

# LINCOLNWOOD SCHOOL DISTRICT 74, ILLINOIS ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025

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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

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## **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**

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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**

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**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

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#### 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	41,185,511	41,505,399
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	38,967,073	37,905,256
Change in Net Position	2,218,438	3,600,143
Net Position - Beginning	32,994,682	29,394,539
Net Position - Ending	35,213,120	32,994,682

Management's Discussion and Analysis

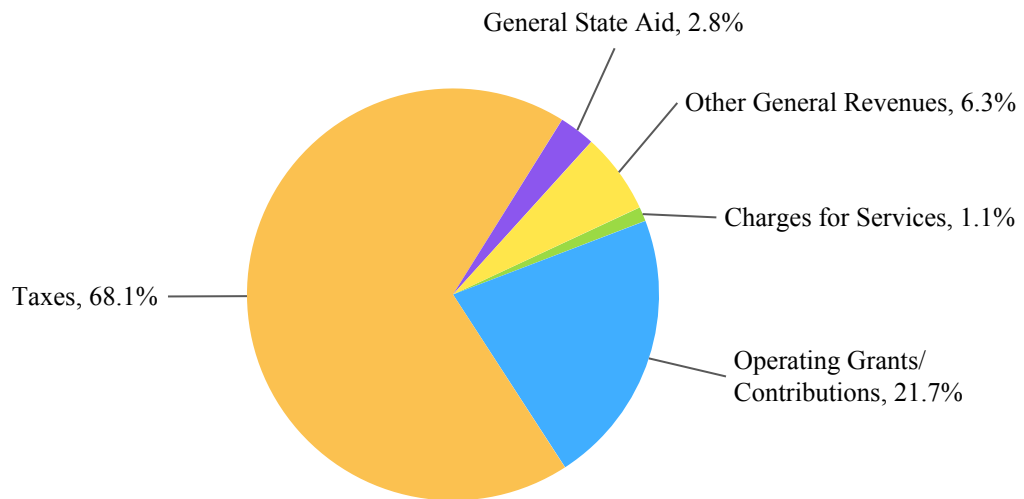
June 30, 2025

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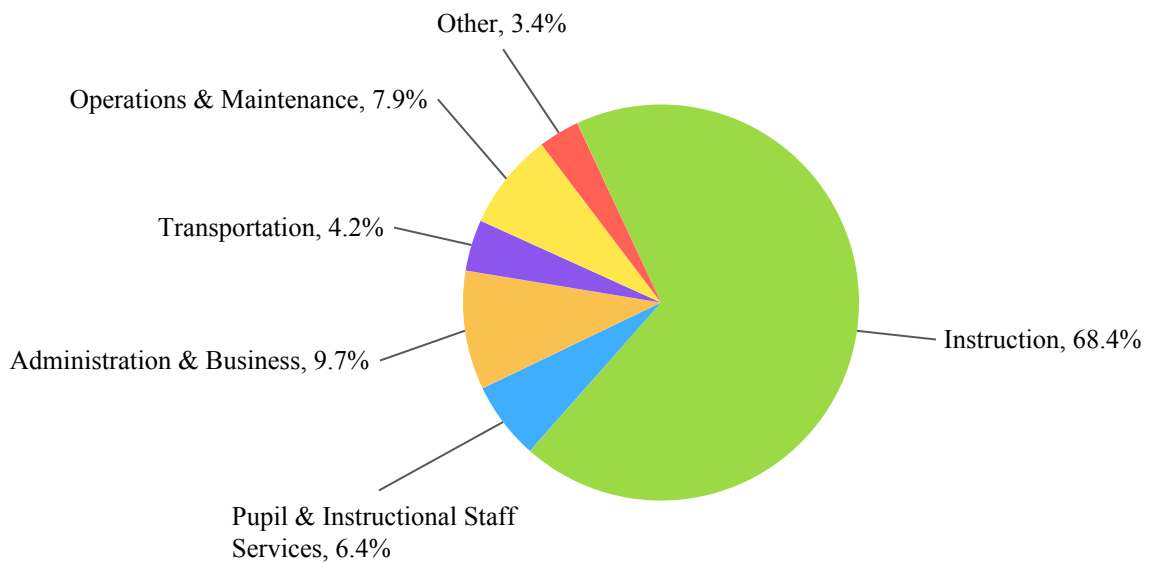
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GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



## **LINCOLNWOOD SCHOOL DISTRICT 74**

### **Management's Discussion and Analysis**

**June 30, 2025**

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#### **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

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## 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	<u>343,834</u>
	<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**

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#### **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**

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**See Following Page**

# LINCOLNWOOD SCHOOL DISTRICT 74

## Statement of Net Position

June 30, 2025

	Governmental Activities
<b>ASSETS</b>	
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>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
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>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
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>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
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>
<b>NET POSITION</b>	
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>

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

# LINCOLNWOOD SCHOOL DISTRICT 74

## Statement of Activities

For the Fiscal Year Ended June 30, 2025

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
	Expenses	for	Grants/	Governmental
		Services	Contributions	Activities
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
				31,798,560
Change in Net Position				2,218,438
Net Position - Beginning				32,994,682
Net Position - Ending				35,213,120

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

**LINCOLNWOOD SCHOOL DISTRICT 74**

**Balance Sheet - Governmental Funds**

**June 30, 2025**

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**See Following Page**

# LINCOLNWOOD SCHOOL DISTRICT 74

## Balance Sheet - Governmental Funds

June 30, 2025

		Special Revenue	
	General	Operations and Maintenance	Transportation
<b>ASSETS</b>			
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
<b>LIABILITIES</b>			
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
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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
<b>FUND BALANCES</b>			
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

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 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
1,173,290	1,192,497	3,334,432	110,279	41,567,191
—	—	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
207,434	744,208	—	110,279	15,189,140
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
965,856	448,289	1,315,917	(36,038)	22,965,225
1,173,290	1,192,497	3,334,432	110,279	41,567,191

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

## LINCOLNWOOD SCHOOL DISTRICT 74

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

June 30, 2025

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<b>Total Governmental Fund Balances</b>	<b>\$ 22,965,225</b>
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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
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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)

<b>Net Position of Governmental Activities</b>	<b>35,213,120</b>
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**LINCOLNWOOD SCHOOL DISTRICT 74**

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

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**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	33,645,835	2,607,425	1,555,762
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	32,555,369	2,316,882	1,640,176
Net Change in Fund Balances	1,090,466	290,543	(84,414)
Fund Balances - Beginning	15,890,895	1,489,208	1,594,503
Fund Balances - Ending	16,981,361	1,779,751	1,510,089

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

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (3,869,579)</b>
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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.

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2,488

**Changes in Net Position of Governmental Activities**

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**2,218,438**

# **LINCOLNWOOD SCHOOL DISTRICT 74**

## **Notes to the Financial Statements**

**June 30, 2025**

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### **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

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**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

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**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

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**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

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**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

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**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

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**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:

<u>Fund</u>	<u>Excess</u>
Capital Projects	\$ 1,240,043

**DEFICIT FUND BALANCE**

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

<u>Fund</u>	<u>Deficit</u>
Fire Prevention and Life Safety	\$ 36,038

Notes to the Financial Statements

June 30, 2025

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**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

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**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>\$ 36,038</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>38,737,895</u>	<u>3,563,971</u>	<u>5,500</u>	<u>42,296,366</u>



# LINCOLNWOOD SCHOOL DISTRICT 74

## Notes to the Financial Statements

June 30, 2025

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### 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>2,568,420</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
	16,715,000	—	1,150,000	15,565,000

# 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
	25,236,115	282,392	1,709,521	23,808,986	1,213,075

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

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### 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	15,565,000	4,072,600

## LINCOLNWOOD SCHOOL DISTRICT 74

### Notes to the Financial Statements

June 30, 2025

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#### 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>23,715,551</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:

	General	Special Revenue			Debt Service	Capital Projects		Totals
		Operations and Maintenance	Transportation	Municipal Retirement/ Social Security		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

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

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### 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	<u>\$ 1,803,856</u>
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><u>1,593,203</u></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

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### 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.

# LINCOLNWOOD SCHOOL DISTRICT 74

## Notes to the Financial Statements

June 30, 2025

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### 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

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**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	111,074	(7,069,367)	(6,958,293)
Employer Contributions Subsequent to the Measurement Date	94,166	—	94,166
Totals	<u>205,240</u>	<u>(7,069,367)</u>	<u>(6,864,127)</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

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### 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

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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

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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	100.0%	

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

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**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](http://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

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### 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.



# LINCOLNWOOD SCHOOL DISTRICT 74

## Notes to the Financial Statements

June 30, 2025

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### 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

## **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**

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**See Following Page**

# LINCOLNWOOD SCHOOL DISTRICT 74

## Retiree's Health Plan

### Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

	6/30/2018	6/30/2019
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	4,821,735	4,915,105
Total OPEB Liability - Ending	4,915,105	5,126,180
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

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#### Notes to the Schedule of Employer Contributions

<b>Valuation Date</b>	June 30, 2023
<b>Measurement Date</b>	June 30, 2024
<b>Sponsor's Fiscal Year End</b>	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>28,697,572</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**

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**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				2024 Actual
	Original Budget	Final Budget	Actual	Variance Final	
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	1,211,000	1,211,000	1,241,217	30,217	1,212,095
Federal Sources	865,430	865,430	941,175	75,745	1,290,114
Investment Income	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			1,779,751		1,489,208

# 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				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 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	1,182,164	1,182,164	1,089,411	(92,753)	1,062,598
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	580,000	580,000	466,351	(113,649)	483,380
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	112,164	112,164	(84,414)	(196,578)	(24,223)
Fund Balance - Beginning			1,594,503		1,618,726
Fund Balance - Ending			1,510,089		1,594,503

# 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				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 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				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
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	9,195	9,195	9,014	181	8,614
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	37,607	37,607	37,094	513	32,399
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	177,556	177,556	171,044	6,512	162,313
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	76,832	76,832	75,095	1,737	71,028
Total Support Services	371,761	371,761	339,417	32,344	331,615
Total Expenditures	643,234	643,234	592,485	50,749	567,071
Net Change in Fund Balance	(146,429)	(146,429)	(18,883)	127,546	(28,557)
Fund Balance - Beginning			984,739		1,013,296
Fund Balance - Ending			965,856		984,739

## **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**

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### **GENERAL FUND**

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

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### **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.

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### **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.

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## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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### **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.

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# 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
<b>ASSETS</b>				
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
<b>LIABILITIES</b>				
Accounts Payable	334,661	—	—	334,661
Salaries and Wages Payable	696,036	—	—	696,036
Total Liabilities	1,030,697	—	—	1,030,697
<b>DEFERRED INFLOWS OF RESOURCES</b>				
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
<b>FUND BALANCES</b>				
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
	1,873,016	1,873,016	1,826,620	46,396	1,526,493
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
	863,091	863,091	832,440	30,651	809,375
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
	124,940	124,940	133,064	(8,124)	119,616
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
	77,270	77,270	49,981	27,289	60,016

# 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
	684,773	684,773	684,385	388	602,147
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
	850,924	850,924	821,582	29,342	820,830
Student Activity Fund					
Other Objects	—	—	1,352	(1,352)	4,619
Total Instruction	16,047,280	16,047,280	15,625,720	421,560	14,548,936
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
	467,489	467,489	435,825	31,664	457,082
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
	326,810	326,810	306,999	19,811	265,215

# 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					
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
	212,784	212,784	212,209	575	218,151
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
	362,127	362,127	370,296	(8,169)	338,246
Other Support Services - Pupils					
Salaries	90,000	90,000	92,210	(2,210)	98,701
Employee Benefits	900	900	291	609	455
	90,900	90,900	92,501	(1,601)	99,156
Total Pupils	1,460,110	1,460,110	1,417,830	42,280	1,377,850
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
	515,079	515,079	544,585	(29,506)	501,329
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
	345,546	345,546	356,768	(11,222)	331,863



# 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				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
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
	941,065	941,065	912,757	28,308	888,031
Other Administration					
Salaries	115,935	115,935	115,934	1	—
Employee Benefits	31,368	31,368	31,367	1	—
	147,303	147,303	147,301	2	—
Total School Administration	1,088,368	1,088,368	1,060,058	28,310	888,031
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
	239,925	239,925	241,417	(1,492)	230,245
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
	475,504	475,504	461,703	13,801	443,893

# 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
	675,705	675,705	720,828	(45,123)	675,002
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
	28,500	28,500	29,106	(606)	24,491
Total Business	1,419,634	1,419,634	1,453,054	(33,420)	1,373,631
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
	164,456	164,456	148,644	15,812	142,535
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
	686,264	686,264	654,182	32,082	660,788
Total Central	850,720	850,720	802,826	47,894	803,323

# 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
	Original Budget	Final Budget	Actual	Variance with 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	772,787	772,787	726,177	(46,610)	2,029,527
Fund Balance - Beginning			14,516,848		12,487,321
Fund Balance - Ending			15,243,025		14,516,848

# 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				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
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	236,819	236,819	251,200	14,381	216,002
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	194,000	194,000	174,725	19,275	191,811
Net Change in Fund Balance	42,819	42,819	76,475	33,656	24,191
Fund Balance - Beginning			585,562		561,371
Fund Balance - Ending			662,037		585,562

**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				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
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	14,124	14,124	287,814	273,690	14,470
Fund Balance - Beginning			788,485		774,015
Fund Balance - Ending			1,076,299		788,485

**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				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 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	1,841,059	1,841,059	1,688,693	(152,366)	1,819,037
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	1,717,500	1,717,500	1,717,250	250	1,807,725
Net Change in Fund Balance	123,559	123,559	(28,557)	(152,116)	11,312
Fund Balance - Beginning			476,846		465,534
Fund Balance - Ending			448,289		476,846

# 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				2024
	Original Budget	Final Budget	Actual	Variance with 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>	<u>(3,687,259)</u>	<u>(909,839)</u>	1,460,561
Fund Balance - Beginning			<u>5,003,176</u>		<u>3,542,615</u>
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				2024
	Original Budget	Final Budget	Actual	Variance with 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

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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

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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**

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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

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**LINCOLNWOOD SCHOOL DISTRICT 74****Schedule of Long-Term Debt Requirements  
General Obligation Limited School Bonds of 2021  
June 30, 2025**

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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
	<u>6,055,000</u>	<u>2,088,075</u>	<u>8,143,075</u>

**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*

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