The Fire Prevention and Life Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

LINCOLNWOOD SCHOOL DISTRICT 74

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

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Totals
ASSETS				
Cash and Investments	\$ 15,662,479	478,303	1,076,299	17,217,081
Receivables - Net of Allowances				
Property Taxes	12,290,634	73,520	524	12,364,678
Intergovernmental	262,062	—	—	262,062
Due from Other Funds	36,038	—	—	36,038
Prepays	313,143	183,734	—	496,877
Total Assets	28,564,356	735,557	1,076,823	30,376,736
LIABILITIES				
Accounts Payable	334,661	—	—	334,661
Salaries and Wages Payable	696,036	—	—	696,036
Total Liabilities	1,030,697	—	—	1,030,697
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	12,290,634	73,520	524	12,364,678
Total Liabilities and Deferred Inflows of Resources	13,321,331	73,520	524	13,395,375
FUND BALANCES				
Nonspendable	313,143	183,734	—	496,877
Restricted	19,126	478,303	—	497,429
Unassigned	14,910,756	—	1,076,299	15,987,055
Total Fund Balances	15,243,025	662,037	1,076,299	16,981,361
Total Liabilities, Deferred Inflows of Resources and Fund Balances	28,564,356	735,557	1,076,823	30,376,736

LINCOLNWOOD SCHOOL DISTRICT 74

General Fund - by Accounts

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Totals
Revenues				
Local Sources				
Property Taxes	\$ 21,883,896	161,286	871	22,046,053
Corporate Personal Property				
Replacement Taxes	428,744	18,857	—	447,601
Investment Income	336,967	67,983	286,943	691,893
Other	885,685	3,074	—	888,759
State Sources	1,241,217	—	—	1,241,217
Federal Sources	941,175	—	—	941,175
On-Behalf Payments - State of Illinois	7,389,137	—	—	7,389,137
Total Revenues	33,106,821	251,200	287,814	33,645,835
Expenditures				
Instruction				
Regular Programs	10,927,921	—	—	10,927,921
Special Programs	2,659,060	—	—	2,659,060
Other Instructional Programs	2,038,739	—	—	2,038,739
Support Services				
Pupils	1,417,830	—	—	1,417,830
Instructional Staff	906,941	—	—	906,941
General Administration	688,297	174,725	—	863,022
School Administration	1,060,058	—	—	1,060,058
Business	1,453,054	—	—	1,453,054
Central	802,826	—	—	802,826
Community Services	3,385	—	—	3,385
Payments to Other Districts and				
Government Units	3,033,396	—	—	3,033,396
On-Behalf Expenditures - State of Illinois	7,389,137	—	—	7,389,137
Total Expenditures	32,380,644	174,725	—	32,555,369
Net Change in Fund Balance	726,177	76,475	287,814	1,090,466
Fund Balances - Beginning	14,516,848	585,562	788,485	15,890,895
Fund Balances - Ending	15,243,025	662,037	1,076,299	16,981,361

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Local Sources					
Property Taxes	\$ 22,246,126	22,246,126	21,451,034	(795,092)	21,354,261
Special Education Levy	407,974	407,974	432,862	24,888	390,002
Corporate Personal Property					
Replacement Taxes	460,000	460,000	428,744	(31,256)	330,097
Regular - Tuition from					
Other Districts	171,161	171,161	166,664	(4,497)	147,878
Summer School - Tuition from					
Pupils or Parents (in State)	48,000	48,000	49,320	1,320	50,670
Investment Income (Loss)	393,000	393,000	336,967	(56,033)	217,587
Sales to Pupils - Lunch	210,000	210,000	255,121	45,121	216,334
Fees	78,700	78,700	83,140	4,440	85,140
Book Store Sales	7,500	7,500	9,210	1,710	7,483
Other Pupil Activity Revenue	30,000	30,000	27,868	(2,132)	32,472
Rentals - Regular Textbook	50,000	50,000	48,781	(1,219)	56,799
Rentals - Summer School Textbook	45,000	45,000	41,838	(3,162)	48,739
Rentals - Adult/Continuing					
Education Textbook	8,000	8,000	7,950	(50)	7,160
Other - Textbooks	15	15	7	(8)	7
Refund of Prior Years' Expenditures	58,138	58,138	30,669	(27,469)	84,729
Student Activity Fund	—	—	2,834	2,834	4,117
Other	103,301	103,301	162,283	58,982	88,550
Total Local Sources	24,316,915	24,316,915	23,535,292	(781,623)	23,122,025
State Sources					
General State Aid	1,160,000	1,160,000	1,167,781	7,781	1,166,652
Private Facility Tuition	35,000	35,000	53,475	18,475	28,909
Special Education					
Orphanage - Individual	15,000	15,000	18,961	3,961	15,561
Technology - Technology for Success	1,000	1,000	1,000	—	973
Total State Sources	1,211,000	1,211,000	1,241,217	30,217	1,212,095
Federal Sources					
Special Milk Program	17,500	17,500	18,211	711	17,723
TECH FCC ECF	—	—	—	—	88,440
Title I - Low Income	411,000	411,000	397,854	(13,146)	383,573

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues - Continued					
Federal Sources - Continued					
Federal Sources - Special Education					
IDEA Flow-Through	\$ 300,000	300,000	326,154	26,154	328,146
IDEA Room and Board	100,000	100,000	128,028	28,028	105,169
Title III - English Language					
Acquisition	24,000	24,000	18,493	(5,507)	19,660
Medicaid Matching Funds					
Administrative Outreach	—	—	34,858	34,858	36,350
Fee-For-Service Program	—	—	17,577	17,577	50,559
Other Federal Sources	12,930	12,930	—	(12,930)	260,494
Total Federal Sources	865,430	865,430	941,175	75,745	1,290,114
Total Direct Revenues	26,393,345	26,393,345	25,717,684	(675,661)	25,624,234
On-Behalf Payments - State of Illinois	—	—	7,389,137	7,389,137	7,905,377
Total Revenues	26,393,345	26,393,345	33,106,821	6,713,476	33,529,611
Expenditures					
Instruction					
Regular Programs					
Salaries	7,969,771	7,969,771	7,990,596	(20,825)	7,981,752
Employee Benefits	1,380,040	1,380,040	1,269,574	110,466	1,028,169
Purchased Services	353,380	353,380	270,948	82,432	108,088
Supplies and Materials	699,290	699,290	681,809	17,481	554,596
Capital Outlay	265,600	265,600	265,338	262	—
Other Objects	750	750	—	750	554
Non-Capitalized Equipment	168,500	168,500	93,159	75,341	240,652
Termination Benefits	405,429	405,429	356,497	48,932	375,803
	11,242,760	11,242,760	10,927,921	314,839	10,289,614
Pre-K Programs					
Salaries	251,109	251,109	256,914	(5,805)	244,104
Employee Benefits	71,447	71,447	84,192	(12,745)	65,678
Purchased Services	2,000	2,000	2,000	—	—
Supplies and Materials	5,200	5,200	5,269	(69)	3,298
Non-Capitalized Equipment	750	750	—	750	3,146
	330,506	330,506	348,375	(17,869)	316,226

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Instruction - Continued					
Special Education Programs					
Salaries	\$ 1,572,954	1,572,954	1,516,709	56,245	1,274,776
Employee Benefits	287,312	287,312	297,815	(10,503)	242,435
Purchased Services	2,000	2,000	3,622	(1,622)	4,817
Supplies and Materials	3,750	3,750	4,806	(1,056)	1,222
Capital Outlay	4,000	4,000	2,614	1,386	2,641
Other Objects	—	—	—	—	250
Non-Capitalized Equipment	3,000	3,000	1,054	1,946	352
	<u>1,873,016</u>	<u>1,873,016</u>	<u>1,826,620</u>	<u>46,396</u>	<u>1,526,493</u>
Remedial and Supplemental Programs K-12					
Salaries	629,107	629,107	629,107	—	609,653
Employee Benefits	107,809	107,809	100,982	6,827	101,670
Purchased Services	90,000	90,000	89,877	123	70,580
Supplies and Materials	36,175	36,175	12,474	23,701	27,472
	<u>863,091</u>	<u>863,091</u>	<u>832,440</u>	<u>30,651</u>	<u>809,375</u>
Interscholastic Programs					
Salaries	111,000	111,000	117,136	(6,136)	107,876
Employee Benefits	1,390	1,390	1,245	145	1,021
Supplies and Materials	7,250	7,250	9,183	(1,933)	7,044
Capital Outlay	1,500	1,500	—	1,500	—
Other Objects	3,800	3,800	5,500	(1,700)	3,675
	<u>124,940</u>	<u>124,940</u>	<u>133,064</u>	<u>(8,124)</u>	<u>119,616</u>
Summer School Programs					
Salaries	73,000	73,000	46,889	26,111	58,444
Employee Benefits	1,270	1,270	595	675	693
Supplies and Materials	3,000	3,000	2,497	503	879
	<u>77,270</u>	<u>77,270</u>	<u>49,981</u>	<u>27,289</u>	<u>60,016</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Instruction - Continued					
Gifted Programs					
Salaries	\$ 563,324	563,324	561,806	1,518	501,903
Employee Benefits	117,074	117,074	116,887	187	96,099
Supplies and Materials	4,375	4,375	5,692	(1,317)	4,145
	<u>684,773</u>	<u>684,773</u>	<u>684,385</u>	<u>388</u>	<u>602,147</u>
Bilingual Programs					
Salaries	708,394	708,394	723,228	(14,834)	697,521
Employee Benefits	130,855	130,855	88,447	42,408	113,291
Purchased Services	3,750	3,750	3,410	340	1,797
Supplies and Materials	7,925	7,925	6,497	1,428	8,221
	<u>850,924</u>	<u>850,924</u>	<u>821,582</u>	<u>29,342</u>	<u>820,830</u>
Student Activity Fund					
Other Objects	—	—	1,352	(1,352)	4,619
Total Instruction	<u>16,047,280</u>	<u>16,047,280</u>	<u>15,625,720</u>	<u>421,560</u>	<u>14,548,936</u>
Support Services					
Pupils					
Attendance and Social Work Services					
Salaries	424,837	424,837	397,524	27,313	414,143
Employee Benefits	38,967	38,967	35,094	3,873	41,033
Purchased Services	900	900	1,051	(151)	268
Supplies and Materials	2,785	2,785	2,156	629	1,638
	<u>467,489</u>	<u>467,489</u>	<u>435,825</u>	<u>31,664</u>	<u>457,082</u>
Health Services					
Salaries	160,245	160,245	65,539	94,706	143,581
Employee Benefits	36,615	36,615	2,008	34,607	12,951
Purchased Services	121,000	121,000	228,619	(107,619)	96,553
Supplies and Materials	5,400	5,400	8,037	(2,637)	11,412
Capital Outlay	1,300	1,300	1,304	(4)	—
Other Objects	750	750	—	750	644
Non-Capitalized Equipment	1,500	1,500	1,492	8	74
	<u>326,810</u>	<u>326,810</u>	<u>306,999</u>	<u>19,811</u>	<u>265,215</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Support Services - Continued					
Pupils - Continued					
Psychological Services					
Salaries	\$ 191,817	191,817	191,817	—	185,478
Employee Benefits	15,092	15,092	14,936	156	31,257
Purchased Services	4,300	4,300	5,160	(860)	1,123
Supplies and Materials	1,575	1,575	296	1,279	293
	<u>212,784</u>	<u>212,784</u>	<u>212,209</u>	<u>575</u>	<u>218,151</u>
Speech Pathology and Audiology Services					
Salaries	260,752	260,752	260,752	—	255,106
Employee Benefits	41,125	41,125	40,777	348	38,756
Purchased Services	58,700	58,700	67,749	(9,049)	43,633
Supplies and Materials	1,550	1,550	1,018	532	751
	<u>362,127</u>	<u>362,127</u>	<u>370,296</u>	<u>(8,169)</u>	<u>338,246</u>
Other Support Services - Pupils					
Salaries	90,000	90,000	92,210	(2,210)	98,701
Employee Benefits	900	900	291	609	455
	<u>90,900</u>	<u>90,900</u>	<u>92,501</u>	<u>(1,601)</u>	<u>99,156</u>
Total Pupils	<u>1,460,110</u>	<u>1,460,110</u>	<u>1,417,830</u>	<u>42,280</u>	<u>1,377,850</u>
Instructional Staff					
Improvement of Instructional Services					
Salaries	405,333	405,333	399,784	5,549	369,879
Employee Benefits	45,146	45,146	44,238	908	46,278
Purchased Services	58,600	58,600	99,111	(40,511)	68,591
Supplies and Materials	2,000	2,000	1,180	820	14,625
Other Objects	4,000	4,000	272	3,728	1,956
	<u>515,079</u>	<u>515,079</u>	<u>544,585</u>	<u>(29,506)</u>	<u>501,329</u>
Educational Media Services					
Salaries	294,375	294,375	293,878	497	280,920
Employee Benefits	31,271	31,271	43,773	(12,502)	29,250
Supplies and Materials	19,900	19,900	19,117	783	21,693
	<u>345,546</u>	<u>345,546</u>	<u>356,768</u>	<u>(11,222)</u>	<u>331,863</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Support Services - Continued					
Instructional Staff - Continued					
Assessment and Testing					
Purchased Services	\$ —	—	360	(360)	45,492
Supplies and Materials	100	100	5,228	(5,128)	—
	100	100	5,588	(5,488)	45,492
Total Instructional Staff	860,725	860,725	906,941	(46,216)	878,684
General Administration					
Board of Education Services					
Employee Benefits	5,000	5,000	5,642	(642)	9,571
Purchased Services	213,000	213,000	131,118	81,882	202,190
Supplies and Materials	2,500	2,500	1,250	1,250	2,634
Other Objects	16,000	16,000	14,842	1,158	14,553
	236,500	236,500	152,852	83,648	228,948
Executive Administration Services					
Salaries	282,419	282,419	272,418	10,001	260,330
Employee Benefits	53,281	53,281	53,784	(503)	51,758
Purchased Services	4,000	4,000	891	3,109	5,022
Supplies and Materials	2,000	2,000	2,140	(140)	965
Other Objects	3,000	3,000	4,354	(1,354)	2,971
	344,700	344,700	333,587	11,113	321,046
Special Area Administration Services					
Salaries	157,897	157,897	157,897	—	152,906
Employee Benefits	42,837	42,837	43,226	(389)	41,102
Other Objects	1,650	1,650	735	915	—
	202,384	202,384	201,858	526	194,008
Total General Administration	783,584	783,584	688,297	95,287	744,002

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Support Services - Continued					
School Administration					
Office of the Principal Services					
Salaries	\$ 739,568	739,568	733,351	6,217	699,646
Employee Benefits	188,097	188,097	170,133	17,964	180,106
Purchased Services	6,000	6,000	6,524	(524)	4,719
Supplies and Materials	4,000	4,000	1,647	2,353	1,505
Capital Outlay	1,000	1,000	—	1,000	—
Other Objects	2,400	2,400	1,102	1,298	2,055
	<u>941,065</u>	<u>941,065</u>	<u>912,757</u>	<u>28,308</u>	<u>888,031</u>
Other Administration					
Salaries	115,935	115,935	115,934	1	—
Employee Benefits	31,368	31,368	31,367	1	—
	<u>147,303</u>	<u>147,303</u>	<u>147,301</u>	<u>2</u>	<u>—</u>
Total School Administration	<u>1,088,368</u>	<u>1,088,368</u>	<u>1,060,058</u>	<u>28,310</u>	<u>888,031</u>
Business					
Direction of Business Support Services					
Salaries	206,044	206,044	206,044	—	197,802
Employee Benefits	32,381	32,381	32,378	3	30,839
Other Objects	1,500	1,500	2,995	(1,495)	1,604
	<u>239,925</u>	<u>239,925</u>	<u>241,417</u>	<u>(1,492)</u>	<u>230,245</u>
Fiscal Services					
Salaries	252,774	252,774	252,513	261	243,344
Employee Benefits	69,830	69,830	69,793	37	66,136
Purchased Services	117,400	117,400	108,300	9,100	103,649
Supplies and Materials	5,500	5,500	5,261	239	3,766
Other Objects	30,000	30,000	25,836	4,164	26,998
	<u>475,504</u>	<u>475,504</u>	<u>461,703</u>	<u>13,801</u>	<u>443,893</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Support Services - Continued					
Business - Continued					
Food Services					
Salaries	\$ 303,973	303,973	307,088	(3,115)	259,268
Employee Benefits	72,232	72,232	71,455	777	66,129
Purchased Services	5,000	5,000	3,869	1,131	499
Supplies and Materials	282,000	282,000	318,180	(36,180)	308,658
Capital Outlay	7,000	7,000	15,476	(8,476)	—
Other Objects	1,500	1,500	2,320	(820)	1,194
Non-Capitalized Equipment	4,000	4,000	2,440	1,560	1,978
Termination Benefits	—	—	—	—	37,276
	<u>675,705</u>	<u>675,705</u>	<u>720,828</u>	<u>(45,123)</u>	<u>675,002</u>
Internal Services					
Purchased Services	27,000	27,000	27,137	(137)	23,130
Supplies and Materials	1,500	1,500	1,969	(469)	1,361
	<u>28,500</u>	<u>28,500</u>	<u>29,106</u>	<u>(606)</u>	<u>24,491</u>
Total Business	<u>1,419,634</u>	<u>1,419,634</u>	<u>1,453,054</u>	<u>(33,420)</u>	<u>1,373,631</u>
Central					
Information Services					
Salaries	96,859	96,859	96,859	—	78,534
Employee Benefits	35,847	35,847	36,367	(520)	34,616
Purchased Services	24,500	24,500	11,380	13,120	17,873
Supplies and Materials	6,500	6,500	2,744	3,756	10,158
Capital Outlay	—	—	—	—	514
Other Objects	750	750	1,294	(544)	840
	<u>164,456</u>	<u>164,456</u>	<u>148,644</u>	<u>15,812</u>	<u>142,535</u>
Data Processing Services					
Salaries	569,435	569,435	557,441	11,994	553,882
Employee Benefits	114,629	114,629	96,706	17,923	106,681
Capital Outlay	700	700	—	700	—
Purchased Services	500	500	35	465	—
Other Objects	1,000	1,000	—	1,000	225
	<u>686,264</u>	<u>686,264</u>	<u>654,182</u>	<u>32,082</u>	<u>660,788</u>
Total Central	<u>850,720</u> ¹¹³	<u>850,720</u>	<u>802,826</u>	<u>47,894</u>	<u>803,323</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Support Services - Continued					
Total Support Services	\$ 6,463,141	6,463,141	6,329,006	134,135	6,065,521
Community Services					
Purchased Services	1,000	1,000	—	1,000	—
Supplies and Materials	800	800	3,385	(2,585)	2,882
Total Community Services	1,800	1,800	3,385	(1,585)	2,882
Payments to Other Districts and Governmental Units					
Payments for Special Education Programs					
Purchased Services	211,629	211,629	207,235	4,394	211,578
Other Objects	2,896,708	2,896,708	2,826,161	70,547	2,553,825
Total Payments to Other Districts and Governmental Units	3,108,337	3,108,337	3,033,396	74,941	2,765,403
Total Direct Expenditures	25,620,558	25,620,558	24,991,507	629,051	23,382,742
On Behalf Payments - State of Illinois	—	—	7,389,137	(7,389,137)	7,905,377
Total Expenditures	25,620,558	25,620,558	32,380,644	(6,760,086)	31,288,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	772,787	772,787	726,177	(46,610)	2,241,492
Other Financing (Uses)					
Transfers Out	—	—	—	—	(211,965)
Net Change in Fund Balance	<u>772,787</u>	<u>772,787</u>	726,177	<u>(46,610)</u>	2,029,527
Fund Balance - Beginning			<u>14,516,848</u>		<u>12,487,321</u>
Fund Balance - Ending			<u>15,243,025</u>		<u>14,516,848</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Tort Immunity and Judgement Account- General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Tort Immunity Levy	\$ 203,619	203,619	161,286	(42,333)	204,780
Corporate Personal Property Replacement Taxes	20,000	20,000	18,857	(1,143)	—
Investment Income	13,200	13,200	67,983	54,783	11,222
Other	—	—	3,074	3,074	—
Total Revenues	<u>236,819</u>	<u>236,819</u>	<u>251,200</u>	<u>14,381</u>	<u>216,002</u>
Expenditures					
Support Services					
General Administration					
Workers' Compensation					
Purchased Services	72,000	72,000	60,665	11,335	79,809
Property Insurance					
Purchased Services	122,000	122,000	114,060	7,940	112,002
Total Expenditures	<u>194,000</u>	<u>194,000</u>	<u>174,725</u>	<u>19,275</u>	<u>191,811</u>
Net Change in Fund Balance	<u>42,819</u>	<u>42,819</u>	76,475	<u>33,656</u>	24,191
Fund Balance - Beginning			<u>585,562</u>		<u>561,371</u>
Fund Balance - Ending			<u>662,037</u>		<u>585,562</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Working Cash Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
General Levy	\$ 824	824	871	47	805
Investment Income	13,300	13,300	286,943	273,643	13,665
Total Revenues	14,124	14,124	287,814	273,690	14,470
Expenditures	—	—	—	—	—
Net Change in Fund Balance	<u>14,124</u>	<u>14,124</u>	287,814	<u>273,690</u>	14,470
Fund Balance - Beginning			<u>788,485</u>		<u>774,015</u>
Fund Balance - Ending			<u>1,076,299</u>		<u>788,485</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
General Levy	\$ 1,820,059	1,820,059	1,551,510	(268,549)	1,794,550
Investment Income	21,000	21,000	137,183	116,183	24,487
Total Revenues	<u>1,841,059</u>	<u>1,841,059</u>	<u>1,688,693</u>	<u>(152,366)</u>	<u>1,819,037</u>
Expenditures					
Debt Service					
Payments on Long Term Debt					
Principal Retirement	1,150,000	1,150,000	1,150,000	—	1,205,000
Interest and Fiscal Charges	567,500	567,500	567,250	250	602,725
Total Expenditures	<u>1,717,500</u>	<u>1,717,500</u>	<u>1,717,250</u>	<u>250</u>	<u>1,807,725</u>
Net Change in Fund Balance	<u>123,559</u>	<u>123,559</u>	(28,557)	<u>(152,116)</u>	11,312
Fund Balance - Beginning			<u>476,846</u>		<u>465,534</u>
Fund Balance - Ending			<u>448,289</u>		<u>476,846</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
Property Taxes	\$ 250,000	250,000	236,495	(13,505)	888,724
Investment Income	117,400	117,400	461,109	343,709	(14,181)
Total Local Sources	367,400	367,400	697,604	330,204	874,543
Federal Sources					
Other Restricted Revenue from from Federal Sources	—	—	—	—	7,464
Total Revenues	367,400	367,400	697,604	330,204	882,007
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction Services					
Purchased Services	221,318	221,318	110,496	110,822	294,575
Capital Outlay	2,462,702	2,462,702	3,840,004	(1,377,302)	1,118,999
Non-Capitalized Equipment	—	—	—	—	119,065
	2,684,020	2,684,020	3,950,500	(1,266,480)	1,532,639
Operations and Maintenance of Plant Services					
Capital Outlay	460,800	460,800	434,363	26,437	100,772
Total Expenditures	3,144,820	3,144,820	4,384,863	(1,240,043)	1,633,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,777,420)	(2,777,420)	(3,687,259)	(909,839)	(751,404)
Other Financing Sources					
Transfers In	—	—	—	—	2,211,965
Net Change in Fund Balance	<u>(2,777,420)</u>	<u>(2,777,420)</u>	(3,687,259)	<u>(909,839)</u>	1,460,561
Fund Balance - Beginning			5,003,176		3,542,615
Fund Balance - Ending			<u>1,315,917</u>		<u>5,003,176</u>

LINCOLNWOOD SCHOOL DISTRICT 74

Fire Prevention and Life Safety - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local Sources					
General Levy	\$ 127,409	127,409	158,176	30,767	182,976
Investment Income	44,000	44,000	213,914	169,914	186,862
Total Local Sources	171,409	171,409	372,090	200,681	369,838
Federal Sources					
School Infrastructure - Maintenance Projects	50,000	50,000	50,000	—	50,000
Total Revenues	221,409	221,409	422,090	200,681	419,838
Expenditures					
Support Services					
Business					
Facilities and Acquisition and Construction Services					
Purchased Services	137,500	137,500	112,795	24,705	57,005
Operations and Maintenance of Plant Services					
Capital Outlay	1,770,770	1,770,770	1,740,770	30,000	376,233
Non-Capitalized Equipment	—	—	—	—	300,655
Total Expenditures	1,908,270	1,908,270	1,853,565	54,705	733,893
Net Change in Fund Balance	<u>(1,686,861)</u>	<u>(1,686,861)</u>	(1,431,475)	<u>255,386</u>	(314,055)
Fund Balance - Beginning			<u>1,395,437</u>		<u>1,709,492</u>
Fund Balance - Ending			<u>(36,038)</u>		<u>1,395,437</u>

SUPPLEMENTAL SCHEDULES

LINCOLNWOOD SCHOOL DISTRICT 74

**Schedule of Assessed Valuations, Tax Rates, and Extensions - Last Five Tax Levy Years
June 30, 2025**

	2020	2021	2022	2023	2024
Assessed Valuation	\$ 737,935,823	689,622,446	804,228,126	826,091,837	*
Tax Rates					
Educational	2.5780	2.7507	2.5652	2.6623	*
Tort Immunity	0.0161	0.0323	0.0263	0.0246	*
Special Education	0.0473	0.0521	0.0476	0.0493	*
Operations and Maintenance	0.3072	0.3372	0.2502	0.2595	*
Bond and Interest	0.2328	0.3074	0.2780	0.2462	*
Transportation	0.0763	0.1158	0.1252	0.1294	*
Municipal Retirement	0.0255	0.0290	0.0188	0.0124	*
Social Security	0.0477	0.0579	0.0438	0.0370	*
Working Cash	0.0001	0.0001	0.0001	0.0001	*
Fire Prevention and Life Safety	0.0706	0.0680	0.0302	0.0154	*
Total Tax Rates	3.4016	3.7505	3.3854	3.4362	*
Tax Extensions					
Educational	\$ 19,024,100	18,969,444	20,630,059	21,993,042	23,597,551
Tort Immunity	118,780	222,748	211,511	203,218	144,200
Special Education	349,230	359,293	382,812	407,263	515,000
Operations and Maintenance	2,266,659	2,325,406	2,012,178	2,143,708	2,219,650
Bond and Interest	1,718,220	2,119,585	2,236,554	2,034,026	1,485,015
Transportation	563,103	798,582	1,006,893	1,068,962	1,081,500
Municipal Retirement	187,822	199,990	151,194	102,435	56,350
Social Security	351,688	399,291	352,251	305,653	360,500
Working Cash	764	689	804	826	1,030
Fire Prevention and Life Safety	521,172	468,943	242,876	127,218	216,300
Total Tax Extensions	25,101,538	25,863,971	27,227,132	28,386,351	29,677,096

* As of the date of the report, the 2024 tax levy assessed valuation and tax rates were not available.

LINCOLNWOOD SCHOOL DISTRICT 74

**Schedule of Long-Term Debt Requirements
General Obligation Limited School Bonds of 2015
June 30, 2025**

Date of Issue	December 29, 2015
Date of Maturity	December 1, 2025
Authorized Issue	\$8,305,000
Interest Rates	2.50% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	PMA Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ 865,000	12,975	877,975

LINCOLNWOOD SCHOOL DISTRICT 74

**Schedule of Long-Term Debt Requirements
General Obligation Limited School Bonds of 2016
June 30, 2025**

Date of Issue	April 7, 2016
Date of Maturity	December 1, 2030
Authorized Issue	\$4,235,000
Interest Rates	2.50% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	PMA Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ —	164,100	164,100
2027	895,000	146,200	1,041,200
2028	930,000	109,700	1,039,700
2029	965,000	71,800	1,036,800
2030	1,005,000	32,400	1,037,400
2031	410,000	6,150	416,150
	<u>4,205,000</u>	<u>530,350</u>	<u>4,735,350</u>

LINCOLNWOOD SCHOOL DISTRICT 74

**Schedule of Long-Term Debt Requirements
General Obligation Limited School Bonds of 2018A
June 30, 2025**

Date of Issue	July 3, 2018
Date of Maturity	December 1, 2035
Authorized Issue	\$5,910,000
Interest Rate	4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	PMA Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ —	177,600	177,600
2027	—	177,600	177,600
2028	—	177,600	177,600
2029	—	177,600	177,600
2030	—	177,600	177,600
2031	670,000	164,200	834,200
2032	695,000	136,900	831,900
2033	725,000	108,500	833,500
2034	750,000	79,000	829,000
2035	785,000	48,300	833,300
2036	815,000	16,300	831,300
	4,440,000	1,441,200	5,881,200

LINCOLNWOOD SCHOOL DISTRICT 74

**Schedule of Long-Term Debt Requirements
General Obligation Limited School Bonds of 2021
June 30, 2025**

Date of Issue	April 29, 2021
Date of Maturity	December 1, 2039
Authorized Issue	\$6,365,000
Interest Rates	2.00% to 3.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	PMA Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ —	181,650	181,650
2027	—	181,650	181,650
2028	—	181,650	181,650
2029	—	181,650	181,650
2030	—	181,650	181,650
2031	—	181,650	181,650
2032	295,000	177,225	472,225
2033	360,000	167,400	527,400
2034	370,000	156,450	526,450
2035	380,000	145,200	525,200
2036	395,000	133,575	528,575
2037	1,245,000	108,975	1,353,975
2038	1,280,000	71,100	1,351,100
2039	1,320,000	32,100	1,352,100
2040	410,000	6,150	416,150
	6,055,000	2,088,075	8,143,075

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

October 28, 2025

Members of the Board of Education
Lincolnwood School District 74
Lincolnwood, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnwood School District 74 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Lincolnwood School District 74, Illinois
October 28, 2025

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP



October 28, 2025

Members of the Board of Education
Lincolnwood School District 74
Lincolnwood, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnwood School District 74 (the District), Illinois for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2025, except for the implementation of GASB Statement No. 101, *Compensated Absences*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities' financial statements are noted below.

Management's estimates of the:

- Depreciation expense on capital assets is based on estimated useful lives of the underlying capital assets
- Compensated absences are based on management assumptions and estimates related to benefit time usage
- Net pension related accounts are based on estimated assumptions used by the actuary
- Total OPEB related accounts are based on estimated assumptions used by the actuary

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Significant Audit Findings - Continued

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters - Continued

We were engaged to report on the other supplementary information and supplemental schedules, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

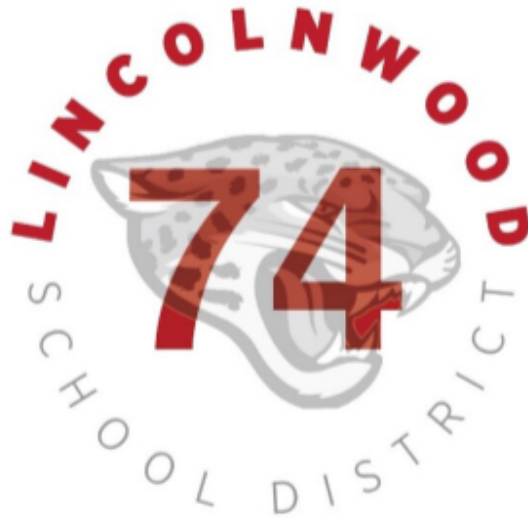
We wish to express our gratitude to the Board of Trustees and staff (in particular the Finance Department) of the Lincolnwood School District 74, Illinois for their valuable cooperation throughout the audit engagement.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

LINCOLNWOOD SCHOOL DISTRICT 74, ILLINOIS

MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

6950 North East Prairie Road
Lincolnwood, IL 60712
Phone: 847.675.8234
www.sd74.org



October 28, 2025

Members of the Board of Education
Lincolnwood School District 74
Lincolnwood, Illinois

In planning and performing our audit of the financial statements of the Lincolnwood School District 74 (the District), Illinois, for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Education, finance committee, and senior management of the Lincolnwood School District 74, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. **FUND WITH DEFICIT FUND BALANCE**

Comment

During our current year-end audit procedures, we noted the following fund with deficit fund balance.

Fund	6/30/2025
Fire Prevention and Life Safety	\$ 36,038

Recommendation

We recommend the District investigate the causes of the deficit and adopt appropriate future funding measures.

Management Response

Management acknowledges this comment and will work to correct in the future.

2. **IT SECURITY AWARENESS AND MONITORING OF EMERGING RISKS**

Comment

Recently, we have noted the increasing importance of information technology (IT) security for schools. While we did not identify a specific security breach during our auditing procedures, we have noted increased risks to schools in the following areas of IT security:

- Ransomware and Phishing Attacks – Increasingly targeted at schools due to limited IT staffing and valuable public data.
- Multi-Factor Authentication (MFA) – This is now considered a minimum standard of protection for access to email, financial systems and remote logins.
- Vendor and Third-Party Risk – Cloud service providers, software vendors, and contractors may present risks if not adequately monitored.
- Data Backup and Recovery – Secure, tested backups are critical to minimize downtime and financial loss in the event of an incident.
- Staff Awareness and Training – Many breaches in school occur due to human error; regular training and simulated testing can help reduce exposure.

Recommendation

We recommend that the District continue to increase awareness around IT security issues by:

- Engaging in ongoing monitoring or cyber security trends affecting schools.
- Incorporating regular staff training on phishing and other social engineering tactics.
- Periodically reviewing policies for password strength, MFA, and incident response.
- Ensuring vendor contracts address security standards and data protection.
- Testing data backup and recover plans on at least an annual basis.

By increasing awareness and preparedness, the District can reduce the likelihood of a security incident, protect sensitive constituent and financial data, and help to ensure continuity of operations.

Management Response

Management acknowledges this comment and will continue to monitor and strengthen IT security efforts

PRIOR RECOMMENDATION

1. **FUNDS OVER BUDGET**

Comment

Previously and during our current year end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the previous fiscal year and current fiscal year:

Fund	6/30/24	6/30/25
Operations and Maintenance	\$ 219,524	—
Transportation	119,204	—
Debt Service	2,000	—
Capital Projects	—	1,240,043

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

This comment has not been implemented and will be repeated in the future.

Management Response

Management acknowledges this comment and will work to correct in the future.

UPCOMING STANDARDS

1. **GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS**

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, *Financial Reporting Model Improvements* is applicable to the District's financial statements for the year ended June 30, 2026.

2. **GASB STATEMENT NO. 104 DISCLOSURE OF CERTAIN CAPITAL ASSETS**

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, *Disclosure of Certain Capital Assets*, which provide users of government financial statements with essential information about certain types of capital assets. This statement establishes requirements for (1) Certain types of capital assets to be disclosed separately in the capital assets note disclosures, and (2) Capital assets held for sale, including additional disclosures for those capital assets. GASB Statement No. 104, *Disclosure of Certain Capital Assets* is applicable to the District's financial statements for the year ended June 30, 2026.

LINCOLNWOOD SCHOOL DISTRICT NO. 74

**ACCOUNTING FOR POST EMPLOYMENT
BENEFIT PLANS UNDER GASB STATEMENTS #74/75**

AS OF JUNE 30, 2025

FOR THE FISCAL YEAR ENDING JUNE 30, 2025

September 2025

Table of Contents

Overview		SECTION 1
Summary of Principal Results.....	1	
Important Dates Used in This Valuation	3	
Actuarial Funding Method and Assumptions	3	
Significant Discount Rates	3	
Actuarial Certification	4	
Results and Analysis		SECTION 2
Retiree Medical Plan	5	
Substantive Plan	5	
Accounting Standard	5	
Funding Versus Accounting	6	
Funding Patterns	6	
Accounting Valuation	6	
Census Data	6	
Plan Costs	6	
Changes in Assumptions	6	
Closed Group Valuation	6	
Actuarial Cost Method	6	
Actuarial Valuation Exhibits	6	
Annual Reporting Under GASB Statements Nos. 74/75		SECTION 3
Summary of Accounting Standards	9	
Financial Statements	9	
Notes to Financial Statements	9	
Schedule of Changes in the Net OPEB Liability and Related Ratios	12	
Net OPEB Liability and Related Ratios	13	
Ten Year Schedule of Changes in Net OPEB Liability	13	
Sensitivity of Net OPEB Liability to Changes in the Discount Rate	13	
Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend	14	
Ten Year Schedule of Actuarially Determined Contributions	14	
OPEB Expense	15	
Summary of Actuarial Assumptions and Cost Method		SECTION 4
Actuarial Cost Method	17	
Discount Rate	17	
Salary Increase	17	
Monthly Health Plan Premium Costs	17	
Mortality	17	
Disability	17	
Withdrawal	17	
Retirement	18	
Participation	19	
Spouse Information	19	
Health Care Cost Inflation Rates	20	
Participant Data		SEC. 5
Summary as of June 30, 2024	21	
Age and Service Distributions as of June 30, 2024	22	
Summary of Principal Plan Provisions		SEC. 6
Eligibility	23	
Benefit Amount	23	

SECTION ONE: OVERVIEW

Summary of Principal Results

MWM Consulting Group was retained to prepare an actuarial valuation of the Lincolnwood School District No. 74's retiree health programs for the purpose of determining the expense and liabilities to be reported on the District's financial statement in accordance with Government Accounting Standards Board (GASB) Statements Nos. 74 and 75, for the fiscal period ending June 30, 2025. As permitted under GASB Statements Nos. 74/75 methodology, this valuation is an interim year report which relies upon the census, premium information and benefit information utilized in the GASB 74/75 full valuation as of June 30, 2024. The interim year report reflects updates to the measurement date under an updated discount rate. Key results of the valuation are summarized below.

Actuarial Values at June 30, 2025 (5.20% Discount Rate)

Item	TRS	IMRF	Total
Present Value of Benefits			
Retirees	\$ 407,205	\$ 60,425	\$ 467,630
Actives Fully Eligible	207,704	246,098	453,802
Actives Not Yet Eligible	789,784	268,905	1,058,689
Total	\$ 1,404,693	\$ 575,428	\$ 1,980,121
Actuarial Accrued Liability			
Retirees	\$ 407,205	\$ 60,425	\$ 467,630
Actives Fully Eligible	156,150	179,518	335,668
Actives Not Yet Eligible	593,751	196,154	789,905
Total	\$ 1,157,106	\$ 436,097	\$ 1,593,203

Balance Sheet Liabilities as Reported Under GASB 74/75 at June 30, 2025

	Item	6/30/2025
<i>Under GASB 75, the Net OPEB Liability equals the total Actuarial Accrued Liability minus the Plan assets (if any) and is reported on the balance sheet.</i>	Total OPEB Liability	\$ 1,593,203
	Plan Fiduciary Net Position	0
	Net OPEB Liability	\$ 1,593,203

SECTION ONE: OVERVIEW

OPEB Expense
As Reported Under GASB 75 at June 30, 2025

	Item	FYE 6/30/2025	FYE 6/30/2024
<i>Annual OPEB expense under GASB 75 equals the difference between beginning and end of year liabilities with some adjustment for deferred recognition and differs from the ARC and expense calculations under GASB 45.</i>	Service Cost	\$ 62,598	\$ 63,067
	Administrative Expense	0	0
	Interest on the Total OPEB Liability	66,892	65,892
	Current-Period Benefit Changes	0	0
	Employee Contributions	0	0
	Projected Earnings on Plan Investments	0	0
	Other Changes in Plan Fiduciary Net Position	0	0
	Recognition of Outflow (Inflow) of Resources due to Liabilities	25,613	33,762
	Recognition of Outflow (Inflow) of Resources due to Assets	0	0
	Total OPEB Expense	\$ 155,103	\$ 162,721

Important Dates Used in this Valuation

GASB Statement No. 75 allows reporting liabilities as of any fiscal year end based upon:

- (1) A valuation date no more than 30 months plus one day prior to the close of the fiscal year end.
The valuation date is the date on which the participant data is collected, and the valuation calculations are processed.
- (2) A measurement date up to one year prior to the close of the fiscal year.

Valuation Date:	June 30, 2024
Measurement Date:	June 30, 2025
Measurement Period:	June 30, 2024 to June 30, 2025
Fiscal Year End:	June 30, 2025

Actuarial Funding Method and Assumptions

For this report, liabilities and annual costs were developed under the entry age normal method as required under GASB 74/75.

The actuarial assumptions were selected to be consistent with assumptions disclosed in valuations of similarly situated governmental employers, to be consistent with the experience of the Plan, if credible, and to represent the actuary's best estimate of future experience.

Two of the most significant assumptions affecting the measurement of retiree medical obligations are economic assumptions: the interest rate (also called discount rate), and the trend rate (the annual rate of increases in future health care costs). Two other very important assumptions are non-economic and both of which greatly affect the magnitude of retiree liabilities - the assumption regarding the ages at which employees will retire and commence benefits under the program, and the assumed level of participation (percentage of retirees electing to take coverage) in the plan. A description of each of the assumptions used is provided in Section Four of this report.

Significant Discount Rates

July 1, 2024:	3.97%
June 30, 2025:	5.20%

Under GASB Statement No. 75, liabilities are required to be discounted based upon the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year muni bond rates. Since the District's plan is unfunded, the 20-year muni index rate applies. Therefore, the liabilities valued as of July 1, 2024 are discounted at a 3.97% interest rate, and the liabilities valued as of June 30, 2025 are discounted at a rate of 5.20%.

SECTION ONE: OVERVIEW

ACTUARIAL CERTIFICATION

This is to certify that MWM Consulting Group has prepared an interim Actuarial Valuation of the Plan for the fiscal year ending June 30, 2025 for the primary purpose of providing financial accounting information required for compliance with GASB Statement No. 75. The results of this valuation have been prepared in conformance with our understanding of the relevant provisions of the GASB Statements Nos. 74 and 75.

The information and valuation results shown in this report are prepared with reliance upon information and data provided to us, which we believe to the best of our knowledge to be complete and accurate and include:

- Employee census data submitted by the District. This data was not audited by us but appears to be consistent with prior information, and sufficient and reliable for purposes of this report.
- Financial and Insurance data submitted by the District.
- Illinois statutory code provisions and Plan summaries as supplied by the District.

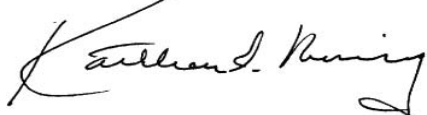
Actuarial valuations involve calculations that require assumptions about future events. We believe the assumptions and methods used are within the range of possible assumptions that are reasonable, appropriate for the purposes for which they have been used and accurately and fairly present the actuarial position of the healthcare Plan sponsored by the Lincolnwood School District No. 74 as of June 30, 2025. In our opinion, all methods, assumptions and calculations are in accordance with requirements of GASB Statements Nos. 74 and 75 and the procedures followed, and presentation of results are in conformity with generally accepted actuarial principles and practices. Results shown in this report could be materially different from the actual outcome if actual plan experience differs from the assumptions used.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This report should not be relied on for any purpose other than the purpose stated. The signing actuaries are independent of the plan sponsor and are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

MWM CONSULTING GROUP



Kathleen E Manning, FSA
Managing Principal & Consulting Actuary
MWM Consulting Group



Karl K. Oman, ASA
Consulting Actuary
MWM Consulting Group

9/19/2025

Date

Retiree Medical Plan

The Lincolnwood School District No. 74 sponsors health benefit plans for employees and retired former employees. The provisions of the programs are summarized in section 6 of this report. In general, the District subsidizes a portion of the cost for hospital and medical coverage for eligible retired employees and their dependents. The retiree health benefits, commonly called OPEB (Other than Pension Employee Benefits) are required to be accounted for under Governmental Accounting Standards Board (GASB) statements. The GASB accounting statement applicable to retiree health OPEB plans is GASB Statement No. 75.

Under GASB Statement No. 75, the entire unfunded OPEB liability, valued with market related muni bond rates, must be recognized on the financial statements.

Substantive Plan (Benefit Plan Provisions)

Under GASB, the benefit program to be valued is referred to as the Substantive Plan, which may or may not be set forth in a written document, but which includes the benefits which are understood by the employer, employees and other participants to be provided for under the program.

IMRF retirees and their dependents may continue coverage under District 74's group health program until age 65 by contributing a monthly premium. They may participate in any of the plans available to active employees. Retirees contribute either 30% (approximately) or 100% (see Summary of Principal Plan Provisions in this report) of the blended average employee group cost. The District contributes any remaining blended average employee group cost. In addition, the District pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost.

The District will pay one of the below benefits for any teacher who has retired through TRS and who has been a full-time employee with the District for at least 15 years at the time of retirement:

1. Single premium cost for TRIP insurance, up to a maximum of \$5,000 annually until the retiree becomes Medicare-eligible; or
2. A lump sum payment of \$35,000 to be paid in January following the year in which the teacher retired.

For certain grandfathered TRS retirees, the District pays 100% of the premium for TRIP single or family coverage.

Accounting Standard

Under GASB Statement No. 75 the annual expense and OPEB liability for plans like the District's which are funded on a pay-as-you-go basis will likely be more volatile because the discount rate used to develop the normal costs and actuarial accrued liability will be based on a municipal bond index which fluctuates with the market.

The municipal bond index rate is 3.97% as of July 1, 2024 and 5.20% as of June 30, 2025. Plan sponsors who partially pre-fund benefits must discount liabilities using a blended discount rate that reflects the municipal bond rate index to the degree the pre-funding assets are not available to pay benefits and the long-term expected return on assets to the degree the pre-funding assets are available to pay benefits.

SECTION TWO: RESULTS AND ANALYSIS

Funding Versus Accounting

Accounting standards affect the definition, measurement and allocation of liabilities and expenses that are published by employers in their annual financial statements. The accounting statements require employers to accrue costs on their books, but do not require employers to make contributions.

Funding Patterns

An employee hired at age 20 will not begin to receive retiree health benefits for decades, although the employee earns these benefits during his working years, before retirement. An employer with young employees and no retirees has no cash disbursements for retiree health benefits for many years, although the obligation for these benefits begins to accumulate with the first employee. Putting more money aside than will be paid out currently in anticipation of payouts in the future is called *pre-funding* an obligation. Whereas making payments only as each benefit amount comes due is called *pay-as-you-go* or *terminal* funding.

Systematic prefunding patterns for retirement benefits are developed according to various actuarial methodologies, which can call for increasing, decreasing or level patterns of annual contributions depending upon the demographics of the group and the financial considerations of an employer.

Accounting Valuation

This report is identified as an interim accounting valuation report determined for the sole purpose of meeting Plan and employer financial accounting requirements as prescribed under GASB Statements Nos. 74/75 and may not be appropriate for the determination of the contribution level or the Plan's funding requirements for other purposes.

Census Data

The calculations in this report are based upon data submitted by the District for active and retired employees and their dependents as of June 30, 2024.

Plan Costs

The costs of the benefit programs measured were based upon the premium rates and costs in effect at July 1, 2024.

Changes in Assumptions

- The equivalent single discount rate was increased from 3.97% to 5.20% in accordance with GASB Statement Nos. 74/75.

Closed Group Valuation

This valuation has been prepared on a closed group valuation basis, meaning only the existing population has been considered.

Actuarial Cost Method

As required under GASB Statements Nos. 74/75, the Entry Age Normal actuarial method was used to develop the liabilities and expense components. The Entry Age Normal method was also used in prior valuations.

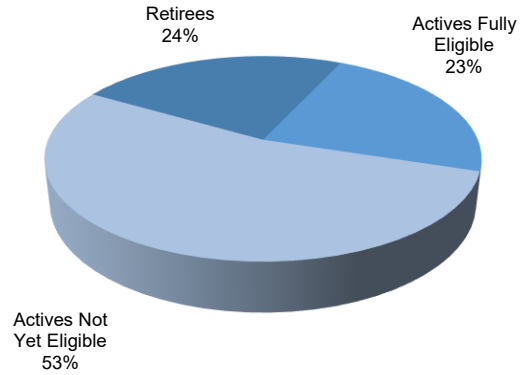
Actuarial Valuation Exhibits

Exhibits 1 and 2 display the actuarial present values liability amounts, accrued liability amounts, and selected valuation results as of the end of the year based on the end of year discount rate of 5.20%.

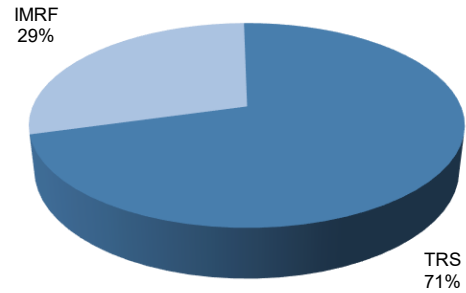
SECTION TWO: RESULTS AND ANALYSIS

Exhibit 1
Present Value of Future Benefits
As of June 30, 2025 for
Fiscal Year Ending June 30, 2025

By Employee Status		Total
Retirees	\$	467,630
Actives Fully Eligible		453,802
Actives Not Yet Eligible		1,058,689
Total	\$	1,980,121



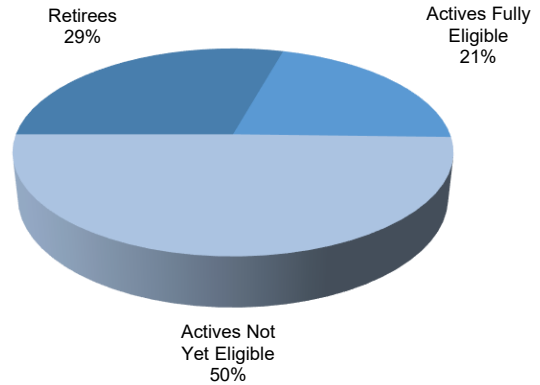
By Category		Total
TRS	\$	1,404,693
IMRF		575,428
Total	\$	1,980,121



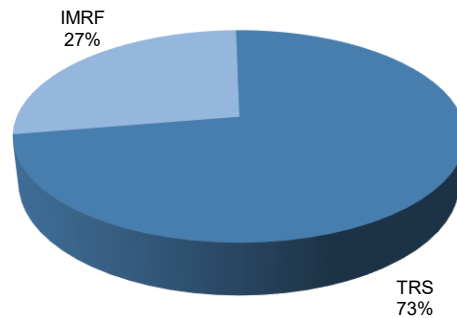
SECTION TWO: RESULTS AND ANALYSIS

Exhibit 2
Actuarial Accrued Liability
As of June 30, 2025 for
Fiscal Year Ending June 30, 2025

By Employee Status		Total
Retirees	\$	467,630
Actives Fully Eligible		335,668
Actives Not Yet Eligible		789,905
Total	\$	1,593,203



By Category		Total
TRS	\$	1,157,106
IMRF		436,097
Total	\$	1,593,203



GASB STATEMENT NO. 74 DISCLOSURE FOR FISCAL YEAR END 2025

GASB Statement No. 74 requires certain actuarial information be disclosed in the footnotes of financial statements of funded OPEB plans, or as required supplementary information. GASB Statement No. 74 financial disclosure information for the fiscal year end 2025 was based on the census and premium data provided for the June 30, 2024 valuation and updated to the measurement date under the GASB 74 actuarial assumptions and methodology.

This section of the report summarizes the GASB Statement No. 75 requirements and presents the schedules, exhibits and information required to comply with GASB Statement No. 75.

Summary of Accounting Standards

For OPEB plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74 established standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the OPEB liability. Similarly, GASB statement No. 75 established standards for state and local government employers to account for and disclose the net OPEB liability, OPEB expense, and other information associated with providing medical benefits to their employees (and former employees) on their basic financial statements.

Financial Statements

GASB Statement No. 75 requires state or local governments to recognize the net OPEB liability and the OPEB expense on their financial statements. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuation performed to determine the employer's contribution requirements).

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, and reflects annual service costs, interest costs and includes adjustments for deferred recognition of the liability and investment experience.

OPEB plans that prepare their own stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 74. The statement of fiduciary net position presents the asset and liabilities of the OPEB plan at the end of the OPEB plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets and deferred outflows and inflows of resources related to OPEBs.

SECTION THREE: ANNUAL REPORTING UNDER GASB STATEMENTS NOS. 74/75

GASB Statements Nos. 74 and 75 require the notes of the financial statements for the employers' OPEB plan include:

- A description of benefits provided by the plan
- The type of employees and number of members covered by the OPEB plan
- A description of the plan's funding policy, which includes member and employer contribution requirements
- The OPEB plan's investment policies
- The OPEB plan's fiduciary net position, net OPEB liability and the OPEB plan's fiduciary net position as a percentage of the total OPEB liability
- Significant assumptions and methods used to calculate the total OPEB liability
- Inputs to the discount rates
- Certain information about mortality assumptions and the date of experience studies

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 74:

- The compositions of the OPEB plan's board and the authority under which benefit terms may be amended
- A description of how fair value is determined
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets

Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history* of:

- Sources of changes in the net OPEB liability
- Information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability and the net OPEB liability as a percent of covered employee payroll
- Comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy

*These tables may be built prospectively as information becomes available.

Calculation of the Single Discount Rate

GASB Statements Nos. 74 /75 include a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a risk free rate is required, such as a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating.

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.20% per year, and the municipal bond rate, if applicable, is 3.97% at July 1, 2024 and 5.20% at June 30, 2025.

Contribution Policy

The single discount rate is determined based upon the projection of assets, investment return, benefit payments and contributions. The contribution policy assumed for this valuation is pay as you go.

Measurement of the Net OPEB Liability

The net OPEB liability is to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net positions. Using more familiar actuarial terms, this will be the accrued liability less the market value of assets.

Timing of the Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least once every two years. The net OPEB liability and OPEB expense should be measured as of the OPEB plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total OPEB liability is calculated as of the beginning of the year, the results are required to be rolled forward from the actuarial valuation date to the measurement date.

The total OPEB liability shown in this report is based on the census data and financial information provided for the actuarial valuation performed as of June 30, 2024 and updated to the measurement date.

Financial Reporting Under GASB 74/75

Schedules of Required Supplementary Information
 Schedule of Changes in the Net OPEB Liability and Related Ratios Multiyear

Fiscal Year Ending	6/30/2025	6/30/2024
Total OPEB Liability		
Service Cost including Administrative Expenses	\$ 62,598	\$ 63,067
Interest on the Total OPEB Liability	66,892	65,892
Benefit Changes	0	0
Differences Between Expected and Actual Experience	0	93,440
Assumption Changes	(102,294)	3,586
Benefit Payments	(237,849)	(258,377)
Refunds	0	0
OPEB Plan Administrative Expense	0	0
Net Change in Total OPEB Liability	\$ (210,653)	\$ (32,392)
Total OPEB Liability - Beginning	\$ 1,803,856	\$ 1,836,248
Total OPEB Liability - Ending	\$ 1,593,203	\$ 1,803,856
Plan Fiduciary Net Position		
Employer Contributions	\$ 237,849	\$ 258,377
Employee Contributions	0	0
OPEB Plan Net Investment Income	0	0
Benefit Payments, Including Refunds of Member Contributions	(237,849)	(258,377)
Other	0	0
Administrative Expense	0	0
Net Change in Plan Fiduciary Net Position	\$ 0	\$ 0
Plan Fiduciary Net Position - Beginning	\$ 0	\$ 0
Plan Fiduciary Net Position - Ending	\$ 0	\$ 0
Net OPEB Liability - Ending	\$ 1,593,203	\$ 1,803,856
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered-employee payroll	\$ 16,776,139	\$ 16,366,965
Net OPEB Liability as a Percentage of Covered-Employee Payroll	9.50%	11.02%
Notes to Schedule	10 fiscal years to be built prospectively	

SECTION THREE: ANNUAL REPORTING UNDER GASB STATEMENTS NOS. 74/75

The additional exhibits and information needed to comply with the GASB 75 disclosure requirements for the 2025 fiscal year end are included here.

NET OPEB LIABILITY AND RELATED RATIOS

Item	TRS	IMRF	Total
Total OPEB Liability	\$ 1,157,106	\$ 436,097	\$ 1,593,203
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	\$ 1,157,106	\$ 436,097	\$ 1,593,203
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%

GASB 74/75 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY

GASB Statements Nos. 74/75 requires a 10-year schedule of changes in the net OPEB liability. The statement provides that the required supplementary information should be presented for as many years for which information measured in conformity with the requirements of the Statement is available and that the schedules should not include information that is not measured in conformity with the requirements of the Statement.

The information prior to 2018 necessary to provide a schedule of changes in net OPEB liability measured in conformity with the requirements of GASB Statement No. 74 is not available. The 10-year schedule will be built prospectively.

Fiscal Year Ending 6/30	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as a % of Total OPEB Liability	Covered Employee Payroll	Net OPEB Liability as a % of Covered Payroll
2025	\$1,593,203	\$0	\$1,593,203	0.00%	\$16,776,139	9.50%
2024	1,803,856	0	1,803,856	0.00%	16,366,965	11.02%
2023	1,836,248	0	1,836,248	0.00%	15,009,475	12.23%
2022	1,965,709	0	1,965,709	0.00%	14,293,229	13.75%
2021	2,067,486	0	2,067,486	0.00%	14,733,066	14.03%
2020	2,211,659	0	2,211,659	0.00%	14,373,723	15.39%
2019	5,126,180	0	5,126,180	0.00%	14,079,363	36.41%
2018	4,915,105	0	4,915,105	0.00%	13,522,519	36.35%

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

GASB Statements Nos. 74/75 requires a disclosure of measures of the net OPEB liability calculated using

- a discount rate that is 1 percentage point higher than the discount rate used for the actuarial valuation; and
- a discount rate that is 1 percentage point lower than the discount rate used for the actuarial valuation.

The sensitivity of the net OPEB liability to changes in the Single Discount rate is presented in the below table. The table presents the plan's net OPEB liability, calculated using a Single Discount Rate of 5.20%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower or 1-percentage point higher:

SECTION THREE: ANNUAL REPORTING UNDER GASB STATEMENTS NOS. 74/75

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE (Continued)

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
TRS	\$1,215,409	\$1,157,106	\$1,101,415
IMRF	<u>458,071</u>	<u>436,097</u>	<u>415,108</u>
Total	\$1,673,480	\$1,593,203	\$1,516,523

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND

GASB Statements Nos. 74/75 requires a disclosure of measures of the net OPEB liability calculated using:

- healthcare trend rates that are 1 percentage point higher than the trend rates used for the actuarial valuation; and
- healthcare trend rates that are 1 percentage point lower than the trend rates used for the actuarial valuation.

	1% Decrease 5.25% Decr. to 4.00%	Current Trend Rates 6.25% Decr. to 5.00%	1% Increase 7.25% Decr. to 6.00%
TRS	\$1,124,842	\$1,157,106	\$1,190,977
IMRF	<u>423,937</u>	<u>436,097</u>	<u>448,863</u>
Total	\$1,548,779	\$1,593,203	\$1,639,840

TEN YEAR SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTIONS

GASB Statements Nos. 74/75 requires a schedule presenting a comparison of the actual employer contributions with the actuarially determined contributions over the past 10 fiscal years. The 10-year schedule is shown below.

Fiscal Year Ending 6/30	Actuarially Determined Contribution*	Employer Contribution in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Employer Contribution as a % of Covered Employee Payroll
2025	N/A	N/A	\$0	\$16,776,139	0.00%
2024	N/A	N/A	0	16,366,965	0.00%
2023	N/A	N/A	0	15,009,475	0.00%
2022	N/A	N/A	0	14,293,229	0.00%
2021	N/A	N/A	0	14,733,066	0.00%
2020	N/A	N/A	0	14,373,723	0.00%
2019	N/A	N/A	0	14,079,363	0.00%
2018	N/A	N/A	0	13,522,519	0.00%

* Pay-as-you-go

SECTION THREE: ANNUAL REPORTING UNDER GASB STATEMENTS NOS. 74/75

Financial Reporting Under GASB 74/75 OPEB Expense Fiscal Year Ending June 30, 2025

Fiscal Year Ending	6/30/2025	6/30/2024
<u>Expense</u>		
Service Cost	\$ 62,598	\$ 63,067
Administrative Expense	0	0
Interest on the Total OPEB Liability	66,892	65,892
Current-Period Benefit Changes	0	0
Employee Contributions	0	0
Projected Earnings on Plan Investments	0	0
Other Changes in Plan Fiduciary Net Position	0	0
Recognition of Outflow (Inflow) of Resources due to Liabilities	25,613	33,762
Recognition of Outflow (Inflow) of Resources due to Assets	0	0
Total OPEB Expense	\$ 155,103	\$ 162,721
<u>Reconciliation of Net OPEB Liability</u>		
Net OPEB Liability Beginning of Year	\$ 1,803,856	\$ 1,836,248
OPEB Expense	155,103	162,721
Employer Contributions	(237,849)	(258,377)
Deferred Investment Experience (inflows)/outflows	0	0
Deferred Liability Experience (inflows)/outflows	(27,173)	66,267
Deferred Assumption Changes (inflows)/outflows	(100,734)	(3,003)
Net OPEB Liability End of Year	\$ 1,593,203	\$ 1,803,856

SECTION THREE: ANNUAL REPORTING UNDER GASB STATEMENTS NOS. 74/75

OPEB Expense Fiscal Year Ending June 30, 2025 Schedule of Outflows and Inflows of Resources

A. Change in Outflows and (Inflows) of Resources during Current Plan Year				
Experience (Gain) / Loss	Initial Balance	Amortization Factor	Amortization	Balance at End of Year
1. Difference between expected and actual non-investment experience	\$ 0	12.5525	\$ 0	\$ 0
2. Assumption Changes	(102,294)	12.5525	(8,149)	(94,145)
3. Difference between expected and actual investment earnings	0	5.0000	0	0
4. Total	\$ (102,294)		\$ (8,149)	\$ (94,145)

B. Outflows and Inflows of Resources by Source to be recognized in Current OPEB Expense			
	Outflows of Resources	Inflows of Resources	Net Outflows (Inflows) of Resources
1. Difference between expected and actual non-investment experience	\$ 27,173	\$ 0	\$ 27,173
2. Assumption Changes	17,105	(18,665)	(1,560)
3. Difference between expected and actual investment earnings	0	0	0
4. Total	\$ 44,278	\$ (18,665)	\$ 25,613

C. Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future OPEB Expenses			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
1. Difference between expected and actual non-investment experience	\$ 243,891	\$ 0	\$ 243,891
2. Assumption Changes	92,040	(192,263)	(100,223)
3. Difference between expected and actual investment earnings	0	0	0
4. Total	\$ 335,931	\$ (192,263)	\$ 143,668

D. Deferred Outflows and Inflows of Resource by Year to be recognized in Future OPEB Expenses			
Year Ending	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources	
June 30			
2026	\$ 44,278	\$ (18,665)	
2027	44,278	(18,665)	
2028	44,278	(18,665)	
2029	44,278	(18,665)	
2030	37,492	(18,665)	
Thereafter	121,327	(98,938)	
Total	\$ 335,931	\$ (192,263)	

SECTION FOUR: SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Assumption Item	Annual Actuarial Valuation						
Actuarial Cost Method	The Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.						
Discount (Interest) Rate	A discount rate of 3.97% was used as of July 1, 2024 and 5.20% was used as of June 30, 2025.						
Salary Increase	Salaries are assumed to increase at the rate of 2.50% per annum.						
Monthly Health Plan Premium Costs (Blended)*	<u>Coverage</u>	<u>IMRF</u>		<u>TRS</u>			
		<u>PPO</u>	<u>HMO</u>	<u>MCP</u>	<u>TCHP (MCA)</u>	<u>TCHP (MCUA)</u>	
	EE Only	\$1,217.70	\$798.04	\$347.20	\$810.30	\$405.14	
	EE and SP	\$2,106.56	\$1,458.33	\$1,388.78	\$2,430.88	\$2,025.72	
	EE & CH	\$2,106.56	\$1,542.80	N/A	N/A	N/A	
Family	\$2,849.32	\$2,204.15	N/A	N/A	N/A		
	<i>* For valuation calculations, blended rates are adjusted to reflect the individual participant age through actuarial rate factors. The factors used are from the Society of Actuaries June 2013 report: "Health Care Costs – From Birth to Death"</i>						
Mortality	Base Rates: IMRF-PubG; TRS-PubT. Improvement Scale: MP2021FG						
Disability	Representative Disability rates by Age and Sex:						
	<u>Age</u>	<u>TRS</u>		<u>IMRF</u>			
		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>		
	25	0.0001	0.0003	0.0000	0.0000		
	35	0.0002	0.0006	0.0001	0.0000		
	45	0.0005	0.0010	0.0003	0.0001		
	55	0.0014	0.0020	0.0007	0.0003		
	65	0.0025	0.0030	0.0009	0.0006		
Withdrawal	Representative Withdrawal rates by Age, Sex and Service:						
	<u>TRS-Male</u>			<u>TRS-Female</u>			
	<u>Age</u>	<u>Less than 5 Years of Service</u>	<u>5 or More Years of Service</u>	<u>Age</u>	<u>Less than 5 Years of Service</u>	<u>5 or More Years of Service</u>	
	25	0.070	0.030	25	0.065	0.050	
	30	0.065	0.030	30	0.070	0.048	
	40	0.100	0.018	40	0.080	0.015	
	50	0.120	0.013	50	0.080	0.015	
	60	0.150	0.030	60	0.140	0.025	
	<u>IMRF</u>						
	<u>Service</u>	<u>Male</u>	<u>Female</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>	
	0	0.245	0.285	5	0.088	0.103	
	1	0.195	0.222	6	0.073	0.085	
	2	0.150	0.178	7	0.070	0.080	
	3	0.130	0.145				
	4	0.103	0.118				
				<u>8 or More YOS</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
					25	0.000	0.080
					35	0.035	0.058
					45	0.023	0.036
					55	0.015	0.025

SECTION FOUR: SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Assumption Item	Annual Actuarial Valuation					
Retirement	Representative Retirement rates by Age and Service:					
	TRS Tier 1					
		Years of Service				
	Age	5-18	19-29	30-31	32-33	34+
	55	0.00	0.07	0.08	0.40	0.45
	60	0.20	0.30	0.40	0.60	0.40
	65	0.25	0.40	0.45	0.50	0.40
	70	1.00	1.00	1.00	0.50	0.30
	TRS Tier 2					
		Years of Service				
	Age	9-18	19-30	31	32+	
	55	0.00	0.00	0.00	0.00	
	62	0.13	0.15	0.20	0.25	
	65	0.08	0.10	0.15	0.20	
	67	0.20	0.40	0.70	0.70	
70	1.00	1.00	1.00	1.00		
IMRF Tier 1						
Age	Reduced Early		Normal Retirement			
	Male	Female	Male	Female		
55	0.071	0.06	0.37	0.26		
56	0.071	0.06	0.28	0.20		
57	0.071	0.06	0.21	0.17		
58	0.071	0.06	0.21	0.17		
59	0.071	0.06	0.23	0.19		
60			0.13	0.11		
61			0.13	0.10		
62			0.21	0.18		
63			0.19	0.18		
64			0.18	0.17		
65			0.25	0.26		
66			0.31	0.28		
67			0.26	0.26		
68			0.24	0.22		
69			0.22	0.23		
70			0.22	0.23		
71			0.22	0.21		
72			0.19	0.21		
73			0.20	0.23		
74			0.21	0.21		
75			0.21	0.22		
76			0.21	0.22		
77			0.21	0.22		
78			0.21	0.22		
79			0.21	0.22		
80			1.00	1.00		

SECTION FOUR: SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Assumption Item	Annual Actuarial Valuation								
Retirement (cont.)	IMRF - Tier 2								
	Age	Reduced Early		Normal Retirement					
				Service Less Than 30 Years		Service Between 30-35 Years		Service 35 Years or More	
		Male	Female	Male	Female	Male	Female	Male	Female
62	0.15	0.13							
63	0.15	0.13							
64	0.15	0.13							
65	0.15	0.13							
66	0.15	0.13							
67			0.30	0.25	0.50	0.50	0.75	0.75	
68			0.30	0.25	0.50	0.50	0.75	0.75	
69			0.25	0.20	0.50	0.50	0.75	0.75	
70			0.20	0.18	0.50	0.50	0.75	0.75	
71			0.20	0.18	0.50	0.50	0.75	0.75	
72			0.20	0.18	0.50	0.50	0.75	0.75	
73			0.18	0.18	0.50	0.50	0.75	0.75	
74			0.18	0.18	0.50	0.50	0.75	0.75	
75			0.18	0.18	0.50	0.50	0.75	0.75	
76			0.18	0.18	0.50	0.50	0.75	0.75	
77			0.18	0.18	0.50	0.50	0.75	0.75	
78			0.18	0.18	0.50	0.50	0.75	0.75	
79			0.18	0.18	0.50	0.50	0.75	0.75	
80			1.00	1.00	1.00	1.00	1.00	1.00	
Participation	100% of TRS employees eligible for a District Stipend were assumed to participate in the plan.								
	100% of all other employees currently enrolled in medical plans were assumed to participate in the plan.								
	33-1/3% of employees who waived coverage were assumed to participate in the plan at retirement.								
Plan Election	IMRF-100% of employees were assumed to continue in their current medical plan (HMO or PPO) at retirement through Medicare eligibility; 100% of retirees were assumed to continue in their medical plan through Medicare eligibility.								
	TRS Employees-100% of employees were assumed to receive the District Stipend to pay for TRIP medical coverage at retirement through Medicare eligibility, with assumed election percentages: MCP-27%, TCHP(MCA)-60%, TCHP(MCUA)-13%								
	TRS Grandfathered Retirees-100% of retirees were assumed to continue in their current medical plan through Medicare eligibility (MCP, TCHP (MCA) or TCHP (MCUA)).								
Spouse Information	50% of employees were assumed to have participating spouses. Females were assumed to be three years younger than males.								

SECTION FOUR: SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Assumption Item	Annual Actuarial Valuation		
Health Care Cost Inflation Rates	<u>Period</u>	<u>Medical</u>	<u>Dental</u>
	2024	6.25%	3% per Year
	2025	6.00%	
	2026	5.75%	
	2027	5.50%	
	2028	5.25%	
	2029 and After	5.00%	

SECTION FIVE: PARTICIPANT DATA

PARTICIPANT SUMMARY AS OF JUNE 30, 2024

Status	TRS	IMRF	Total
Active Participants	130	53	183
Retired Participants	11	3	14
Total	141	56	197

SECTION FIVE: PARTICIPANT DATA

ACTIVE PARTICIPANT AGE AND SERVICE DISTRIBUTIONS AS OF JUNE 30, 2024

TRS

Age Group	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20										0
20 - 24	3									3
25 - 29	12	3								15
30 - 34	7	1								8
35 - 39	12	6	5							23
40 - 44	2	10	5	6	1					24
45 - 49	2	6	5	7	8	2				30
50 - 54	3	1		2	7	5				18
55 - 59			1		1	1	4			7
60 - 64	1				1					2
65 & Over										0
Total	42	27	16	15	18	8	4	0	0	130

Average Age: 42.67 years
 Average Length of Service: 11.75 years

IMRF

Age Group	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20										0
20 - 24	1									1
25 - 29	6	1								7
30 - 34		2								2
35 - 39	3			1						4
40 - 44	4									4
45 - 49	1	2								3
50 - 54	1	2		1						4
55 - 59	3	3	1	2	1		1			11
60 - 64	4	1	1	1	1	1				9
65 & Over	1	1	1		2	3				8
Total	24	12	3	5	4	4	1	0	0	53

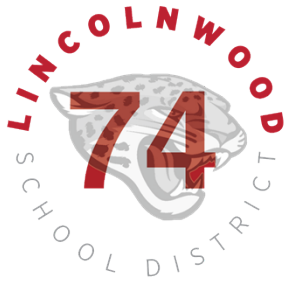
Average Age: 50.76 years
 Average Length of Service: 9.43 years

SECTION SIX: SUMMARY OF PRINCIPAL PLAN PROVISIONS

Item	Provision														
Eligibility	<p>Full-Time Employees - IMRF (Cafeteria, Custodian, Support, Admin and Teacher Aide) Full-Time Employees - TRS (Teacher and Special Teacher)</p> <p><u>IMRF Tier 1:</u> Normal Retirement: Age 55 and 35 years of service; or Age 60 and 8 years of service. Early Retirement: Age 55 and 8 years of service. Age 55 and 30 years of service.</p> <p><u>IMRF Tier 2:</u> Normal Retirement: Age 62 and 35 years of service; or Age 67 and 10 years of service. Early Retirement: Age 62 and 10 years of service. Age 62 and 30 years of service.</p> <p><u>TRS (Teacher and Special Teacher):</u> 15 years of service in District 74; and</p> <p><u>TRS Tier 1:</u> Normal Retirement: Age 55 and 35 years of service; or Age 60 and 10 years of service; or Age 62 and 5 years of service. Early Retirement: Age 55 and 20 years of service.</p> <p><u>TRS Tier 2:</u> Normal Retirement: Age 67 and 10 years of service. Early Retirement: Age 62 and 10 years of service.</p>														
Coverage and Benefits	<p><u>Medical/Prescription Coverage</u> IMRF: PPO or HMO TRS: Managed Care Plan (MCP), TCHP (MCA) or TCHP (MCUA)</p> <p style="text-align: center;"><i><u>Retirees - IMRF</u></i></p> <p><u>Pre-65 Medical Coverage</u> For those employees who had ten years of service with the District as of June 1, 2011 and have been a full-time employee with the District for at least the following periods:</p> <table border="1" data-bbox="602 1428 1310 1507"> <tr> <td>Age</td> <td>55</td> <td>56</td> <td>57</td> <td>58</td> <td>59</td> <td>60</td> </tr> <tr> <td>Years</td> <td>20</td> <td>19</td> <td>18</td> <td>17</td> <td>16</td> <td>15</td> </tr> </table> <p>The District will pay the same rate as is available to active employees for single or family premium coverage given the employee had such coverage at time of retirement. The current rate for active employees is approximately 30% and the District pays the remaining percentage (approximately 70%).</p> <p>For those employees who did not have ten years of service to the District as of June 1, 2011, the employer contribution for insurance coverage for retired support personnel shall be at the same rate as is available to active employees for single premium coverage.</p>	Age	55	56	57	58	59	60	Years	20	19	18	17	16	15
Age	55	56	57	58	59	60									
Years	20	19	18	17	16	15									

SECTION SIX: SUMMARY OF PRINCIPAL PLAN PROVISIONS

Item	Provision
<p>Coverage and Benefits (cont.)</p>	<p><u>Post-65 Medical Coverage</u> Retirees are not allowed to remain on the District insurance once Medicare eligible.</p>
	<p style="text-align: center;"><u>Retirees - TRS</u></p>
	<p><u>Pre-65 Medical Coverage</u> Retirees are not allowed to remain on the District insurance and must seek outside coverage such as that offered through TRIP.</p>
	<p>The District will pay one of the below benefits for any teacher who has retired through TRS and who has been a full-time employee with the District for at least 15 years at the time of retirement:</p>
	<p>1. Single premium cost for TRIP insurance, up to a maximum of \$5,000 annually until the retiree becomes Medicare-eligible; or</p>
	<p>2. A lump sum payment of \$35,000 to be paid in January following the year in which the teacher retired.</p>
	<p>There may be current retirees who were grandfathered into the District paying 100% of the premium for single, spousal or family coverage - dependent on if the employee had this coverage level at the time of retirement - for any of the TRIP or TRAIL plans.</p>
	<p>Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage at no additional cost to the District.</p>
	<p><u>Post-65 Medical Coverage</u> Retirees are not allowed to remain on the District insurance and must seek outside coverage such as that offered through TRIP or TRAIL. The District does not pay for any portion of premium costs once the retiree is Medicare-eligible.</p>
	<p><u>Dental and Life Coverage</u></p>
<p>Types of Coverage: Dental and Life Insurance (\$50K for Teaching Staff, \$150K for Administrators and Varies for Superintendent).</p>	
<p style="text-align: center;"><u>Retirees - IMRF</u></p>	
<p>Retiree pays the same rate as actives for the cost of dental coverage. The current rate for active employees is 15% and the District pays the remaining 85%. Coverage ends once the retiree is Medicare-eligible.</p>	
<p>Retirees are not eligible for life insurance coverage.</p>	
<p style="text-align: center;"><u>Retirees - TRS</u></p>	
<p>Retirees are not eligible for dental or life insurance coverage.</p>	
<p>There may be current retirees who were grandfathered into the following benefit: If the employee had dental insurance and life insurance at the time of retirement, the District will pay 100% of the premium until age 65 for either single or family coverage - dependent on what level the employee had at the time of retirement.</p>	



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: 2025 Levy

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Background:

The Administration annually presents the Board of Education with the Property Tax Levy. Essentially, the levy is a formal request intended to ask the Cook County Clerk to extend real estate tax collections to the District. The levy must be filed with Cook County on or before the last Tuesday in December which will be December 30, 2025.

As of November 12, 2025 the Cook County Clerk's website continues to display a DRAFT of the 2024 SD74 Agency Tax Rate Report which indicates the extension amounts used to calculate the percentage changes on the 2025 levy.

Public Act 102-0895 requires each school district to "disclose to the public, at the public hearing at which the district certifies its budget and levy for the taxable year, the cash reserve balance of all funds held by the district related to its operational levy and, if applicable, any obligations secured by those funds" (105 ILCS 5/17-1.3). This fund balance statement is part of the following attachments:

2025 Levy Calendar and Cook County Levy Cycle

Historical levy data

2025 levy calculations

SD74's June 30, 2025 Fund Balance Statement with Cash Balances (as stated on the Adopted FY2026 Budget)

SD74's September, 2025 Fund Balance Statement with Cash Balances

Legal Notice published in the Lincolnwood Review on November 20, 2025 (not necessary but completed)

Resolution Authorizing Final Aggregate Tax Levy for the Year 2025

Continued...

Certificate of Tax Levy

Secretary’s Certificate of Final Levy

Truth-in-Taxation Law: Certificate of Compliance of Final Levy 2025

Resolution Authorizing Life Safety Levy WITH Secretary’s Certificate Authorizing Life Safety

Fiscal Impact:

The recommended 2025 Levy for Capped Funds in the amount of \$28,095,000 and Non-capped Debt Service Funds in the amount of \$1,418,350 is estimated as follows:

	2024 Extension (DRAFT)	2025 Estimated Levy Draft	% Change v. Prior Year Extension
Capped Funds	\$27,304,202.66	\$28,095,000	+2.90 % Truth in Taxation not required (<5%)
Non-Capped Debt Service	\$1,485,012.14	\$1,418,350	- 4.49 %
Total	\$28,789,214.80	\$29,513,350	+2.52 %

Recommendation:

The Finance Committee concurs with the Administration to recommend to the Board of Education to adopt the 2025 Levy by approving the following:

- Resolution Authorizing Final Aggregate Tax Levy for the Year 2025
- Certificate of Tax Levy including Secretary’s Certificate
- Resolution Authorizing Life Safety Levy including Secretary’s Certificate



2025 Levy

Finance Committee Meeting
November 20, 2025

Levy 2025 Calendar

Dates	Events	Tasks
September 18	Finance Committee Meeting	Discuss Draft of 2025 Levy
October 23	Finance Committee Meeting	Reach consensus on 2025 tax levy for November's Board Of Education meeting
November 6	Board of Education Meeting	Adopt Estimated 2025 Tax Levy by Resolution; approval to publish the corresponding Notice
November 20	Publish Notice of Proposed Property Tax Increase (Not Required)	Send Notice to <i>Lincolnwood Review</i> for a <i>NOV 20 publication date</i>
November 20	Finance Committee Meeting	Final Levy Review
December 4	Board of Education Meeting w/ Public Hearing	Adopt Final 2025 Levy
December 5	Upload Levy on Cook County Clerk's Website	Submit Adopted Levy to Cook County Clerk before the 12/30/2025 deadline

Cook County Levy Cycle

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2025			Spring Collection of 2024 Taxes (55% of 2023 Extension)			FY25 Ends	FY26 Starts	Summer Collection of 2024 Taxes (2024 Extension - Spring Collection)			X	File 2025 Levy-Impacts 2025 Tax Bills Paid in 2026
2026			Spring Collection of 2025 Taxes (55% of 2024 Extension)			FY26 Ends	FY27 Starts	Summer Collection of 2025 Taxes (2025 Extension - Spring Collection)				File 2026 Levy-Impacts 2026 Tax Bills Paid in 2027
2027			Spring Collection of 2026 Taxes (55% of 2025 Extension)			FY27 Ends	FY28 Starts	Summer Collection of 2026 Taxes (2026 Extension - Spring Collection)				File 2027 Levy-Impacts 2026 Tax Bill Paid in 2027

As of November 12th, the August Collection of 2024 Taxes has not yet occurred

2024 Levy Review: Capped Funds Results

Capped Funds	2024 Levy (Ask)	*Extension (Given)	Dollar Delta	Percent Delta
Educational	\$22,549,000	\$22,803,046	\$254,046	1.13%
Special Ed.	\$500,000	\$505,632	\$5,632	1.13%
Op. & Maint.	\$2,155,000	\$2,179,282	\$24,282	1.13%
Transportation	\$1,050,000	\$1,061,830	\$11,830	1.13%
IMRF	\$45,000	\$45,511	\$511	1.13%
Social Security	\$350,000	\$353,941	\$3,941	1.13%
Working Cash	\$1,000	\$1,013	\$13	1.28%
Tort Immunity	\$140,000	\$141,580	\$1,580	1.13%
Health Life Safety	\$210,000	\$212,369	\$2,369	1.13%
Total Capped	\$27,000,000	\$27,304,203	\$304,203	1.13%

*According to the Cook County Clerk's Agency Tax Rate Report DRAFT released 8/27/2025 then updated 9/4/2025

2024 Levy Review: Non-Capped Funds Results

Non-Capped Funds	2024 "Levy"	*Extension (Given)	<i>Dollar Delta</i>	<i>Percent Delta</i>
Debt: Bonds' P&I	\$1,414,300	\$1,485,012	\$70,712	5.00%
Levy Adj. PA102-0519	\$0	\$372,081	\$372,081	N/A
Total Non-Capped	\$1,414,300	\$1,857,093	\$442,793	31.31%

*According to the Cook County Clerk's Agency Tax Rate Report DRAFT released 8/27/2025 then updated 9/4/2025

Historical Tax Extensions and Estimated 2025 Levy

Lincolnwood School District 74

Equalized Assessed Value	2019 Actual/Tri	2020 Actual	2021 Actual	2022 Actual/Tri	2023 Actual	2024 Actual	2025 Draft/Tri	Equalized Assessed Value
Existing EAV	689,272,436	693,801,908	688,651,634	802,391,603	822,794,014	821,944,355	889,297,856	Est. +8.0% on 2024 EAV
New/Growth/TIF	970,415	44,133,915	970,812	1,836,523	3,297,823	1,479,586	1,500,000	Est. New/Growth/TIF
Total EAV	690,242,851	737,935,823	689,622,446	804,228,126	826,091,837	823,423,941	890,797,856	Estimated Total 2025 EAV

Historical Data	2019 Actual/Tri	2020 Actual	2021 Actual	2022 Actual/Tri	2023 Actual	2024 Actual	2025 Draft/Tri	Tax Levy Percent
Consumer Price Index	1.9%	2.3%	1.4%	7.0%	6.5%	3.4%	2.9%	Consumer Price Index (CPI-U)
EAV v. Prior Yr. EAV	4.9%	0.5%	-6.7%	16.4%	2.3%	-0.5%	8.0%	Projected EAV v. Prior Yr. EAV
New/Growth v. Existing EAV	0.1%	6.4%	0.1%	0.2%	0.4%	0.2%	0.2%	New/Growth v. Projected EAV

Tax Rate	2019 Actual/Tri	2020 Actual	2021 Actual	2022 Actual/Tri	2023 Actual	2024 Actual	2025 Draft/Tri	Estimated Tax Levy Rate
Educational	2.5663	2.5780	2.7507	2.5652	2.6623	2.7693	2.6411	Educational
Special Ed	0.0457	0.0473	0.0521	0.0476	0.0493	0.0614	0.0584	Special Ed
Op. & Maintenance	0.3047	0.3072	0.3372	0.2502	0.2595	0.2647	0.2470	Operations and Maintenance
Transportation	0.0656	0.0763	0.1158	0.1252	0.1294	0.1290	0.1235	Transportation
Municipal Retirement	0.0266	0.0255	0.0290	0.0188	0.0124	0.0055	0.0073	Municipal Retirement
Social Security	0.0440	0.0477	0.0579	0.0438	0.0370	0.0430	0.0418	Social Security
Working Cash	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	Working Cash
Tort Immunity	0.0115	0.0161	0.0323	0.0263	0.0246	0.0172	0.0112	Tort Immunity
Life Safety	0.0682	0.0706	0.0680	0.0302	0.0154	0.0258	0.0236	Life Safety
Sub-Total Capped Funds	3.133	3.169	3.443	3.107	3.190	3.316	3.154	Sub-Total Capped Funds
One-Time PA 102-0519 Adj.			0.0437	0.0520	0.0262	0.0452		
Debt Service/Bonds	0.2490	0.2328	0.2637	0.2260	0.2260	0.1803	0.1592	Debt Service Bond & Interest
Total Tax Rate	3.382	3.402	3.751	3.385	3.442	3.541	3.313	Estimated Total Tax Rate

Tax Extension	2019 Actual/Tri	2020 Actual	2021 Actual	2022 Actual/Tri	2023 Actual	2024 Actual	2025 Draft/Tri	Tax Levy (The Ask)
Educational	17,713,702	19,024,100	18,969,444	20,630,059	21,993,042	22,803,046	23,527,000	Educational
Special Ed	315,440	349,230	359,293	382,812	407,263	505,632	520,000	Special Ed
Op. & Maintenance	2,103,169	2,266,659	2,325,406	2,012,178	2,143,708	2,179,282	2,200,000	Op. & Maintenance
Transportation	452,799	563,103	798,582	1,006,893	1,068,962	1,061,830	1,100,000	Transportation
Municipal Retirement	183,604	187,822	199,990	151,194	102,435	45,511	65,000	Municipal Retirement
Social Security	303,706	351,688	399,291	352,251	305,653	353,941	372,000	Social Security/Medicare
Working Cash	690	764	689	804	826	1,013	1,000	Working Cash
Tort Immunity	79,377	118,780	222,748	211,511	203,218	141,580	100,000	Tort Immunity
Life Safety	470,745	521,172	468,943	242,876	127,218	212,369	210,000	Life Safety
Sub-Total Cap. Extension	21,623,232	23,383,318	23,744,386	24,990,578	26,352,325	27,304,203	28,095,000	Sub-Total Capped Funds
Current vs. Prior Capped	2.05%	8.14%	1.54%	5.25%	5.45%	3.61%	2.90%	Levy vs. Prior Capped Ext.
P.A. 102-0519 Adj.			301,310	418,279	216,791	372,081	Unknown	
Debt Service/Bonds	1,718,705	1,717,915	1,818,589	1,817,475	1,817,235	1,485,012	1,418,350	Debt Service Bond & Interest
Total Tax Extension	23,341,937	25,101,233	25,864,285	27,226,332	28,386,351	29,161,295	29,513,350	Total Levy 2025 Draft
Rounded Decimal	2,077	3,344	3,453	4,832	6,425	0	0	
Extension Grand Total	23,344,013	25,104,577	25,867,738	27,231,164	28,392,776	29,161,295		

2024 Levy Review: Overall Results

All SD74 Funds	2024 Levy (Ask)	*Extension (Given)	<i>Dollar Delta</i>	<i>Percent Delta</i>
Capped Funds	\$27,000,000	\$27,304,203	\$304,203	1.13%
Non-Capped Funds	\$1,414,300	\$1,857,093	\$442,793	31.31%
Round-Off Decimal	\$0	\$0	\$0	
Overall	\$28,414,300	\$29,161,295	\$746,995	2.63%

*According to the Cook County Clerk's Agency Tax Rate Report DRAFT released 8/27/2025 then updated 9/4/2025

LEVY INPUT PAGE - ASSUMPTIONS

Legend

District Assumptions & Data Entry
Calculated Values
Review Needed

Tax Levy Year

District Name *Enter District Name*

District Number *Enter District Number*

Aggregate or County 1 *Enter County 1 Name or Enter "Aggregate" to enter Aggregate Extension Below*

County 2 *Enter County 2 Name to Itemize County Extension Below*

County 3 *Enter County 3 Name to Itemize County Extension Below*

County 4 *Enter County 4 Name to Itemize County Extension Below*

Fill out County names as needed - leave other boxes blank

PTELL - Tax Capped *Choose Yes or No*

Cook County Prior Year EAV Limit *Choose Yes or No*

Critical Assumptions - Formulas in this workbook are dependent on assumptions entered for PTELL & Cook County questions

Original Tax Levy Certificate

Amended Tax Levy Certificate

Enter "x" in one box only

Lesser of 5% or Consumer Price Index *Lesser of 5% or CPI for Year Ending 2024, Applies to the 2025 Levy*

Actual Rate Setting EAV for 2024 *Enter Actual Rate Setting EAV for 2024*

Estimated Existing EAV % Change for 2025 *Enter Reassessment Percentage Before New Property*

Estimated New Property for 2025 *Enter Estimated New Property*

Triennial Reassessment Cycle
 North Suburbs - 2025
 South & West Suburbs - 2026
 City of Chicago - 2027

Estimated Total EAV for 2025 *Includes New Property*

Total % Change From Prior Year *Includes New Property*

No. of Tax Levied Bond Issues Outstanding *Flow-through to Certificate of Tax Levy, Verify Records with County Clerk(s)*

Note, do not include the amount of PTAB revenue recapture added to the extension pursuant to Public Act 102-0519.

	Input Statutory Maximum Tax Rate	Total 2024 Extension for all Counties	Input 2024 Cook County Extension
Educational		\$22,803,046.26	22,803,046.26
Operations & Maintenance	0.55	\$2,179,282.04	2,179,282.04
Transportation		\$1,061,829.87	1,061,829.87
Working Cash	0.05	\$1,012.81	1,012.81
Municipal Retirement		\$45,510.64	45,510.64
Social Security		\$353,940.55	353,940.55
Fire Prevention & Safety *	0.10	\$212,369.27	212,369.27
Tort Immunity		\$141,579.51	141,579.51
Special Education	0.40	\$505,631.71	505,631.71
Leasing		\$0.00	
Custom Fund Name		\$0.00	

Total Capped Extension for 2024

SEDOL IMRF (Lake County Only)

Bond and Interest Extension for 2024

Total 2024 Extension *Include Abatements for Truth in Taxation (35 ILCS 200/18-70)
 This Includes Abatements for the Property Tax Relief Grant*

* Includes Fire Prevention, Safety, Energy Conservation, Disabled Accessibility, School Security, and Specified Repair Purposes.

2025 LEVY CALCULATION PAGE

Original Assumptions

Consumer Price Index	2.90%
Actual Total EAV for 2024	\$823,423,941

Legend

District Assumptions & Data Entry
Calculated Values
Review Needed

Limiting Rate: **(Prior Year Extension x (1+Lesser of 5% or CPI))**
 (Total EAV - New Property)

Estimated Existing EAV % change for 2025	8.00%
Estimated Existing EAV Value for 2025	\$889,297,856

Estimated New Property for 2025	\$1,500,000
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Limiting Rate	3.1593
Estimated Capped Extension	\$28,143,414.77

Estimated Total EAV for 2025	\$890,797,856	<i>Includes New Property</i>
Estimated Total EAV % change for 2025	8.18%	<i>Includes New Property</i>

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension using Prior Year EAV	Weighted Extension Based on Prior Year Extension	Levy Amount \$	Levy Increase %	Final Levy Amount
	Educational	\$22,803,046.26			\$23,503,912.46	\$23,527,000	
Operations & Maintenance	\$2,179,282.04	0.55	\$4,537,081.68	\$2,246,263.67	\$2,200,000		\$2,200,000.00
Transportation	\$1,061,829.87			\$1,094,465.89	\$1,100,000		\$1,100,000.00
Working Cash	\$1,012.81	0.05	\$412,461.97	\$1,043.94	\$1,000		\$1,000.00
Municipal Retirement	\$45,510.64			\$46,909.44	\$65,000		\$65,000.00
Social Security	\$353,940.55			\$364,819.14	\$372,000		\$372,000.00
Fire Prevention & Safety *	\$212,369.27	0.10	\$824,923.94	\$218,896.58	\$210,000		\$210,000.00
Tort Immunity	\$141,579.51			\$145,931.05	\$100,000		\$100,000.00
Special Education	\$505,631.71	0.40	\$3,299,695.76	\$521,172.62	\$520,000		\$520,000.00
Leasing	\$0.00	0.00	\$0.00	\$0.00	\$0.00		\$0.00
	\$0.00	0.00	\$0.00	\$0.00	\$0.00		\$0.00

Capped Extension	\$27,304,202.66
------------------	-----------------

\$28,143,414.77

Capped Levy	\$28,095,000.00	2.90%	NO
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Truth in Taxation

Levy Amount Below Estimated Extension	(\$48,414.77)
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SEDOL IMRF Extension	\$0.00
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Estimated SEDOL IMRF Levy \$0.00
 (Lake County Only, Included in Truth in Taxation Calculation)

SEDOL IMRF Levy	\$0.00
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Bond & Interest Extension	\$1,485,012.14
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Estimated Bond and Interest Levy \$1,418,350.00
 (County Clerk Levies Bond & Interest for the District, Verify Records with County Clerk)

Bond & Int. Levy	\$1,418,350.00	-4.49%
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Total Extension	\$28,789,214.80
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Total Levy	\$29,513,350.00	2.52%
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Capped 2025 Levy vs. Rough Draft of FY27 Expenses

Draft Levy 2025	<i>Proj. FY27 Exp. 4% add on FY26</i>	CAPPED Levy Funds	<i>FY26 Budget Exp.</i>	FY25 Expenditures	FY24 Expenditures
\$24,047,000	\$27,737,142	Ed/SpEd (10)	\$26,670,329	\$24,889,230	\$23,532,555
\$2,200,000	\$2,842,838	Op. & Maint. (20)	\$2,733,498	\$2,330,982	\$2,378,552
\$1,100,000	\$1,804,400	Transportation (40)	\$1,735,000	\$1,507,807	\$1,563,594
\$65,000	\$244,235	Municipal Ret. (51)	\$234,841	\$201,418	\$186,714
\$372,000	\$479,030	Social Security (52)	\$460,606	\$391,068	\$380,356
\$1,000	\$0	Working Cash (70)	\$0	\$0	\$0
\$100,000	\$208,000	Tort Immunity (80)	\$200,000	\$183,734	\$183,380
\$210,000	\$140,400	Life Safety (90)	\$135,000	\$1,853,565	\$1,422,409
\$28,095,000	\$33,456,045	Totals	\$32,169,274	\$31,357,804	\$29,647,560

Debt Service/Bonds (Non-Capped)

Lincolnwood School District 74
Series 2015, 2016, 2018 and 2021 Bond Issues
Debt Service By Levy Year

Levy Year	Series 2015 Debt Service	Series 2016 Debt Service	Series 2018 Debt Service	Series 2021 Debt Service	Capitalized Interest	District Contribution	Debt Service Levy
2020	889,700.00	164,100.00	582,600.00	110,622.78	(57,523.85)	(53,098.93)	1,636,400.00
2021	889,300.00	164,100.00	583,200.00	187,850.00	-	(92,760.39)	1,731,689.61
2022	890,600.00	164,100.00	583,200.00	187,850.00	-	(94,060.39) ⁽¹⁾	1,731,689.61
2023	891,150.00	164,100.00	177,600.00	497,850.00	-	-	1,730,700.00
2024	890,950.00	164,100.00	177,600.00	181,650.00	-	-	1,414,300.00
2025	-	1,059,100.00	177,600.00	181,650.00	-	-	1,418,350.00

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Series 2016 extends to Levy 2029, Series 2018 extends to Levy 2034, Series 2021 extends to Levy 2038

Other Considerations Relative to the 2025 Levy Figures

- CPI downward trend (current 2.9%; prior 3.4%; >5% two years ago)
- Anticipated \$1,500,000 use of the fund balance for Todd Hall renovations
- Uncertain future of Lincolnwood Town Center mall
- Costs associated with the recent LTA CBA
- Costs associated with the next LSSU CBA
- Energy costs combined with expiring electric & natural gas contracts
- New Administration, LTA and LSSU positions added in recent years to address students' needs
- Recent appearance of lower collection rates than typical for SD74
- Downward trends for Federal and State grant amounts, CPPRT, local fees holding steady

Lincolnwood School District 74

Fund Balances

Fiscal Year: 2024-2025

Month: June
 Year: 2025
 Fund Type:

Include Cash Balance
 FY End Report

<u>Fund</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Transfers</u>	<u>Fund Balance</u>	<u>Cash Balance</u>	<u>Variance</u>
10	EDUCATIONAL	\$16,430,579.03	\$25,817,638.89	(\$24,891,911.98)	\$0.00	\$17,356,305.94	\$17,485,965.08	(\$129,659.14)
20	OPERATIONS & MAINTENANCE	\$2,129,075.85	\$2,405,429.15	(\$2,330,982.25)	\$0.00	\$2,203,522.75	\$2,060,767.75	\$142,755.00
30	DEBT SERVICE	\$820,485.25	\$1,777,265.89	(\$1,717,250.00)	\$0.00	\$880,501.14	\$880,501.14	\$0.00
40	TRANSPORTATION	\$1,844,953.06	\$1,624,561.13	(\$1,507,806.75)	\$0.00	\$1,961,707.44	\$1,961,707.44	\$0.00
50	MUNICIPAL RETIREMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
51	IMRF	\$796,532.07	\$151,422.40	(\$201,418.18)	\$0.00	\$746,536.29	\$746,536.16	\$0.13
52	SOCIAL SECURITY AND MEDICARE	\$388,614.04	\$332,784.15	(\$391,067.81)	\$0.00	\$330,330.38	\$330,330.38	\$0.00
60	CAPITAL PROJECTS	\$5,878,829.57	\$372,034.77	(\$2,670,257.97)	\$0.00	\$3,580,606.37	\$3,717,465.11	(\$136,858.74)
70	WORKING CASH	\$604,360.19	\$22,497.97	\$0.00	\$0.00	\$626,858.16	\$626,858.16	\$0.00
80	TORT IMMUNITY	\$477,855.04	\$239,118.14	(\$183,734.00)	\$0.00	\$533,239.18	\$533,239.18	\$0.00
90	FIRE PREVENTION & SAFETY	\$1,813,795.36	\$177,999.72	(\$1,853,564.99)	\$0.00	\$138,230.09	\$138,230.09	\$0.00
99	LINCOLNWOOD SCHOOLS ACTIVITY FUN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,126.17	(\$19,126.17)
Grand Total:		\$31,185,079.46	\$32,920,752.21	(\$35,747,993.93)	\$0.00	\$28,357,837.74	\$28,500,726.66	(\$142,888.92)

End of Report

Lincolnwood School District 74

Fund Balances

Fiscal Year: 2025-2026

Month: September
 Year: 2025
 Fund Type:

Include Cash Balance
 FY End Report

<u>Fund</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Transfers</u>	<u>Fund Balance</u>	<u>Cash Balance</u>	<u>Variance</u>
10	EDUCATIONAL	\$17,574,445.00	\$1,564,562.07	(\$3,361,003.80)	\$0.00	\$15,778,003.27	\$15,684,357.59	\$93,645.68
20	OPERATIONS & MAINTENANCE	\$2,192,302.13	\$135,199.67	(\$644,876.45)	\$0.00	\$1,682,625.35	\$1,550,541.62	\$132,083.73
30	DEBT SERVICE	\$693,836.91	\$45,438.50	\$0.00	\$0.00	\$739,275.41	\$739,275.41	\$0.00
40	TRANSPORTATION	\$1,943,959.18	\$43,155.17	(\$303,461.23)	\$0.00	\$1,683,653.12	\$1,683,653.12	\$0.00
50	MUNICIPAL RETIREMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
51	IMRF	\$717,354.48	\$11,591.12	(\$47,660.70)	\$0.00	\$681,284.90	\$681,284.77	\$0.13
52	SOCIAL SECURITY AND MEDICARE	\$349,846.30	\$17,292.62	(\$71,108.06)	\$0.00	\$296,030.86	\$296,030.86	\$0.00
60	CAPITAL PROJECTS	\$3,580,606.37	\$58,052.97	(\$2,461,001.78)	\$0.00	\$1,177,657.56	\$1,165,948.08	\$11,709.48
70	WORKING CASH	\$626,938.38	\$3,088.17	\$0.00	\$0.00	\$630,026.55	\$630,026.55	\$0.00
80	TORT IMMUNITY	\$500,409.09	\$8,278.09	\$0.00	\$0.00	\$508,687.18	\$508,687.18	\$0.00
90	FIRE PREVENTION & SAFETY	\$178,139.90	\$6,042.31	(\$135,000.00)	\$0.00	\$49,182.21	\$49,182.21	\$0.00
99	LINCOLNWOOD SCHOOLS ACTIVITY FUN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,226.18	(\$19,226.18)
Grand Total:		\$28,357,837.74	\$1,892,700.69	(\$7,024,112.02)	\$0.00	\$23,226,426.41	\$23,008,213.57	\$218,212.84

End of Report

**Notice of Proposed Property Tax Increase for
Lincolnwood School District No. 74**

- I. A public hearing to approve a proposed property tax levy increase for Lincolnwood School District No. 74 for 2025 will be held on Thursday, December 4, 2025, at 7:00 p.m. at Village of Lincolnwood Council Chambers, 6900 N. Lincoln Avenue, Lincolnwood, Illinois 60712.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Dr. David Russo, Superintendent, 6950 N. East Prairie Road, Lincolnwood, Illinois 60712, telephone number 847-675-8234.

- II. The corporate and special purpose property taxes extended or abated for 2024 were \$27,304,202.66.

The proposed corporate and special purpose property taxes to be levied for 2025 are \$28,095,000. This represents a 2.90% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2024 were \$1,485,012.14.

The estimated property taxes to be levied for debt service and public building commission leases for 2025 are \$1,418,350.00. This represents a 4.49% decrease from the previous year.

- IV. The total property taxes extended or abated for 2024 were \$28,789,214.80.

The estimated total property taxes to be levied for 2025 are \$29,513,350.00. This represents a 2.52% increase over the previous year.

Please note: This Notice must appear not more than 14 days nor less than 7 days prior to the date of the public hearing. The Notice shall be no less than 1/8 page in size. The smallest type used shall be 12 point and shall be enclosed in a black border no less than 1/4 inch wide. The Notice shall not be placed in the portion of the newspaper where legal notices and classified advertisements appear.

**RESOLUTION AUTHORIZING FINAL AGGREGATE TAX
LEVY FOR THE YEAR 2025**

WHEREAS, the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois (“the Board of Education”), is empowered to levy a tax on the real property within the Lincolnwood School District No. 74, Cook County, Illinois (“the School District”); and

WHEREAS, the Board of Education previously estimated the property taxes to be levied for 2025 and based on said estimate and the aggregate levy adopted below, no notice or public hearing are required under the *Truth in Taxation Law*.

WHEREAS, the District has disclosed to the public the cash reserve balance of all funds held by the District related to its operational levies and, if applicable, any obligations secured by those funds, at the hearing prior to the adoption of this levy for tax year 2025.

NOW, THEREFORE, Be It Resolved by the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, as follows:

Section 1: The aggregate property taxes to be levied for 2025, exclusive of debt service levies and levies made for the purpose of paying amounts due under public building commission leases, shall be as set forth in the Certificate of Tax Levy attached hereto and incorporated herein as Exhibit 1.

Section 2: The Secretary of the Board, or designee, is authorized and directed to file with the Clerk of Cook County on or before the last Tuesday in December 2025: a copy of this resolution, including Exhibit 1; a copy of the Truth in Taxation Law Certification of Compliance of Tax Levy; and any other additional levies, and resolutions authorizing such additional levies, adopted by the Board of Education for 2025.

Section 3: All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby repealed, and this Resolution shall be in full force and effect immediately and forthwith upon its passage.

ADOPTED this 4th day of December, 2025, by a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

President, Board of Education

ATTEST:

Secretary, Board of Education

Original:
Amended:

ILLINOIS STATE BOARD OF EDUCATION
School Business and Support Services Division
(217) 785-8779

CERTIFICATE OF TAX LEVY

A copy of this Certificate of Tax Levy shall be filed with the County Clerk of each county in which the school district is located on or before the last Tuesday of December.

Table with 3 columns: District Name (Lincolnwood), District Number (74), County (Cook)

Amount of Levy

Table listing various levy categories and amounts: Educational (\$23,527,000), Operations & Maintenance (\$2,200,000), Transportation (\$1,100,000), Working Cash (\$1,000), Municipal Retirement (\$65,000), Social Security (\$372,000), Fire Prevention & Safety (\$210,000), Tort Immunity (\$100,000), Special Education (\$520,000), Leasing (\$0), Other (\$0), Total Levy (\$28,095,000)

* Includes Fire Prevention, Safety, Energy Conservation, Disabled Accessibility, School Security, and Specified Repair Purposes.

See explanation on reverse side.
Note: Any district proposing to adopt a levy must comply with the provisions set forth in the Truth in Taxation Law.

We hereby certify that we require:

the sum of 23,527,000 dollars to be levied as a special tax for educational purposes; and
the sum of 2,200,000 dollars to be levied as a special tax for operations and maintenance purposes; and
the sum of 1,100,000 dollars to be levied as a special tax for transportation purposes; and
the sum of 1,000 dollars to be levied as a special tax for a working cash fund; and
the sum of 65,000 dollars to be levied as a special tax for municipal retirement purposes; and
the sum of 372,000 dollars to be levied as a special tax for social security purposes; and
the sum of 210,000 dollars to be levied as a special tax for fire prevention, safety, energy conservation, disabled accessibility, school security and specified repair purposes; and
the sum of 100,000 dollars to be levied as a special tax for tort immunity purposes; and
the sum of 520,000 dollars to be levied as a special tax for special education purposes; and
the sum of 0 dollars to be levied as a special tax for leasing of educational facilities or computer technology or both, and temporary relocation expense purposes; and
the sum of 0 dollars to be levied as a special tax for _____; and
the sum of 0 dollars to be levied as a special tax for _____
on the taxable property of our school district for the year 2025

Signed this 4th day of December 2025.
(_____)
(_____)
(Clerk or Secretary of the School Board of Said School District)

When any school is authorized to issue bonds, the school board shall file a certified copy of the resolution in the office of the county clerk of each county in which the district is situated to provide for the issuance of the bonds and to levy a tax to pay for them. The county clerk shall extend the tax for bonds and interest as set forth in the certified copy of the resolution, each year during the life of the bond issue. Therefore to avoid a possible duplication of tax levies, the school board should not include a levy for bonds and interest in the district's annual tax levy.

Number of bond issues of said school district that have not been paid in full 3

(Detach and Return to School District)

This is to certify that the Certificate of Tax Levy for School District No. 74, Cook County, Illinois, on the equalized assessed value of all taxable property of said school district for the year 2025 was filed in the office of the County Clerk of this County on 2025.

In addition to an extension of taxes authorized by levies made by the Board of Education (Directors), an additional extension(s) will be made, as authorized by resolution(s) on file in this office, to provide funds to retire bonds and pay interest thereon. The total levy, as provided in the original resolution(s), for said purposes for the year 2025, is \$ _____.

(_____)
(Date)
(_____)
(Signature of County Clerk)
(_____)
(County)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

SECRETARY’S CERTIFICATE

FINAL LEVY

I, John Vranas , the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, and that, as such official, I am the keeper of the records and files of the Board of Education of said School District.

I do further certify that the foregoing Resolution Authorizing the Final Aggregate Tax Levy for the Year 2025, including the Certificate of Tax Levy attached thereto, is the true, correct, and complete copy of said Resolution as adopted by the Board of Education of said School District at a meeting held on the 4th day of December 2025,

IN WITNESS WHEREOF, I hereunto affix my official signature this 4th day of December, 2025.

Secretary
Board of Education
Lincolnwood School District No. 74
Cook County, Illinois

STATE OF ILLINOIS)
)
COUNTY OF COOK) ss.

TRUTH-IN-TAXATION LAW

**CERTIFICATE OF COMPLIANCE
OF FINAL LEVY 2025**

As the undersigned, President of the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, I hereby certify that I am President and presiding officer of the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, and, as such presiding officer, I certify that the Resolution Authorizing Final Aggregate Tax Levy, a copy of which is appended hereto, was adopted pursuant to, and in all respects compliant with, the applicable provisions of Sections 18-60 through 18-85 of the *Truth in Taxation Law* (35 ILCS 200/18-55 *et seq.*), and that:

1. The notice and hearing requirements of Sections 18-70, 18-75 and 18-80 required for an estimated aggregate levy exceeding the prior year's aggregate levy extension, including abatements prior to extension, by more than 105% were ***inapplicable***.
2. The notice and hearing requirements of Section 18-72 required for intent to amend the Board's certificate of tax levy were ***inapplicable***.
3. The notice requirement of Section 18-85 required for a final aggregate levy adopted in excess of the estimated aggregate levy were ***inapplicable***.

President, Board of Education

Date: _____

RESOLUTION AUTHORIZING LIFE SAFETY LEVY

WHEREAS, pursuant to Section 17-2.11 of the *School Code*, the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois (“the Board of Education”), is empowered to levy a tax on the real property within the Lincolnwood School District No. 74, Cook County, Illinois (“the School District”), for authorized Fire Prevention and Safety (“Life Safety”) Fund purposes, whenever lawful Life Safety projects (including certified architect’s or engineer’s estimates) have been approved and ordered by the applicable regional superintendent and State Superintendent of Education and there are insufficient funds available in the Operations and Maintenance Fund or Fire Prevention and Safety Fund to finance such projects; and

WHEREAS, the applicable regional superintendent and State Superintendent of Education have previously approved and ordered lawful Life Safety projects (including certified architect’s or engineer’s estimates) for the School District, and the Board of Education finds that there are insufficient funds available in the Operations and Maintenance Fund or Fire Prevention and Safety Fund to finance such projects.

NOW, THEREFORE, Be It Resolved by the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, as follows:

Section 1: The recitals above and the certificates of the regional superintendent and State Superintendent of Education authorizing and ordering the School District’s lawful Life Safety projects are incorporated into this Resolution as though fully set forth herein.

Section 2: A tax for Life Safety purposes shall be levied for 2025 as set forth herein and in the District’s annual Certificate of Tax Levy.

Section 3: All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby repealed, and this Resolution shall be in full force and effect immediately and forthwith upon its passage.

ADOPTED this 4th day of December, 2025, by a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

President, Board of Education

ATTEST:

Secretary, Board of Education

STATE OF ILLINOIS

COUNTY OF COOK) **SS**
)

SECRETARY’S CERTIFICATE

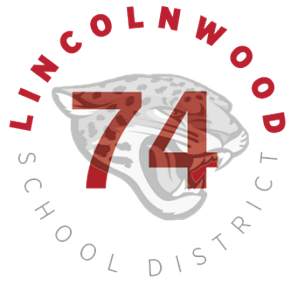
RESOLUTION AUTHORIZING LIFE SAFETY LEVY

I, John Vranas, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Lincolnwood School District No. 74, Cook County, Illinois, and that, as such official, I am the keeper of the records and files of the Board of Education of said School District.

I do further certify that the foregoing Resolution Authorizing Life Safety Levy is the true, correct, and complete copy of said Resolution as adopted by the Board of Education of said School District at a meeting held on the 4th day of December, 2025.

IN WITNESS WHEREOF, I hereunto affix my official signature this 4th day of December, 2025.

Secretary
Board of Education
Lincolnwood School District No. 74
Cook County, Illinois



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: IGS Electricity Contract Beginning April 2026

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

The District's electricity contract expires on March 31, 2026.

District Legal Counsel has the attached contract with pricing left blank due to the shifting market. IGS was careful to provide the redlines SD74 previously requested on other electricity contracts.

Executing the agreement in December will allow the District to avoid pricing based solely on ComEd's market rates due to the lack of a rollover clause on the current IGS contract.

Fiscal Impact:

If rates hold steadily through the December 4, 2025 Board of Education meeting-

The 36-month term would cost \$0.0982 per kWh with IGS

The District currently pays \$0.085 per kWh with IGS

Currently, ComEd rates range between \$0.08 - \$0.11 per kWh

Recommendation:

The Finance Committee concurs with the Administration to recommend to the Board of Education to approve a 36-month contract with IGS for electricity only if the pricing rate maintains a level at or below \$_____/kWh at the time of the December 4, 2025 Board of Education meeting.



Lincolnwood School District 74/IGS Energy

Electricity Discussion with Nate Nolting
11/12/25



Bullish Indicators (Risk)

- Weather (Risk of Cold Winter)
- LNG Build Out (World's Largest Exporter)
 - ★ Record-breaking exports for 2025
 - ★ By 2028, LNG Capacity expected to double
- Electricity Demand increase
 - US data center 2x since 2018, expected to 2x again by 2028.
 - PJM Capacity Auction Increase
- ★ Electricity Generation Setbacks
 - Coal-fired electricity generation retirement (dropped from 50% stack in 2017 → to 17% in 2024).
 - No new generation will be added outside of Solar for 2025-2026
- International Conflicts
 - Conflicts overseas rapidly increasing energy costs



Bearish Indicators (Return)

- Warmer winter Weather
 - Mild Winter last year until Feb of 2025
 - Mild winter would drive prices down
- US Storage Balances
 - Above 5-year average.
- ★ U.S. Natural Gas Production Increase
 - Production has increased by 43% since 2017 (70 BCF/day to over 100 BCF/day).
- Recession
 - Lower demand, pricing declines.

Datacenter growth

Driven by the rise in cloud computing and AI, data center power demand grew by nearly 100 TWh from 2014 to 2023 and currently accounts for ~4% of total US electricity consumption (~150 TWh)

By 2030, this demand could nearly triple in a high-growth scenario, increasing annual datacenter consumption to 400 TWh and accounting for ~9% of total U.S. electricity consumption

U.S. Data Center Growth in TWh



Reshoring of manufacturing

Since 2014, real manufacturing construction spending in the U.S. has more than doubled, rising from ~\$80 billion annually to over \$200 billion by 2023 as federal and state initiatives and supply chain concerns continue to drive U.S. manufacturing revitalization

Total U.S. Construction Cost for Manufacturing Purposes



Electrification of buildings and cars

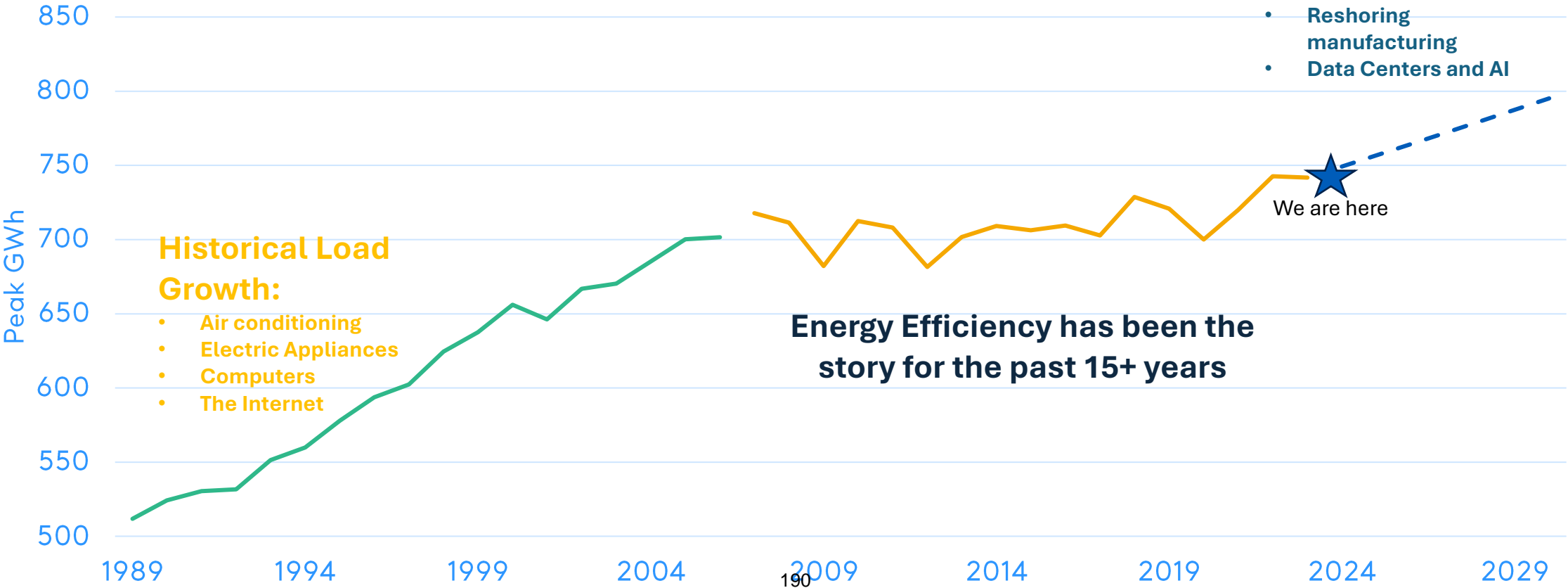
By 2030, electric vehicles are forecasted to make up around 20% of the U.S. on-road light vehicle fleet, growing EV-related consumption from <10 TWh in 2023 to more than 80 TWh by 2030

Electric heating is also on the rise, contributing to modest residential consumption growth



Most of the electricity generation growth in the US in the next two years will be from new solar capacity, the EIA said Friday. The EIA said it expects the US to add 26 GW of new solar in 2025 and 22 GW in 2026, following the record capacity additions seen in 2024 at 37 GW. Most other energy sources will "remain mostly unchanged" over the next two years.

Peak Hourly Demand - Lower 48 States



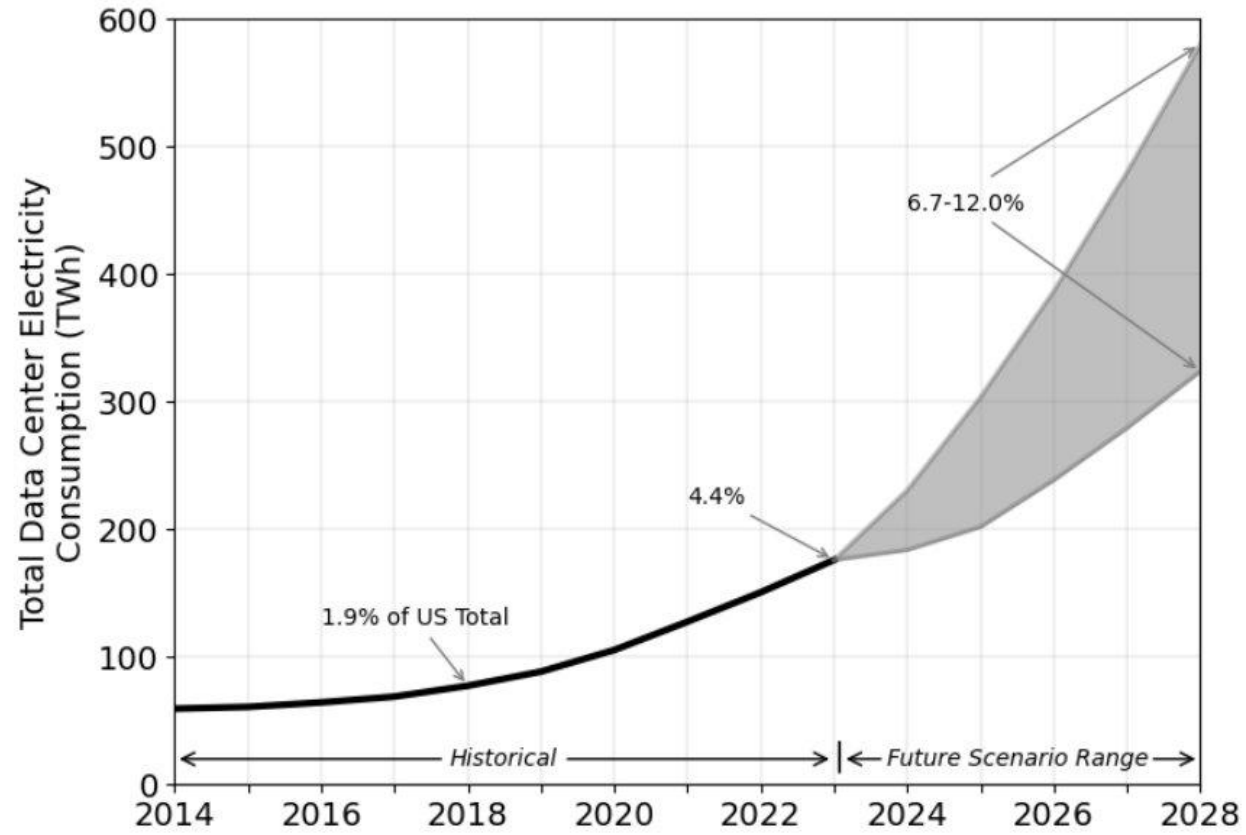


Figure 5.5. Total data center electricity use from 2014 through 2028.

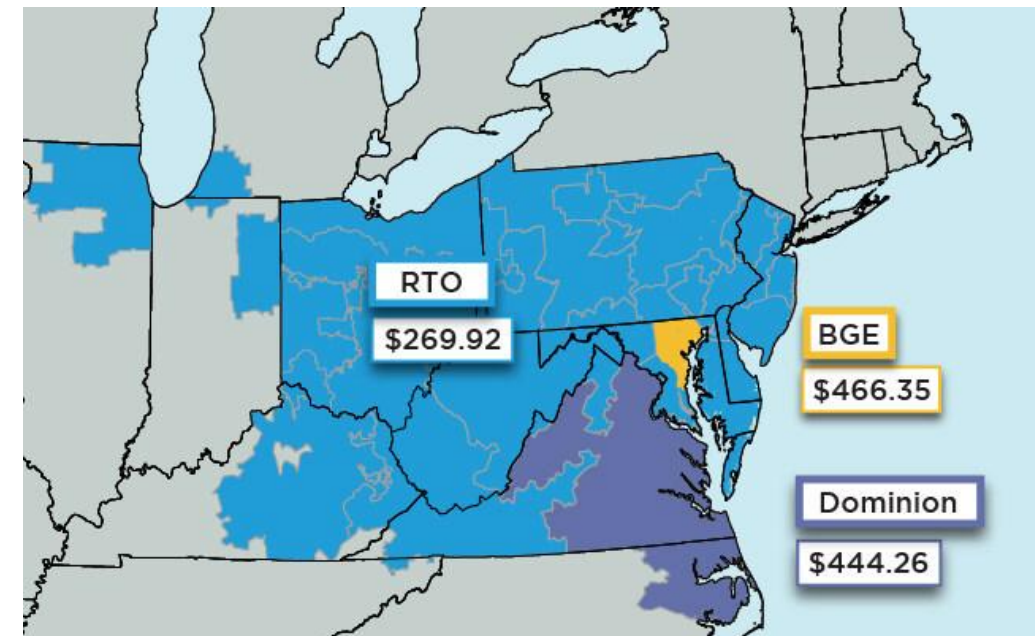
Figure 5.6 presents the total historical and future ranges of U.S. data center energy use allocated by data center equipment, showing that total energy use growth between 2014 and

Major Capacity Increase –

- Key takeaway – The capacity cost component in your fixed price offers has increased by 3x-7x as of 7/30/24 which will increase your overall price around 15%-30% depending on term length starting in June of 2025.
- Generators bid in reverse auction to determine capacity pricing for upcoming years. This is to make sure generators can meet peak demand on the grid.
- The auction produced a price of \$269.92/MW-day for much of the PJM footprint, compared to \$28.92/MW-day for the 2024/2025 auction. Capacity auction prices fluctuate annually based on the need for investment in generation resources.

Specifically, the drivers of higher prices in this auction include:

- Decreased supply offers into the auction due mainly to generator retirements
- Increase in projected peak load
- FERC-approved market reforms, including improved reliability risk modeling for extreme weather and accreditation that more accurately values each resource's contribution to the grid



Electricity: Additional Capacity Increase: June 2026 – May 2027

- On July 22, 2025, PJM released its capacity auction results for the June 2026 – May 2027 capacity year, which came in at a record breaking \$329.17/MW-day, reaching the cap of the collar established by PJM and approved by FERC.
- For context, the 2025 – 2026 clearing price was \$269.92/MW-day for most of the PJM footprint.
- The auction produced a price of \$269.92/MW-day for much of the PJM footprint, compared to \$28.92/MW-day for the 2024/2025 auction. Capacity auction prices fluctuate annually based on the need for investment in generation resources.

Specifically, the drivers of higher prices in this auction include:

- Increased Demand forecasted due to data center growth, continued enhancements to AI, and electrification across the grid
- Decreased Supply from the power plant retirements due to age and/or diminished operating economics
- New Rules factoring in generators' fuel source reliability – reducing biddable capacity at Auction

Electricity Pricing

Term in Months	Start	End	kWh Volume	\$/kWh Price
12	Apr-26	Mar-27	2,020,099	\$0.0984
24	Apr-26	Mar-28	4,040,198	\$0.0985
36	Apr-26	Mar-29	6,060,296	\$0.0982

-The Base Residual Auction for the capacity rate has not yet been established after May-27. Any term that goes beyond May-27 will have a capacity adjustment higher or lower, as applicable, starting in June-27. These offers are pricing in capacity beyond May-27 at \$325/MW-day.

-All terms above will provide a Network Integration Transmission Service (NITS) adjustment for any changes, positive or negative, to the NITS rate as assessed by your utility. Many suppliers will only adjust this rate when it is a charge and not provide a credit when the NITS rate decreases.

Pricing as of 11/12/25 at 9:20am and is subject to market change.

Current All-In Fixed Rate: \$0.085 per kWh
Current ComEd Rates: \$0.08 – \$0.11 per kWh



IGS Energy

- Largest independent supplier in the nation
 - Over 1,500,000 customers
- Additional value created by eliminating 3rd party broker margins/fees
- Dual commodity supplier of both natural gas and electricity
 - Can help achieve any Solar, LED lighting, or sustainability goals
- 33+ years serving customers as a family-owned business
- Focus on education & transparency through contracting
 - Specialize in risk mitigation and developing products to meet customers needs
- Strong Financials—available upon request
- Official Energy Partner of the Chicago Bears

195

Electricity Purchase Contract

Industrial V3.6-CAP ADJ-IL(m)

FOR OFFICE USE ONLY: 289

Fax: 614-659-5126

Phone: 877-923-4447

Seller: Interstate Gas Supply, LLC

Attn: Commercial & Industrial Sales, 6100 Emerald Parkway, Dublin, Ohio 43016

Buyer: Lincolnwood School District 74

Contact Name Courtney Whited

Confirmation Email cwhited@sd74.org

Phone 847-675-8234

Fax

Street Address

City

State

Zip

Mailing 6950 N East Prairie Rd

Lincolnwood

IL

60712

Billing Same as Mailing

Facility See Exhibit A

Account Number/s See Exhibit A

or see the attached **Exhibit A** (the "Accounts")

This Contract is subject to the attached Electricity Supply Master Terms and Conditions, which are incorporated in their entirety herein.

Electric Distribution Company ("EDC"):	Commonwealth Edison ("ComED")
Purchase Price:	<p>Subject to Price Adjustment Provisions and Regulatory language in the attached Electricity Supply Master Terms and Conditions, Buyer's Price:</p> <p><input checked="" type="checkbox"/> Fixed Price: Price will remain \$0.0 per kilowatt hour (kWh). The price will not include applicable taxes or EDC service and delivery charges, which will be billed by the EDC. For the avoidance of doubt, as of the date Buyer executes this Contract, as indicated in the signatures below, the assumed Base Residual Auction clearing price for Buyer's capacity cost is \$325 /MW-day, for all months in the Initial Term starting June 2027. After the Initial Term expires, the price will be as described under the Renewal Variable Price section of this Contract.</p>
Initial Term:	The Initial Term of this Contract will begin with the <u>April 2026</u> EDC billing cycle, and it will continue through the <u>March 2028</u> EDC billing cycle.
Renewal:	Upon expiration of the Initial Term, this Contract will terminate unless renewed by agreement of the Parties. automatically renew on a month-to-month basis, with each such month constituting a "Secondary Term." Any automatic renewal may be cancelled by Buyer or Seller delivering written notice to the other party at least 30 days before the automatic renewal date. The automatic renewal date will be the first calendar day of the month at the end of the applicable Term. Because Seller needs to contract for supply and transportation in advance, Buyer's early termination of any Account under this Contract will harm Seller.
Early Termination Damages:	For each Account that is terminated early, damages will be equal to the positive difference, if any, between the Purchase Price minus the then-current market price, multiplied by the "Contract Volumes" (defined below) as apportioned to the terminated Account(s) and remaining under the then-current Term. The "Contract Volumes" are calculated using each Account's historical monthly consumption, as provided to Seller by the EDC, multiplied by weather normalization factors and are set forth in the table below. The Contract Volumes will be used for determining early termination damages under this Contract. Buyer is not otherwise obligated to accept/consume the Contract Volumes on a monthly or annual basis.

Contract Volumes in kWh

Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
	155,042	145,437	151,137	156,202	155,394	179,037	211,987	211,746	208,064	157,590	138,063	150,398

This Contract, including any Exhibit(s) may be signed in counterparts. If Buyer and Seller execute more than one Contract with respect to any Account(s), the terms of the most recent Contract will supersede and take priority over all previous Contracts with regard to the same Account(s). Any signature on this Contract and any Exhibit(s) will be considered valid for all purposes and have the same effect whether it is an ink-signed original, e-signed, a photocopy, or a facsimile representation of the original document.

The signers below personally certify that they have all requisite authority to sign and enter into this Contract, including the attached Terms and Conditions and any Exhibit A, on behalf of the parties identified next to their signatures. Further, they acknowledge that on behalf of their respective parties, they have read, understood, and voluntarily agreed to every provision of this Contract, the attached Terms and Conditions, and any Exhibit A.

Accepted by Buyer:

Name: _____ **Title** _____ **Date** _____

Accepted by Seller:

Name: Jonathan Liba **Title** Sr. Director, C&I Acct. Mgmt. **Date** _____

Electricity Supply Master Terms and Conditions

These Electricity Supply Master Terms and Conditions (the "Terms and Conditions") set forth the general terms and conditions for the retail sale and purchase of electricity between Seller and Buyer. The specific terms with respect to Buyer's Accounts will be set forth on Page 1. These Terms and Conditions, the specific terms set forth on Page 1, and any Exhibits form a written agreement between Seller and Buyer (the "Contract").

1. **Eligibility.** This Contract is exclusively for mercantile customers that consume more than 700,000 kWh per year or are part of a national account involving multiple facilities in one or more states. Buyer is designated as a mercantile customer.

2. **Electricity Supply.** Seller will supply and deliver to Buyer the full electricity requirements for all Accounts under this Contract and Buyer will accept and pay for all such deliveries according to this Contract. Seller will act as Buyer's agent for the limited purposes of working with the Buyer's retail transmission organization/independent system operator ("RTO/ISO") and Buyer's EDC in order to (a) obtain the Accounts' usage, billing, and payment histories; (b) effect the transfer of electricity supply service to Seller; and (c) perform Seller's obligations under this Contract. Buyer will execute all documents and be responsible for all services and equipment required by the EDC in order for Buyer to receive service under this Contract. Buyer understands that there may be delays in starting electricity supply due to the EDC's enrollment requirements and will not hold Seller responsible for any such delays.

3. **Price Adjustment Provisions.** Except as otherwise set forth on Page 1 of this Contract and where applicable: (a) Seller will adjust Buyer's price for any changes, positive or negative, to Buyer's NITS rate as assessed by Buyer's EDC and/or RTO/ISO; (b) Seller may pass through to Buyer any non-NITS transmission charge resulting from changes to Buyer's transmission rate as assessed by Buyer's EDC and/or RTO/ISO, any transmission charge resulting from changes to Buyer's network service peak load tag [including network integration transmission service ("NITS")] as assessed by Buyer's EDC and/or RTO/ISO; (c) for any capacity planning year for which the Base Residual Auction rate has not been established as of the execution date of Contract, Seller will pass through to Buyer any change in capacity cost, positive or negative, resulting from changes to Buyer's capacity rate as assessed by Buyer's EDC or RTO/ISO; and (d) Seller may pass through to Buyer any change in capacity tag as assessed by Buyer's EDC and/or RTO/ISO. For the avoidance of doubt, none of the foregoing price adjustments will be deemed New Charges under the Regulatory section herein.

4. **Energy Efficiency/Onsite Generation/EV Charging.** If there is (a) a material decrease in Buyer's usage due to energy efficiency improvements and/or onsite generation or (b) a material increase in Buyer's usage due to electric vehicle charging, which results in losses to Seller, Seller may pass through to Buyer such losses. For the avoidance of doubt, none of the above-described losses will be deemed New Charges under the Regulatory section herein.

5. ~~**Renewal Variable Price/Intentionally Omitted.** The price for each Secondary Term will be determined monthly based upon costs, including but not limited to energy, transmission, capacity, ancillary services, congestion management, renewable energy credits, independent system operator fees, various EDC charges to Seller, and other factors, plus Seller's costs, expenses, and a service fee. The price will not include EDC delivery charges to Buyer or applicable taxes.~~

6. **Billing & Payment.** The EDC will issue consolidated monthly invoices which will contain Seller's electricity charges, plus applicable taxes and all of the EDC's distribution and other applicable charges. Buyer will pay to the EDC the entire amount of each electric bill under the EDC's payment terms and conditions. Late charges will apply for all past-due amounts owed to Seller at the rate set forth in the EDC's tariff for its charges. Seller reserves the right to invoice Buyer directly for: (a) Seller's charges only, plus applicable taxes; or (b) for the EDC's charges, as well as Seller's charges, plus all applicable taxes. Payment shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505/1 et seq.). ~~If Seller invoices Buyer directly, payment will be due in full on or before the 20th calendar day following the invoice date and late charges will apply for all past-due amounts at a rate of 1.5% per month.~~ The EDC is solely responsible for reading Buyer's meter(s), and all disputes that Buyer has with respect to meter readings and related adjustments will be addressed by Buyer solely to the EDC.

7. ~~**Credit.** Upon Seller's reasonable request, Buyer will provide to Seller financial statements and other credit-related information, all of which will be treated as confidential by Seller. If Seller reasonably deems Buyer's financial condition inadequate to extend credit, Seller may require security sufficient to cover volumes for the two largest months' Contract Volumes. The security will be in the form of either a deposit or an irrevocable letter of credit. Furthermore, if Buyer (a) becomes a debtor in a bankruptcy proceeding; or (b) breaches any payment obligation or any other obligation to Seller (including any obligation to provide security as provided above), then Seller may suspend deliveries and/or terminate this Contract 10 days after delivering written notice to Buyer. Seller's rights under this Credit section are in addition to all other remedies available under this Contract.~~

8. **Damages.** Seller may hedge its obligations under this Contract by purchasing electricity and related transportation, as well as electricity futures and/or swaps, or any combination thereof. If (a) Buyer terminates any or all Accounts under this Contract before the expiration of any Term; or (b) Seller terminates this Contract as to any or all Accounts before the expiration of any Term as a result of Buyer's breach of this

Contract, or (c) the EDC terminates any or all Accounts under this Contract before the expiration of any term as a result of late or non-payment, then Buyer will pay Seller damages calculated as set forth in the Early Termination Damages section on Page 1. Seller may increase the price charged to Buyer for Accounts that have not breached in order to cover the damages described above; in such instance, Seller will send to Buyer an informational invoice to supplement the EDC's bill. If Buyer transfers service to the EDC, Buyer may be charged a price other than the EDC's standard rate. Nothing in this Damages section limits Buyer's obligation to pay for all delivered electricity as metered by the EDC. If Seller fails to perform its delivery obligations under this Contract, Seller will pay to Buyer an amount equal to the positive difference, if any, between Buyer's reasonable cost of cover minus the then-current Contract price for all electricity Seller failed to deliver. The prevailing party in any lawsuit under this Contract will be entitled to collect from the breaching party the prevailing party's costs of enforcing this Contract, including reasonable attorneys' fees and all other litigation expenses.

9. **Cross Default.** If Buyer is a party to one or more natural gas or electricity supply contracts with Seller, a breach by Buyer under such other contract(s) may be treated by Seller as a breach by Buyer of this Contract.

10. **Limitation of Liability.** Seller will not be liable for any losses arising from Buyer's use of electricity or for losses arising from the EDC, including but not limited to: their operations and maintenance of their system, any disruption of their service, termination of their service, their events of force majeure, or deterioration of their service. Except as otherwise set forth in this Contract, neither party will be liable for any indirect, consequential, special, or punitive damages, whether arising under contract, tort (including negligence and strict liability), or any other legal theory.

11. **Warranty.** Seller warrants that all electricity delivered to the EDC for its distribution to Buyer will meet the EDC's quality standards and that title to such electricity is free from liens and adverse claims. Seller makes no other warranties or representations of any kind, express or implied, including any warranty of merchantability or warranty that the goods are fit for a particular purpose.

12. **Regulatory.** The retail electric choice program is subject to ongoing utility commission, RTO/ISO, and EDC jurisdiction. During the Initial Term, your price will remain the same; provided, however, that Seller may pass through to Buyer's price any new or additional charges, or changes in the calculation of charges imposed on suppliers or their customers through a change in governing law or commission, RTO/ISO, or EDC proceeding (collectively, "New Charges"), but only to the extent that those New Charges, alone or when added together over the course of the Initial Term of this Contract, exceed \$0.001 per kWh of Seller's non-commodity cost. New Charges may cause your price to vary during the Initial Term. Seller will deliver to Buyer written notice at least 30 days before passing through any New Charges. If a change in governing law, regulation, or rule physically prevents or legally prohibits Seller from performing under this Contract, then either party may terminate this Contract without penalty.

13. **Relationship of Parties.** Buyer will make decisions regarding pricing and volumes in Buyer's sole discretion and will confirm all expiration/termination dates of any existing contract terms, with or without advice or recommendation from Seller, and Seller will not be liable for Buyer's acting or failing to act upon Seller's advice or recommendations.

14. **Assignment.** This Contract or any Accounts hereunder may be assigned by Buyer only upon the written assumption of the assignee and with express written consent of Seller, which consent will not be unreasonably withheld, delayed, or conditioned.

15. **Waiver.** No failure to enforce any provision of this Contract will be deemed a waiver of any right to do so, and no express waiver of any breach will operate as a waiver of any other breach or of the same breach on future occasions.

16. **Choice of Law, Jurisdiction, Venue & Jury Trials.** This Contract will be governed by the applicable laws of the State of ~~Ohio~~ Illinois, without regard to Ohio's principles of conflict of law. All legal actions involving all disputes arising under this Contract will be brought exclusively in the Circuit Court of Cook County, Illinois, and Seller hereby submits to the jurisdiction of that court ~~a court of the State of Ohio sitting in Franklin County, Ohio, or in the United States District Court for the Southern District of Ohio sitting in Columbus, Ohio.~~ Buyer and Seller waive all of their rights to a trial by jury in any legal action related to this Contract.

17. **Severability.** If any provision of this Contract is held unenforceable by any court having jurisdiction, no other provisions will be affected, and such court will modify the unenforceable provision (consistent with the intent of the parties as evidenced in this Contract) to the minimum extent necessary so as to render it enforceable.

18. **Entire Agreement.** This Contract, including these Terms and Conditions and any Exhibits, contain the entire agreement between Seller and Buyer regarding the Accounts under this Contract, and it supersedes all prior and contemporaneous written and oral agreements and understandings between them with respect to those Accounts. This Contract cannot be modified in any way except by a writing signed by both Seller and Buyer.

**Exhibit A to Electricity Purchase Contract Form Industrial V3.6-CAP ADJ-IL
Account Numbers & Facility Addresses**

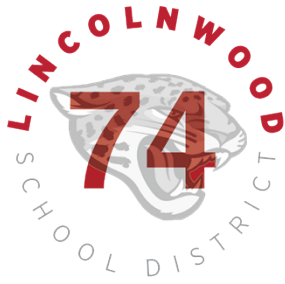
Seller: Interstate Gas Supply, LLC
Buyer: Lincolnwood School District 74

Following are the Account/Meter Numbers and Addresses included under the above-mentioned contract between Seller and Buyer:

	Utility	Service Address	Service City	Service State	Service Zip	Account Number
1	COMED	6950 N East Prairie Rd	Lincolnwood	IL	60712	8922420009

AGREED.

Accepted by Buyer:	_____	_____	_____
	Name:	Title	Date
Accepted by Seller:	_____	Sr. Director, C&I Acct. Mgmt.	_____
	Name: Jonathan Liba	Title	Date



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: IGS Natural Gas Contract Beginning August 2026

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

The District's natural gas contract expires on July 31, 2026.

District Legal Counsel has the attached contract with pricing left blank due to the shifting market. IGS was careful to provide the redlines SD74 previously requested on other natural gas contracts.

Executing the agreement in December will hopefully allow the District to lock in better pricing rates than currently established.

Fiscal Impact:

If rates hold steadily through the December 4, 2025 Board of Education meeting-

The 36-month term would cost \$4.998 per decatherm

The District currently pays \$5.04 per decatherm

Recommendation:

The Finance Committee concurs with the Administration to recommend to the Board of Education to approve a 36-month contract with IGS for natural gas only if the pricing rate maintains a level at or below \$_____ per decatherm at the time of the December 4, 2025 Board of Education meeting.



Lincolnwood School District 74/IGS Energy

Natural Gas Discussion with Nate Nolting
11/12/25



Bullish Indicators (Risk)

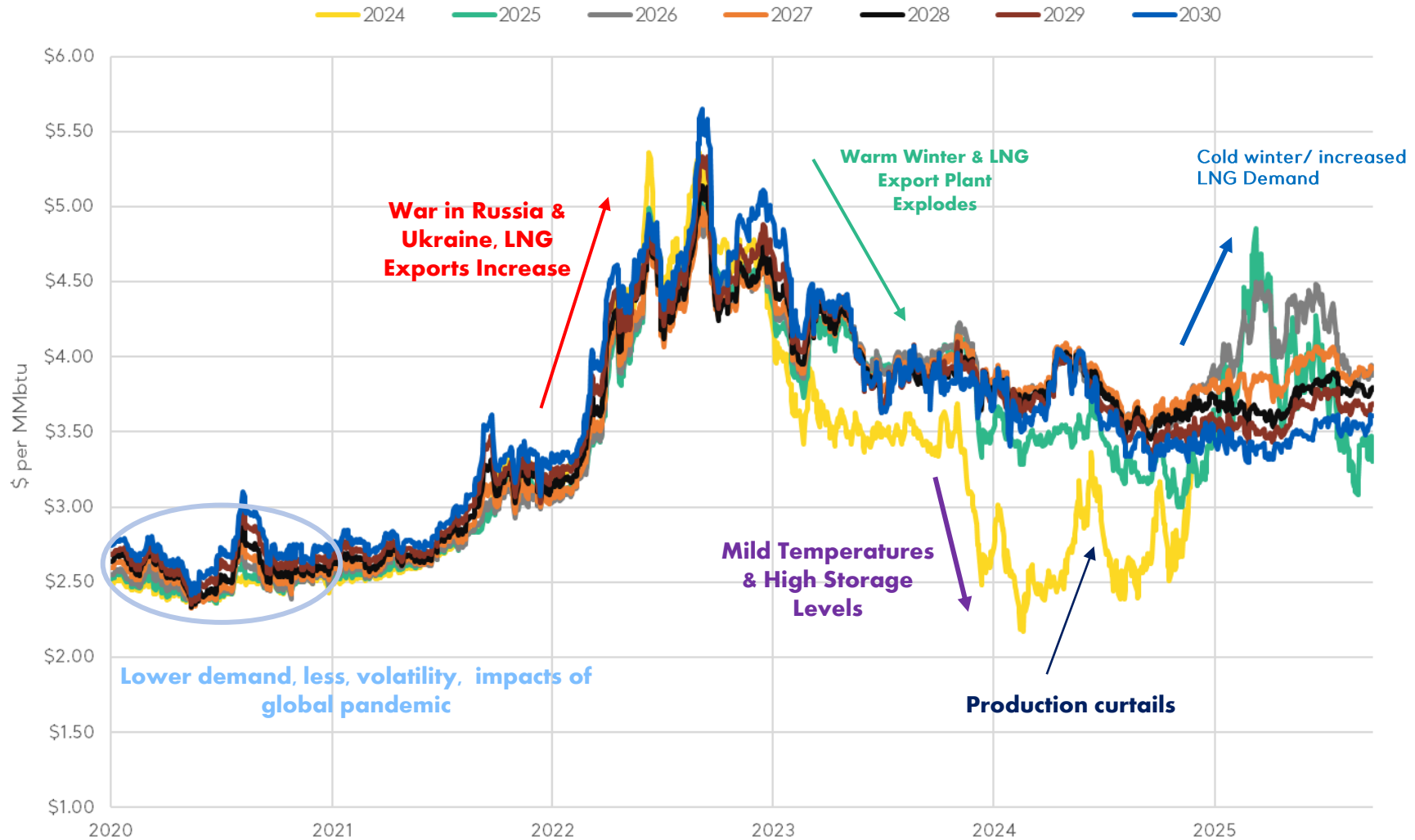
- Weather (Risk of Cold Winter)
- LNG Build Out (World's Largest Exporter)
 - ★ Record-breaking exports for 2025
 - ★ By 2028, LNG Capacity expected to double
- Electricity Demand increase
 - US data center 2x since 2018, expected to 2x again by 2028.
 - PJM Capacity Auction Increase
- ★ Electricity Generation Setbacks
 - Coal-fired electricity generation retirement (dropped from 50% stack in 2017 → to 17% in 2024).
 - No new generation will be added outside of Solar for 2025-2026
- International Conflicts
 - Conflicts overseas rapidly increasing energy costs



Bearish Indicators (Return)

- Warmer winter Weather
 - Mild Winter last year until Feb of 2025
 - Mild winter would drive prices down
- US Storage Balances
 - Above 5-year average.
- ★ U.S. Natural Gas Production Increase
 - Production has increased by 43% since 2017 (70 BCF/day to over 100 BCF/day).
- Recession
 - Lower demand, pricing declines.

NYMEX Calendar Strips | Jan 2020 - Sept 2025



Mild Summer & High Production led prices to drop in recent months. Prices bouncing off Aug lows.

Market Factors

- **Weather**

- Winter 2024/2025 was coldest winter in 10 years
- February Cold led to large storage withdrawals

- **Storage**

- Natural Gas Storage is 6% above the 5-year-average, which is a decrease from the surplus of 41% in Spring of 2024

- **Production**

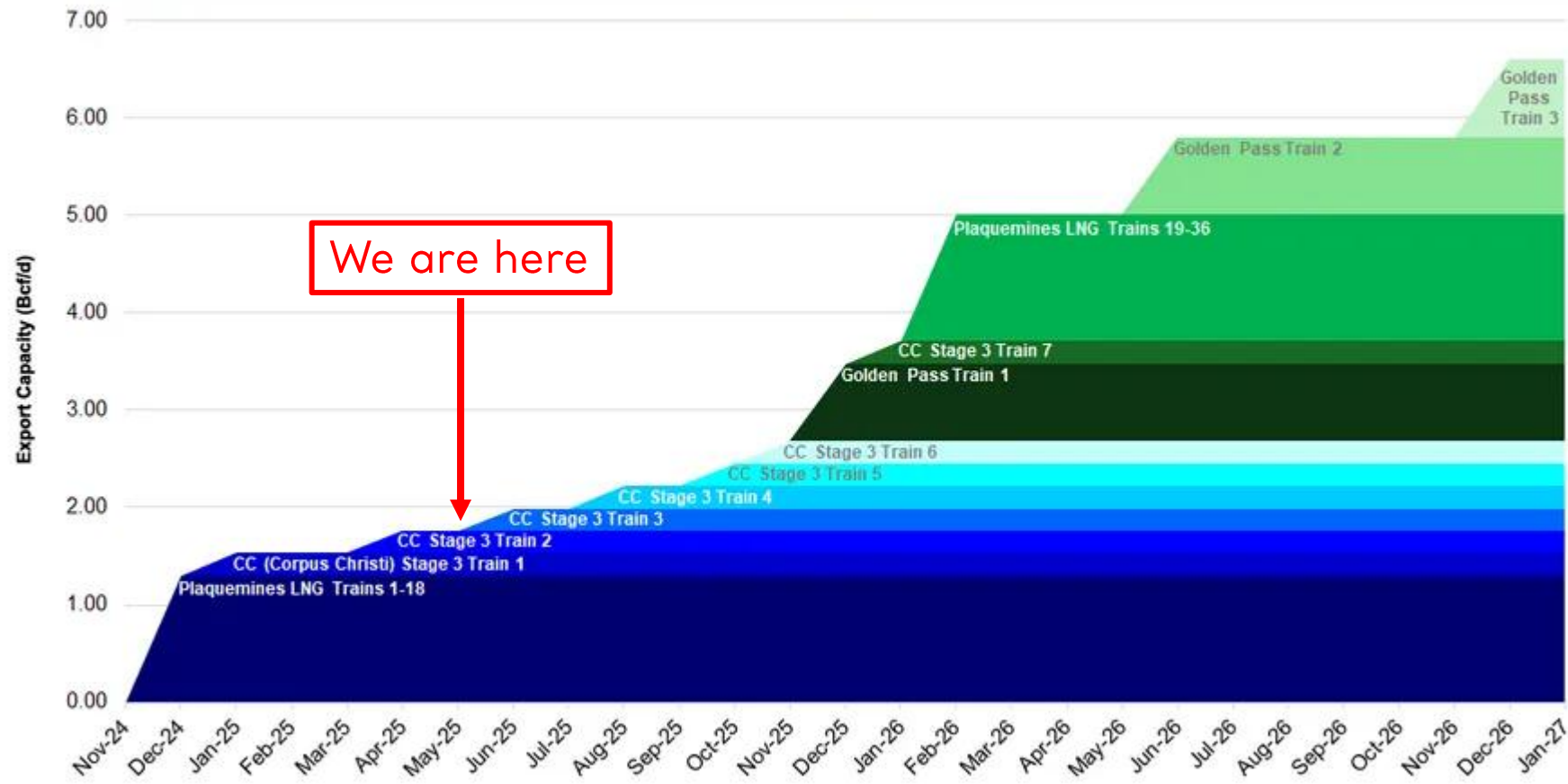
- Since 2017, US gas production has increased by 50% from 70 BCF/day to 105 BCF/day

- **Liquefied Natural Gas (LNG)**

- The US has become one of the largest exporters of LNG
- With more LNG Facilities coming online in early 2025 there will be uncertainty in the market as more gas is exported
- By 2027, LNG Capacity will likely double

LNG Export Build out

Developing Near-Term US Gulf Coast LNG Export Capacity



Source: Compiled by NGI from U.S. Department of Energy and Energy Information Administration documents, NGI calculations



Louisiana, United States
Henry Hub (HH)

South America
Contracted Independently

Great Britain
National Balancing Point (NBP)

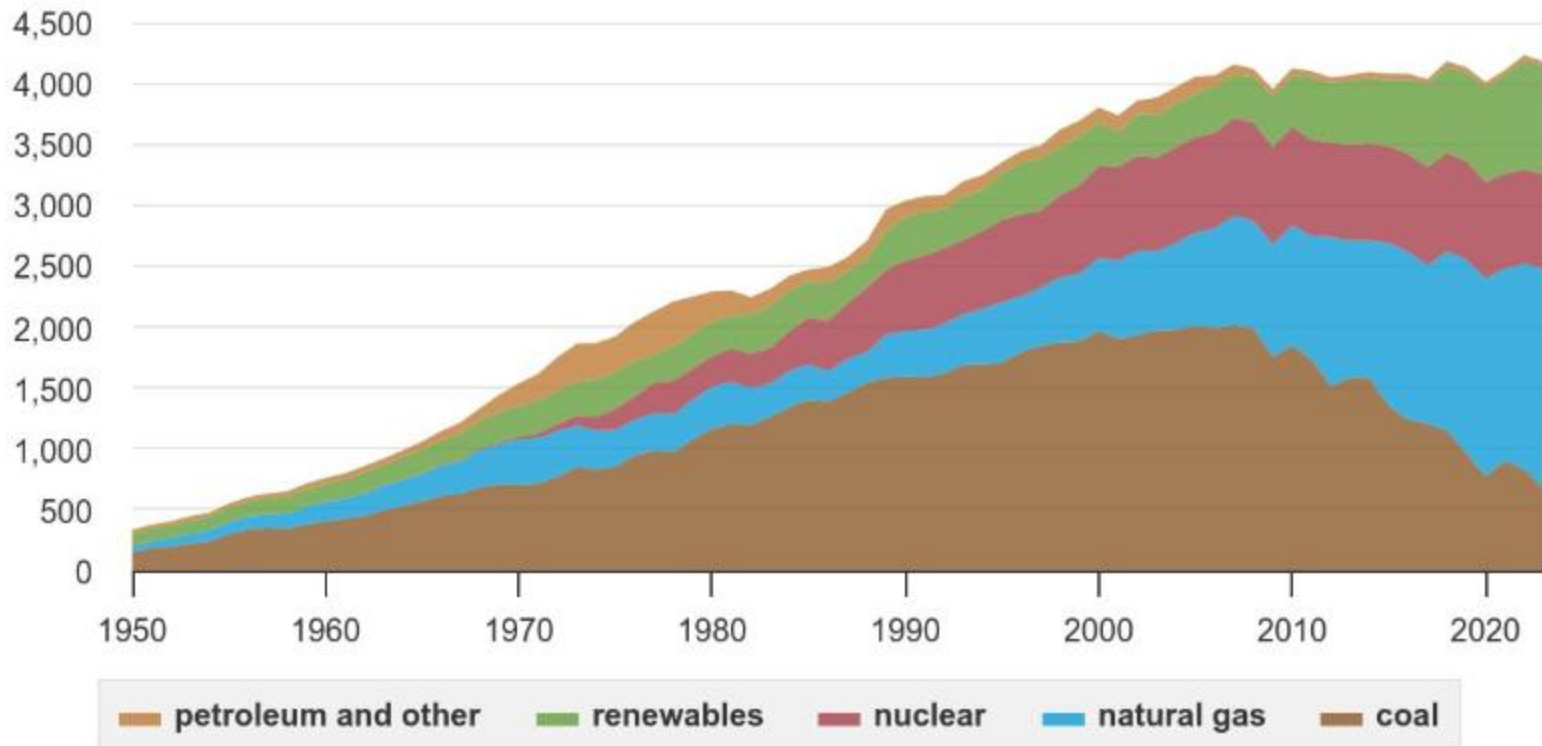
Europe
Title Transfer Facility (TTF)

Japan/Korea
Japan Korea Marker (JKM)

205

U.S. electricity generation by major energy source, 1950-2023

billion kilowatthours



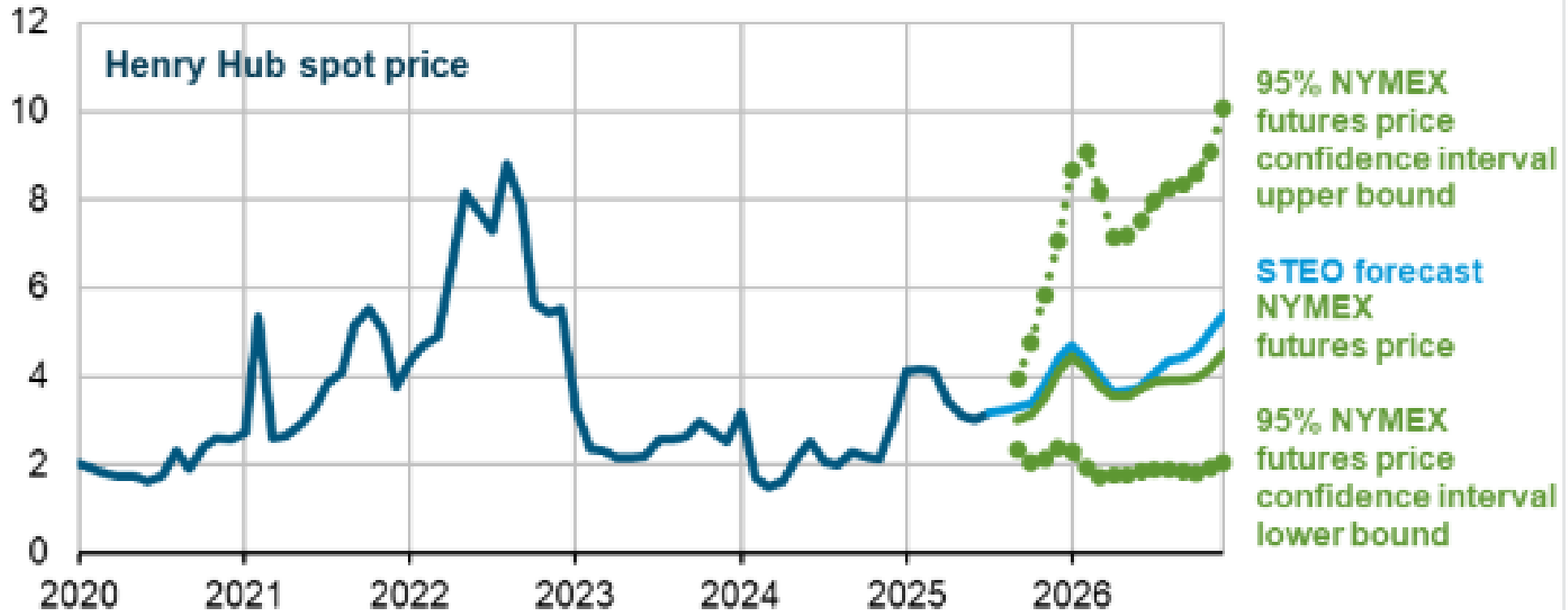
Data source: U.S. Energy Information Administration, *Monthly Energy Review* and *Electric Power Monthly*, February 2024,

preliminary data for 2023

Note: Includes generation from power plants with at least 1 megawatt electric generation capacity.



Henry Hub natural gas price and NYMEX confidence intervals dollars per million British thermal units



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, August 2025, CME Group, and Refinitiv an LSEG Business

Note: Confidence interval derived from options market information for the five trading days ending August 7, 2025. Intervals not calculated for months with sparse trading in near-the-money options contracts.



Natural Gas Pricing

Term in Months	Start	End	CG DTH Volume	Fixed Price Offer
12	Aug-26	Jul-27	11,752	\$5.185
24	Aug-26	Jul-28	23,504	\$5.071
36	Aug-26	Jul-29	35,256	\$4.998
48	Aug-26	Jul-30	47,008	\$4.952

Term in Months	Estimated Annual Spend	Previous Annual Spend	Annualized Cost Change	Cost Change %
12	\$60,933.57	\$59,229.55	+\$1,704.02	+3%
24	\$59,593.86	\$59,229.55	+\$364.31	+1%
36	\$58,735.97	\$59,229.55	-\$493.58	-1%
48	\$58,195.38	\$59,229.55	-\$1,034.17	-2%

Pricing as of 11/12/25 at 9:20am and is subject to market change.

Current Fixed Rate: \$5.04 per dth



IGS Energy

- Largest independent supplier in the nation
 - Over 1,500,000 customers
- Additional value created by eliminating 3rd party broker margins/fees
- Dual commodity supplier of both natural gas and electricity
 - Can help achieve any Solar, LED lighting, or sustainability goals
- 33+ years serving customers as a family-owned business
- Focus on education & transparency through contracting
 - Specialize in risk mitigation and developing products to meet customers needs
- Strong Financials—available upon request
- Official Energy Partner of the Chicago Bears

209

General Transportation Service Contract

V7.1-NICOR 74(m)

FOR OFFICE USE ONLY: 289

Seller: Interstate Gas Supply, LLC
Attn: Commercial & Industrial Sales, 6100 Emerald Parkway, Dublin, OH 43016

Fax: 855-598-1898
Phone: 877-923-4447

Buyer: Lincolnwood School District No 74

Contact Name: Courtney Whited
Phone: 847-675-8234

Confirmation Email: cwhited@sd74.org

Fax:

Mailing: Street Address
6950 N East Prairie Rd

City: Lincolnwood

State: IL

Zip: 60712

Billing: Same as Mailing

Facility: See Exhibit A

Account Number: See Exhibit A

or **see attached Exhibit A** (the "Accounts")

This Contract is subject to the attached General Transportation Service Master Terms and Conditions, which are incorporated in their entirety herein.

Local Distribution Company ("LDC"): NICOR

Initial Term Monthly Tolerance: 20%

Initial Term: The Initial Term of this Contract will begin with the August 2026 billing cycle, and it will continue through the July 2028 billing cycle.

Renewal: Upon expiration of the Initial Term, this Contract will automatically ~~terminate unless renewed by agreement of the Parties, renew on a month-to-month basis, with each such month constituting a "Secondary Term."~~ Any automatic renewal may be cancelled by Buyer or Seller delivering written notice to the other party at least 30 days before the automatic renewal date. The automatic renewal date will be the first calendar day of the month at the end of the applicable Term. Because Seller needs to contract for supply and transportation in advance, Buyer's early termination of any Account under this Contract will harm Seller.

Contract Price: **Option 1: Variable Price**
The price per DTH delivered to the LDC's city gate for all gas delivered between 80% and 120% of the Full Contract Volumes (as set forth in the table below) will be determined monthly by the applicable NYMEX settlement price plus \$ _____ per DTH. This Contract Price does not include LDC distribution/transportation charges or applicable taxes. All gas delivered outside of 80% to 120% of the Full Contract Volumes will be invoiced as described in Sections 8 & 9 in the attached Terms and Conditions. The price during any Secondary Term will be as described under the Renewal Variable Price in the attached Terms and Conditions. Subject to credit approval, Buyer may request the Fixed Price or Partial Fixed Price option.

Option 2: Fixed Price
Beginning with the August 2026 billing cycle and continuing through the July 2028 billing cycle (the "Price Expiration Date"), the price per DTH delivered to the LDC's city gate for all gas delivered between 80% and 120% of the Full Contract Volumes (as set forth in the table below) will be fixed at \$ 4.963 per DTH. This Contract Price does not include LDC distribution/transportation charges or applicable taxes. All gas delivered outside of 80% to 120% of the Full Contract Volumes will be invoiced as described in Sections 8 & 9 in the attached Terms and Conditions. The price after the Price Expiration Date and during any Secondary Term will be as described under the Renewal Variable Price section in the attached Terms and Conditions.

Option 3: Partial Fixed Price
Beginning with the August 2026 billing cycle and continuing through the July 2028 billing cycle (the "Price Expiration Date"), the price per DTH for Partial Fixed Volumes (as set forth in the table below) delivered to the LDC's city gate will be fixed at \$ _____ per DTH. This Contract Price does not include LDC distribution/transportation charges or applicable taxes. All gas delivered below the Partial Fixed Volumes will be invoiced as described in Section 9. All gas delivered in excess of the Partial Fixed Volumes will be priced as described in Option 1 above. The price after the Price Expiration Date and during any Secondary Term will be as described under the Renewal Variable Price section in the attached Terms and Conditions.

Early Termination Damages: See Section 13

Contract Volumes in DTH at LDC's City Gate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Full Contract Volumes	2,185	2,270	1,736	1,011	418	68	42	39	77	547	1,503	1,855
Partial Fixed Volumes												

This Contract may be signed in counterparts. If Buyer and Seller execute more than one Contract with respect to any Accounts, the terms of the most recent Contract will supersede and take priority over all previous Contracts with regard to the same Accounts. Any signature on this Contract and any Exhibit A will be considered valid for all purposes and have the same effect whether it is an ink-signed original, e-signed, a photocopy, or a facsimile representation of the original document.

The signers below personally certify that they have all requisite authority to sign and enter into this Contract, including the attached Terms and Conditions and any Exhibit A, on behalf of the parties identified next to their signatures. Further, they acknowledge that on behalf of their respective parties, they have read, understood, and voluntarily agreed to every provision of this Contract, the attached Terms and Conditions, and any Exhibit A.

Accepted by Buyer:

Name: _____ **Title:** _____ **Date:** _____

Accepted by Seller:

Name: Jonathan Liba **Title:** Sr. Director, C&I Acct. Mgmt. **Date:** _____

General Transportation Service Master Terms and Conditions

These Master Terms and Conditions ("Terms and Conditions") set forth the general terms and conditions for the retail sale and purchase of natural gas between Seller and Buyer. The specific terms with respect to Buyer's Accounts will be set forth on Page 1. These Master Terms and Conditions, the specific terms set forth on Page 1, and any Exhibits form a written agreement between Seller and Buyer ("Contract").

1. Definitions.

Adjusted Volumes. LDC's adjustment of Buyer's Reported Volumes to match actual consumption for previous months. **Critical Day.** An operational order issued by the LDC to protect the operational integrity of the system.

Critical Day. An operational order issued by the interstate pipeline serving the LDC and/or the LDC to protect the operational integrity of the system.

Daily Contract Volumes. Buyer's Full Contract Volumes as listed on Page 1 divided by number of days in the applicable month.

Delivery Point. The point at which Seller delivers natural gas supply on behalf of Buyer.

Full Contract Volumes. The estimated volume of gas for Buyer's Accounts as set forth on Page 1.

LDC Transportation Charges. LDC's distribution/transportation charges, retainage, and applicable BTU conversions from the Delivery Point to Buyer's point of use.

Market Rate. A price reflective of the then current market rate as determined by NYMEX, Intercontinental Exchange (ICE) Data Service, Inside FERC, Gas Daily's Gas Market Report, or any combination thereof, for the area in which deliveries are made to Buyer.

Maximum Storage Withdrawal. The maximum quantity of gas an Account may pull from storage for delivery during a Critical Day.

Monthly Tolerance. The monthly tolerance percentage listed on Page 1, which is the permissible range of variation more than or less than the monthly Full Contract Volumes on Page 1 in which range the Contract Price within Monthly Tolerance will apply.

Partial Fixed Volumes. A portion of Buyer's estimated volume of gas as set forth on Page 1.

Reported Volumes. Buyer's consumption reported to Seller by the LDC, based on either an actual meter read performed by the LDC or based upon estimates made by the LDC.

2. Natural Gas Supply. Seller will supply and deliver gas to the Delivery Point for all Accounts in sufficient quantities to equal Buyer's monthly Reported Volumes at the applicable Price as set forth on Page 1 of this Contract. Seller will be responsible for making deliveries of all Reported Volumes. Buyer agrees that Seller will be the exclusive supplier of natural gas to the Accounts throughout each Term of this Contract. Buyer will accept and pay for all deliveries according to this Contract. Buyer appoints Seller to act as Buyer's agent for the sole purpose of establishing and administering transportation service for gas purchased under this Contract. Seller is authorized to establish gas transportation service on Buyer's behalf, which includes the following: requesting gas transportation service with the LDC; obtaining Buyer's historic and current usage data; nominating gas transportation volumes on Buyer's behalf; and obtaining from the LDC any and all pertinent information pertaining to prior or current month gas deliveries to Buyer. Buyer understands that there may be delays in starting gas supply due to the LDC's enrollment requirements and will not hold Seller responsible for any such delays.

3. Volumes During Critical Day. Regardless of Monthly Volume, if a Critical Day is issued, Seller will be responsible for allocating up to 100% of Buyer's Daily Contract Volumes, not inclusive of the Maximum Storage Withdrawal, at the Contract Price. If Buyer's actual usage requirements are greater than the Daily Contract Volumes and the Maximum Storage Withdrawal, Seller will use commercially reasonable efforts to supply the additional gas required at the then current Market Rate. Buyer may be responsible for the additional costs associated with exceeding the Maximum Storage Withdrawal.

4. Full Contract Volumes. Buyer has reviewed the Full Contract Volumes listed on Page 1 and agrees the Full Contract Volumes are accurate estimates of Buyer's monthly volumes. Buyer acknowledges that Seller has relied on Buyer's review and agreement with the Full Contract Volumes in entering this Contract.

5. Quality. All gas delivered by Seller to Buyer will meet or exceed the quality specifications of the LDC.

6. Title, Transportation Charges. Title and risk of loss will pass from Seller to Buyer at the Delivery Point. Seller will be responsible for all transportation costs and expenses associated with the gas prior to (upstream of) the Delivery Point. Buyer acknowledges that Buyer is responsible for all other transportation and distribution charges, which are not included in the Contract Price and which will be billed by the LDC separately, unless Seller and Buyer

agree, in writing, otherwise. Seller represents and warrants that title to gas delivered hereunder is free from all liens.

7. Billing. After the LDC provides Seller with Reported Volumes or Adjusted Volumes, Seller will prepare and send an invoice to Buyer. Buyer agrees that all payments to Seller are due at the time service is rendered. **Payment shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505/1 et seq.).** However, if Buyer pays each monthly invoice in full on or before the 20th calendar day following the invoice date, Seller will consider the payment timely. Buyer will remit all payments to Seller addressed to: IGS Energy, PO Box 936626, Atlanta, GA 31193-6626. Late charges will apply for all past-due amounts at a rate of 1.5% per month. Buyer will pay the LDC directly for all LDC Transportation Charges. If Buyer disputes any Reported Volumes, Buyer must timely pay the disputed invoice, in full, and pursue any volume disputes with the LDC.

8. Excess Volumes. All volumes in excess of 120% of the Full Contract Volumes will be priced at the then-current Market Rate, plus a service fee.

9. Shortfall Volumes.

Variable Price & Fixed Price. If the Buyer has selected a Variable or Fixed Price on Page 1, Buyer will be invoiced based upon 80% of the Full Contract Volumes at the Contract Price, with a credit for the usage shortfall. The credit will be equal to the usage shortfall multiplied by the then-current Market Rate per MMBtu.

Partial Fixed Price. If Buyer has selected a Partial Fixed Price on Page 1, Buyer will be invoiced for the Partial Fixed Volumes at the Partial Fixed Price, with a credit for the usage shortfall. The credit will be equal to the usage shortfall multiplied by the Market Rate.

10. Adjusted Volumes. Buyer agrees that Seller has no control over Adjusted Volumes and acknowledges that the LDC removes or delivers the Adjusted Volumes from or to Seller in the month of adjustment. Adjusted Volumes will be deemed Reported Volumes in the month of adjustment.

11. ~~Renewal Variable Price Intentionally Omitted.~~ ~~The price after the Price Expiration Date or for each Secondary Term will be determined monthly by the index price of gas delivered to the applicable Delivery Point, plus transportation, demand charges, shrink/fuel, Btu conversion, pooling fees, and a service fee. The price will not include the applicable taxes or LDC Transportation Charges. Monthly Tolerance does not apply to the Renewal Variable Price.~~

12. ~~Credit.~~ ~~Upon Seller's reasonable request, Buyer will provide to Seller financial statements and other credit-related information, all of which will be treated as confidential by Seller. If Seller reasonably deems Buyer's financial condition inadequate to extend credit, Seller may require security sufficient to cover volumes for the two largest months' Full Contract Volumes. The security will be in the form of either a deposit or an irrevocable letter of credit. Furthermore, if Buyer: (a) becomes a debtor in a bankruptcy proceeding, or (b) breaches any payment obligation or any other obligation to Seller (including any obligation to provide security as provided above), then Seller may suspend deliveries and/or terminate this Contract 10 days after delivering written notice to Buyer. Seller's rights under this Credit section are in addition to all other remedies available under this Contract, applicable law, and in equity.~~

13. Early Termination Damages. The prevailing party in any lawsuit under this Contract will be entitled to collect from the breaching party the prevailing party's costs of enforcing this Contract, including reasonable attorneys' fees and all other litigation expenses. For each Account that is terminated early, damages will be equal to the positive difference, if any between the Contract Price minus the Market Rate, multiplied by the Full Contract Volumes apportioned to the terminated Account(s) and remaining under the then-current Term.

14. Cross Default. If Buyer is a party to one or more other natural gas or electricity supply contracts with Seller, a breach by Buyer under such other contract(s) may be treated by Seller as a breach by Buyer of this Contract.

15. Limitation of Liability. Seller will not be liable for any losses arising from Buyer's use of natural gas or for losses arising from any act or omission by any pipeline or the LDC, including but not limited to their operations and maintenance of their systems, any disruption of their service, termination of their service, their events of force majeure, or deterioration of their service.

2 Except as otherwise set forth in this Contract, neither party will be liable for any indirect, consequential, special, or punitive damages, whether arising

under contract, tort (including negligence and strict liability), or any other legal theory.

16. **Regulatory.** Seller may pass through to Buyer any additional charges/fees imposed on suppliers through a regulatory and/or utility proceeding.

17. **Relationship of Parties.** Buyer will make decisions regarding pricing and volumes in Buyer's sole discretion, with or without advice or recommendation from Seller, and Seller will not be liable for Buyer's acting or failing to act upon Seller's advice or recommendations.

18. **Assignment.** This Contract may be assigned by Buyer only with express written consent of Seller, which consent will not be unreasonably withheld, delayed, or conditioned.

19. **Waiver.** No failure to enforce any provision of this Contract will be deemed a waiver of any right to do so, and no express waiver of any breach will operate as a waiver of any other breach or of the same breach on future occasion.

20. **Choice of Law, Jurisdiction, Venue & Jury Trials.** This Contract will be governed by the applicable laws of the State of ~~Ohio~~Illinois, without regard to ~~Ohio's~~Illinois' principles of conflicts of law. All legal actions involving all disputes arising under this contract will be brought exclusively in ~~a court of the Circuit Court of Cook County, Illinois, and Seller hereby submits to the jurisdiction of that court~~State of Ohio sitting in Franklin County, Ohio, or in the United States District Court for the Southern District of Ohio sitting in Columbus, Ohio, and each party waives all objections to jurisdiction and venue therein. Buyer and Seller irrevocably waive all of their rights to a trial by jury in any legal action related to this Contract.

21. **Severability.** If any provision of this contract is held unenforceable by any court having jurisdiction, no other provisions will be affected, and the court will modify the unenforceable provision (consistent with the intent of the parties as evidenced in this Contract) to the minimum extent necessary so as to render it enforceable.

22. **Entire Agreement.** This Contract, including these Terms and Conditions and any Exhibits, contain the entire agreement between Seller and Buyer regarding the Accounts under this Contract, and it supersedes all prior and contemporaneous written and oral agreements and understandings between them with respect to the Accounts. This Contract cannot be modified in any way except by a writing signed by both Seller and Buyer.

**Exhibit A to General Transportation Service Contract Form V7.1-NICOR 74
Account Numbers & Facility Addresses**

Seller: Interstate Gas Supply, LLC
Buyer: Lincolnwood School District No 74

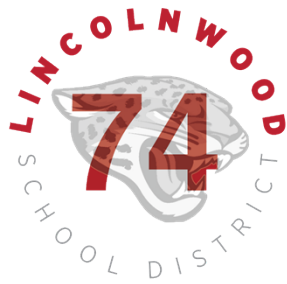
Following are the Account/Meter Numbers and Addresses included under the above-mentioned contract between Seller and Buyer:

	Account Number	Service Address	Service City	Service State	Service Zip Code
1	2345840000	5855 N Crawford Ave	Lincolnwood	IL	60712
2	8235840000	6950 N East Prairie Rd	Lincolnwood	IL	60712
3	9235840000	3925 W Lunt Ave	Lincolnwood	IL	60712

AGREED.

Accepted by Buyer: _____
Name: _____ **Title** _____ **Date** _____

Accepted by Seller: _____
Name: Jonathan Liba **Title** Sr. Director, C&I Acct. Mgmt. **Date** _____



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: Adding Vanguard to SD74's SRA Offerings

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

The SD74 Business Office learned that the District's third party administrator of employees' supplemental retirement accounts, Omni TSA Consulting Group, could easily add Vanguard to the roster of vendors that provide supplemental retirement accounts.

The difference between Vanguard and other investment providers is the "do-it-yourself" model that offers little to no assistance from financial advisors along the way.

Fiscal Impact:

The fiscal impact would occur for those employees who opt to use Vanguard directly.

Please review the attached sample letter to employees drafted by Omni/TSA Consulting Group.

Recommendation:

This summary is for informational purposes. The Administration requests direction from the Finance Committee on next steps.

To: Vanguard Participants

From: School Administration

Re: 403(b)/457(b) Administration Costs

Date:

You are receiving this communication due to your interest in establishing a 403(b) and/or 457(b) account with Vanguard. The district is contracted with U.S. OMNI & TSACG Compliance Services (OMNI-TSACG) to provide compliance administration for its 403(b) & 457(b) Plans. OMNI-TSACG is an independent provider of compliance administration services, and their service model requires the authorized investment providers in our plans to pay a nominal per participant fee.

Investment providers are given the ability to choose how they will handle the fee accessed to them. Most will pay the fee out of the investment-related expenses already being incurred by the employee, and some will add the fee to those expenses. Vanguard is one of those investment providers who add the fee to their investment expenses. Vanguard's practice is common amongst mutual fund providers who offer a do-it-yourself investment model. Currently this fee is \$2.25 monthly and will increase to \$2.50 on July 1, 2028.

Given this information, the district wanted to ensure you were aware of the Vanguard structure prior to your enrollment.

Should you have any questions you may contact our office at ...



Executive Summary Finance Committee Meeting

DATE: November 20, 2025

TOPIC: District Purchasing Update(s)

PREPARED BY: David Russo, Dominick Lupo, Jordan Stephen

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

This document provides the Finance Committee with an update of ongoing District renewals and/or purchases that will not require Board Approval based on criteria adopted in May 2023.

Items for Finance Committee Review:

- Writable for 2025-2026
 - Writable is an online platform that provides a great deal of flexibility with regard to writing assignments.
 - Writable contains over 1,000 pre-made writing assignments in content areas including social studies, literature, and science and are customizable to fit the individual needs of all of the students.
 - Teachers also have the ability to create their own writing assignments to meet the unique needs of each of their classes while providing real-time feedback to students on their grammar and writing style
 - \$3,801.60 - The District paid \$3,480.84 for the services during the 24-25 school year.



Finance Committee Meeting

DATE: November 20, 2025

TOPIC: District Finance Update

PREPARED BY: Courtney Whited

Recommended for:

Action

Discussion

Information

Purpose/Background:

To provide the Finance Committee an update on ongoing Districtwide matter(s)

1. Scope and budget for document archive services.