OFFICIAL NOTICE OF SALE

$18,435,000* GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2026

SCHOOL DISTRICT NUMBER 25
COOK COUNTY, ILLINOIS
(ARLINGTON HEIGHTS)

SALE DATE AND TIME: AUGUST 25, 2026; UNTIL 10:00 A.M. CENTRAL TIME

NOTICE IS HEREBY GIVEN that the Board of Education (the *"Board"*) of School District Number 25, Cook County, Illinois (the *"District"*), will receive all-or-none bids electronically via **Parity®** in the manner described below *until 10:00 A.M. Central Time on August 25, 2026* (the *"Sale Date"*), for the purchase of the District's General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*).

DESCRIPTION OF THE BONDS

The Bonds are being issued pursuant to the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board on the 18th day of August, 2026, as supplemented by a notification of sale (together, the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "THE BONDS—Security" in the Preliminary Official Statement, dated August 18, 2026, relating to the Bonds (the *"Preliminary Official Statement"*).

The Bonds will be dated the date of issuance thereof and will mature on December 15 of the years and in the amounts as follows:

Maturity	Amount*
2026	$ 250,000
2027	2,160,000
2028	2,265,000
2029	2,385,000
2030	2,500,000
2031	2,625,000
2032	3,050,000
2033	3,200,000

The Bonds will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Registrar"*). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only, in the principal amount of $5,000 and any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased unless the book-entry system is discontinued. See "Book-Entry Only System" in the Preliminary Official Statement.

Interest on the Bonds will be payable each June 15 and December 15, commencing December 15, 2026.

The Bonds are not subject to optional redemption prior to maturity.

Bidding Instructions

Bids for the Bonds shall be submitted electronically via PARITY pursuant to this Official Notice of Sale until the time set for the sale of the Bonds as specified above, but no bid will be received after the respective time set as specified above for receiving bids for the Bonds. **Any prospective bidder that intends to submit a bid must submit its bid through PARITY. No in-person or faxed bids will be accepted.** Subscription to i-Deal's PARITY Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form for the Bonds. Any such electronic bid shall be deemed to constitute an irrevocable offer to purchase the Bonds on the terms provided herein and shall be binding upon the Winning Bidder (as hereinafter defined). Bids submitted for the purchase of the Bonds will be accepted or rejected by the District on the Sale

* The District reserves the right to increase or decrease the principal amount of each maturity of the Bonds on the Sale Date. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $5,000 bond.

Date. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of, the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

Each proposal must be submitted on the Official Bid Form without alteration or change until 10:00 A.M. Central Time via Parity® in accordance with this Official Notice of Sale. If any provisions of this Official Notice of Sale shall conflict with any instructions or directions set forth in PARITY, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the Municipal Advisor or Ipreo at 1359 Broadway, 2nd Floor, New York, New York 10018, and by telephone at (212) 849-5021. All costs and expenses incurred by potential bidders in connection with their registration and submission of bids via PARITY (including any legal expenses) are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any of such costs or expenses.

DETERMINATION OF WINNING BID

The Bonds will be awarded to the single and best bidder (the *"Winning Bidder"*) whose bid will be determined upon the basis of the lowest True Interest Cost (*"TIC"*) at the rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal of and interest to be paid on the Bonds (commencing December 15, 2026, and semiannually on each June 15 and December 15 thereafter), produces an amount on the date of the Bonds (expected to be September 16, 2026) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

The District reserves the right to reject any or all bids. The District may also, at its sole discretion, waive any irregularity or informality in any bid.

BIDDING PARAMETERS

Each bid shall provide a schedule of interest rates on the Official Bid Form for the Bonds, as specified below. The bids shall state the rate or rates at which the Bonds shall bear interest in multiples of 1/8 or 1/20 of 1% or both. Bonds maturing in any one year must carry the same interest rate. For the Bonds, zero interest rates or rates higher than 5.00% are not permitted. Contingent bids are not permitted. The bid may provide for term bonds with sinking fund payments, with the maturities indicated on the Official Bid Form constituting sinking fund and respective final term maturity payments, at a redemption price of 100% of the principal amount thereof.

Each bid, to be considered, must contain a bid for all of the Bonds. **The minimum bid price for the Bonds is $19,600,000.00.** See "PROCEDURES RELATING TO DELIVERY OF THE BONDS" below. If the Bonds will be reoffered, the bids must also state the prices (exclusive of accrued interest) at which the bidder reasonably expects that the Bonds of each maturity initially shall be offered to the public (the *"Expected Initial Offering Price"*). Any Official Bid Form which is not fully completed and signed may be rejected at the option of the District.

The District reserves the right to adjust maturities and the aggregate principal amount of the Bonds. If the District elects to do so, it will notify the Winning Bidder of its intention within 60 minutes of the verbal award of the Bonds. The Winning Bidder's spread, in dollars per bond, will be maintained and principal amounts will be adjusted.

Attorneys' fees, Rating Agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the Registrar, the fees of the Escrow Agent, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Winning Bidder on behalf of the District from proceeds of the Bonds, and by submitting this bid, the Winning Bidder agrees to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

GOOD FAITH DEPOSIT

Although a good faith deposit is not required to submit a bid, the Winning Bidder is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer (instructions for such a wire transfer will be provided by the District at the time of the award) for TWO PERCENT OF PAR payable to the School Treasurer who receives the taxes of the District as evidence of good faith of the Winning Bidder (the *"Deposit"*) not later than 3:30 P.M. Central Time on the next business day following the award. The Deposit of the Winning Bidder will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of the Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied as follows: (a) at the delivery of the Bonds and upon compliance with the Winning Bidder's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District and (b) if the Winning Bidder fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

ESTABLISHMENT OF ISSUE PRICE

(a) The Winning Bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at the closing of the Bonds an "issue price" or similar certificate setting forth the Expected Initial Offering Prices to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as *Exhibit A*, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Winning Bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the

District's Municipal Advisor. Within one hour of the award, the Winning Bidder will confirm to the District the Expected Initial Offering Prices of the Bonds which the Winning Bidder used in formulating its bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the *"Competitive Sale Requirements"*) because:

(1) the District shall disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest True Interest Cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Winning Bidder. In such event, any bid proposal will not be subject to cancellation or withdrawal, and the District agrees to use the rules selected by the Winning Bidder on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the "10% Test" which will establish the issue price of a maturity of the Bonds as the first price at which 10% of a maturity of the Bonds is sold to the Public or (ii) the "Hold-the-Offering-Price Rule" which will establish the issue price of a maturity of the Bonds as the initial offering price to the Public as of the Sale Date of that maturity, in each case applied on a maturity-by-maturity basis. If the Winning Bidder selects the Hold-the-Offering-Price Rule, the Winning Bidder shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds have not satisfied the 10% Test and will be subject to the Hold-the-Offering-Price Rule. *Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test as selected on the bid form, in order to establish the issue price of the Bonds.*

(d) *If the Competitive Sale Requirements are not satisfied and the Winning Bidder selects the Hold-the-Offering Price Rule*, then the Winning Bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the *"Initial Offering Price"*), or at the corresponding yield or yields, set forth in the bid submitted by the Winning Bidder, and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date (as hereinafter defined) and ending on the earlier of the following:

(1) the close of the fifth business day after the Sale Date; or

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Winning Bidder will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Winning Bidder will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) *If the Competitive Sale Requirements are not satisfied and the Winning Bidder selects the 10% Test*, until the 10% Test has been satisfied as to each maturity of the Bonds, the Winning Bidder agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold to the Public or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Winning Bidder's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition, if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Winning Bidder shall provide the District with a representation as to the price or prices as of the date of closing at which the Winning Bidder reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Winning Bidder will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the Public or it is notified by the Winning Bidder that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Winning Bidder and (ii) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Winning Bidder and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the award; (B) to promptly notify the Winning Bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public (each such term being used as defined below); and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Winning Bidder shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the Public, and (ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Winning Bidder or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Winning Bidder or such Underwriter, and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Winning Bidder or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of the language under this caption of this Official Notice of Sale, titled "ESTABLISHMENT OF ISSUE PRICE":

(i) "Public" means any person other than an Underwriter or a Related Party,

(ii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser/Winning Bidder are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

(iii) "Sale Date" means the date the Bonds are awarded by the District to the Winning Bidder, such date with respect to the Bonds being August 25, 2026, and

(iv) "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

TAX EXEMPTION AND CLOSING TRANSCRIPT

At the time of delivery of the Bonds, Bond Counsel will furnish to the Winning Bidder its approving legal opinion that, subject to compliance by the District with certain covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals, as more fully discussed under the heading "TAX EXEMPTION" in the Preliminary Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. The proposed form of opinion of Bond Counsel is set forth in Appendix B to the Preliminary Official Statement.

Bond Counsel will also furnish to the Winning Bidder a complete, certified transcript of all proceedings in connection with the issuance of the Bonds, which shall include a non-litigation certificate of the District affirming that there is no litigation pending or threatened as to the validity of or security for the Bonds.

Bond Rating

Moody's Investors Service, New York, New York, has assigned the Bonds a rating of "Aaa".

Book-Entry Only

The Bonds will be issued as fully-registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity of the Bonds will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of $5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Winning Bidder shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denomination of $5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same maturities then outstanding to the beneficial owners of the Bonds.

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Winning Bidder to accept delivery of and make payment for the Bonds. The Municipal Advisor shall request assignment of CUSIP numbers, and all expenses related to the assignment or printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Winning Bidder.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract constituting an undertaking (the *"Undertaking"*) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed to in writing by the Winning Bidder. The District has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to the Rule. The Winning Bidder's obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

OFFICIAL STATEMENT

The District certifies that the Preliminary Official Statement was final as of the date thereof for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Winning Bidder. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Winning Bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Winning Bidder with an electronic copy of the final Official Statement. The Winning Bidder agrees to supply to the District all information necessary to complete the Official Statement within 48 hours after the award.

MISCELLANEOUS ITEMS

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall, to the extent practicable, not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the Parity® webpage.

By submitting a bid, each bidder makes the representation that it understands that Chapman and Cutler LLP, Chicago, Illinois (*"Chapman"*), serving as Bond Counsel and as Disclosure Counsel to the District, represents the District in the Bond transaction and, if such bidder has retained Chapman in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Chapman arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Chapman.

The Bonds will be delivered to the Winning Bidder against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be September 16, 2026. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the

Winning Bidder, the District may cancel the award or the Winning Bidder may withdraw the Deposit and thereafter the Winning Bidder's interest in and liability for the Bonds will cease.

ADDITIONAL INFORMATION

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information and the Bond Resolution, may be obtained from the District or from Raymond James & Associates, Inc., Municipal Advisor to the District: Elizabeth Hennessy at (312) 612-7641 or Elizabeth.Hennessy@RaymondJames.com.

BY ORDER OF THE BOARD OF EDUCATION OF SCHOOL DISTRICT NUMBER 25, COOK COUNTY, ILLINOIS, dated this 18th day of August, 2026.

/s/ Stacey Mallek

Assistant Superintendent for Business/CSBO,
School District Number 25, Cook County,
Illinois

Raymond James & Associates, Inc.
120 South Riverside Plaza, Suite 600
Chicago, Illinois 60606
Attention: Elizabeth Hennessy
TELEPHONE: (312) 612-7641

EXHIBIT A

FORM OF CERTIFICATE OF PURCHASER

(To be provided by the District for execution and delivery by the Winning Bidder prior to closing)

STATE OF _______)
) SS
COUNTY OF ______)

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _________________ (the *"Purchaser"*), hereby certifies as set forth below with respect to the sale and issuance of the $_________ General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*), of School District Number 25, Cook County, Illinois (the *"District"*).

I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the District by submitting electronically an "Official Bid Form" responsive to an "Official Notice of Sale" and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. PRICE

Competitive Sale – 3 Bids Received

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the *"Expected Offering Prices"*). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

3 Bids Not Received – At Least 10% of Each Maturity Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Expected First Sale Price

1. As of the date of this certificate, for each of the ___________ Maturities of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

2. Expected First Sale Price.

With respect to each of the ____________ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the *"Expected First Sale Price"*).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Hold-the-Offering-Price Rule

1. As of the date of this certificate, for each of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

2. (a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the *"Initial Offering Prices"*) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

(b) As set forth in the Official Notice of Sale and the Official Bid Form, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the *"Hold-the-Offering-Price Rule"*), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. DEFINED TERMS

[1. *"General Rule Maturities"* means those Maturities of the Bonds not listed in *Exhibit A* hereto as the "Hold-the-Offering-Price Maturities."]

[2. *"Hold-the-Offering-Price Maturities"* means those Maturities of the Bonds listed in *Exhibit A* hereto as the "Hold-the-Offering-Price Maturities."]

[3. *"Holding Period"* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date **(**said fifth business day being ___________, 2026), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *"Maturity"* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *"Public"* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a *"Related Party"* to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *"Sale Date"* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ___________, 2026.

8. "*Underwriter"* means (i) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this ____ day of __________, 2026.

________________________,
___________, __________

By:___________________________________
Title:_______________________________

EXHIBIT A

The Bonds are dated ________, 2026, and are due on the dates and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

HOLD-THE-OFFERING-PRICE MATURITY IF MARKED (*)	MATURITY DATE	PRINCIPAL AMOUNT ($)	INTEREST RATE (%)	[[EXPECTED OFFERING] [INITIAL OFFERING] [EXPECTED FIRST SALE] PRICE (% OF PAR)]	[[EXPECTED OFFERING] [INITIAL OFFERING] [EXPECTED FIRST SALE] PRICE ($)]	[FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)]	[FIRST SALE PRICE OF AT LEAST 10% ($)]	TOTAL ISSUE PRICE ($)
	Total							

[EXHIBIT B

[PURCHASER'S BID][PRICING WIRE]]

OFFICIAL BID FORM

Board of Education
School District Number 25, Cook County, Illinois

Sale Date and Time: August 25, 2026
10:00 A.M. Central Time

Ladies and Gentlemen:

For the principal amount of $18,435,000* General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*), of School District Number 25, Cook County, Illinois (the *"District"*), legally issued and as described in the Official Notice of Sale, we will pay the District $___________ (no less than $19,600,000.00), based on the total principal of $18,435,000,* provided the Bonds bear the following interest rates (not in excess of 5.00%). In making this offer, we accept the terms and conditions set forth in the Official Notice of Sale, dated August 18, 2026.

HOLD-THE-OFFERING-PRICE MATURITY IF MARKED (*)	MATURITY DATE (DECEMBER 15)	PRINCIPAL AMOUNT*	RATE	EXPECTED INITIAL OFFERING PRICE/YIELD
	2026	$ 250,000	%	%
	2027	2,160,000	%	%
	2028	2,265,000	%	%
	2029	2,385,000	%	%
	2030	2,500,000	%	%
	2031	2,625,000	%	%
	2032	3,050,000	%	%
	2033	3,200,000	%	%

The Bonds mature on the dates as indicated above, and interest is payable on June 15 and December 15, commencing December 15, 2026. The Bonds are not subject to optional redemption prior to maturity.

We hereby specify that the following Bonds be designated and aggregated into term bonds maturing on December 15 of the following years and in the following amounts (leave blank if no term bonds are specified):

MATURITIES DESIGNATED AND AGGREGATED	YEAR OF TERM BOND MATURITY	PRINCIPAL AMOUNT
20__ through 20__	____	$____________
20__ through 20__	____	____________
(add additional term bonds as appropriate)		

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. If the Competitive Sale Requirements are not met, we select the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof, applied on a maturity-by-maturity basis:

_______ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: ____________________________

---

* The District reserves the right to increase or decrease the principal amount of each maturity of the Bonds on the Sale Date. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $5,000 bond.

_______ Hold-the-Offering-Price Rule: the Initial Offering Price of that maturity for the following maturities: ____________________________

The Bonds are to be accompanied by the unqualified approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds. Attorneys' fees, Rating Agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the Registrar, the fees of the Escrow Agent, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Winning Bidder on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

NOT PART OF THE BID:
Explanatory Note: According to our computation, this bid involves the following:

Par Amount	$____________*
Reoffering Premium	___________
Original Issue Discount	(_________)
Underwriter's Discount	(_________)
Price for Bonds	$__________

TIC: ___________%
True Interest Cost (from September 16, 2026)

Respectfully submitted,

Account Manager
(A list of account members is attached.)

By_________________________________
Signature: ____________________________
Print Name: ___________________________
Telephone: ____________________________
Fax: _________________________________
Email: ________________________________

****

The foregoing offer is hereby accepted this 25th day of August, 2026, by the Board of Education of School District Number 25, Cook County, Illinois, and in recognition thereof is signed by the official of the District empowered and authorized to make such acceptance.

____

Assistant Superintendent for Business/CSBO,
School District Number 25, Cook County,
Illinois

PRELIMINARY OFFICIAL STATEMENT, DATED AUGUST 18, 2026

SALE DATE AND TIME:
AUGUST 25, 2026
10:00 A.M. CENTRAL TIME

NEW ISSUE
BOOK-ENTRY ONLY

Rating:
MOODY'S: "Aaa"
See "BOND RATING" herein

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

School District Number 25
Cook County, Illinois
(Arlington Heights)
$18,435,000* General Obligation Limited Tax Refunding School Bonds, Series 2026

Dated: Date of Delivery **Due: December 15, as further described on the inside cover page**

The General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*), of School District Number 25, Cook County, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 15 and December 15, commencing December 15, 2026.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

The Bonds are not subject to optional redemption prior to maturity.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "THE BONDS—Security" herein.

The Bonds are offered at public sale, subject to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about September 16, 2026.

RAYMOND JAMES

as Municipal Advisor

The date of this Official Statement is August __, 2026.

* Preliminary, subject to change.

School District Number 25
Cook County, Illinois
(Arlington Heights)

$18,435,000* GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2026

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 15)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (213327)
2026	$ 250,000	%	%	
2027	2,160,000	%	%	
2028	2,265,000	%	%	
2029	2,385,000	%	%	
2030	2,500,000	%	%	
2031	2,625,000	%	%	
2032	3,050,000	%	%	
2033	3,200,000	%	%	

* Preliminary, subject to change.

** CUSIP data herein is provided by the CUSIP Global Services (*"CGS"*). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or ________________________, ________, _______ (the *"Underwriter"*), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the *"Rule"*), this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to the Rule.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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EXHIBITS

Exhibit A	—	Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2021-2025
Exhibit B	—	Budget, Fiscal Year Ended June 30, 2026
Exhibit C	—	General Fund Revenue Sources, Fiscal Years Ended June 30, 2021-2025

APPENDICES

Appendix A	—	Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2025
Appendix B	—	Proposed Form of Opinion of Bond Counsel
Appendix C	—	Proposed Form of Continuing Disclosure Undertaking

SCHOOL DISTRICT NUMBER 25
COOK COUNTY, ILLINOIS
(ARLINGTON HEIGHTS)

1200 South Dunton Avenue
Arlington Heights, Illinois 60005

Board of Education

Greg Scapillato
President

Melissa Buchberger	Kevin Michael *Vice President*	Dr. Anisha I. Jogee
Brian Cerniglia	Elizabeth Nierman *Secretary*	Deb Tranter

Administration

Dr. Brian A. Kaye
Superintendent

Stacey Mallek
Assistant Superintendent for Business/CSBO

Professional Services

Underwriter
____
_____________, ___________

Municipal Advisor
Raymond James & Associates, Inc.
Chicago, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar, Paying Agent and Escrow Agent
Amalgamated Bank of Chicago
Chicago, Illinois

Auditor
Baker Tilly US, LLP
Oak Brook, Illinois

OFFICIAL STATEMENT

School District Number 25
Cook County, Illinois
(Arlington Heights)
$18,435,000* General Obligation Limited Tax Refunding School Bonds, Series 2026

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 25, Cook County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 18th day of August, 2026, as supplemented by a notification of sale (together, the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding General Obligation Limited School Bonds, Series 2017, dated February 16, 2017 (the *"Series 2017 Bonds"* and those Series 2017 Bonds being refunded, the *"Refunded Bonds"*), and (b) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York

---

* Preliminary, subject to change.

(*"DTC"*). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 15 and December 15, commencing December 15, 2026.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 1st day of the month of the interest payment date (the *"Record Date"*).

REGISTRATION AND TRANSFER

The Registrar will maintain books (the *"Register"*) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds [except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption].

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds].

REDEMPTION

Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. The Bonds due on December 15 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 15, 20__

YEAR	PRINCIPAL AMOUNT	
20__	$	
20__		(stated maturity)

FOR THE BONDS DUE DECEMBER 15, 20__

YEAR	PRINCIPAL AMOUNT	
20__	$	
20__		(stated maturity)

On or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Limitation Law"*).

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the *"Base"*), which was established at $5,500,000 by the voters of the District at the consolidated election held on April 5, 2005. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

After issuance of the Bonds and the refunding of the Refunded Bonds, the Bonds will constitute one of three series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District's Series 2017 Bonds not refunded by the Bonds and General Obligation Limited Tax School Bonds, Series 2018, dated February 8, 2018 (the *"Series 2018 Bonds"* and, together with the Series 2017 Bonds, the *"Outstanding Limited Bonds"*). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

The following chart shows the Base of the District, the debt service payable on the Outstanding Limited Bonds of the District and the Bonds, and the available Base after the issuance of the Bonds and the refunding of the Refunded Bonds.

DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE BONDS

LEVY YEAR	DEBT SERVICE ON OUTSTANDING LIMITED BONDS	PLUS: DEBT SERVICE ON THE BONDS[1]	LESS: DEBT SERVICE ON THE REFUNDED BONDS[1]	TOTAL DEBT SERVICE ON LIMITED BONDS[1]	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE[1]
2026	$4,301,800.00	$3,069,250.00	$3,267,000.00	$4,104,050.00	$5,500,000.00	$1,395,950.00
2027	4,297,400.00	3,066,250.00	3,267,000.00	4,096,650.00	5,500,000.00	1,403,350.00
2028	4,301,050.00	3,073,000.00	3,271,250.00	4,102,800.00	5,500,000.00	1,397,200.00
2029	4,297,050.00	3,068,750.00	3,269,250.00	4,096,550.00	5,500,000.00	1,403,450.00
2030	4,035,400.00	3,068,750.00	3,271,000.00	3,833,150.00	5,500,000.00	1,666,850.00
2031	3,561,000.00	3,362,500.00	3,561,000.00	3,362,500.00	5,500,000.00	2,137,500.00
2032	3,559,500.00	3,360,000.00	3,559,500.00	3,360,000.00	5,500,000.00	2,140,000.00

(1) Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds due on and after June 15, 2027. The principal of and interest due on the Bonds on December 15, 2026, is payable from the taxes levied to pay the Refunded Bonds. The Bond Resolution will be filed with the County Clerk of Cook County, Illinois (the *"County Clerk"*) and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution.

Reference is made to Appendix B for the proposed form of opinion of Bond Counsel.

USE OF PROCEEDS

THE REFUNDING

A portion of the proceeds of the Bonds, together with funds of the District on hand and lawfully available for such purpose (the *"Available Funds"*), will be used to refund the Refunded Bonds, further described as follows:

SERIES 2017 BONDS

MATURITY (DECEMBER 15)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE BONDS[(1)]	CALL PRICE	CALL DATE[(1)]
2026	$ 2,190,000	$ 0	N/A	N/A
2027	2,300,000	2,300,000	100%	12/15/2026
2028	2,415,000	2,415,000	100%	12/15/2026
2029	2,540,000	2,540,000	100%	12/15/2026
2030	2,665,000	2,665,000	100%	12/15/2026
2031	2,800,000	2,800,000	100%	12/15/2026
2032	3,230,000	3,230,000	100%	12/15/2026
2033	3,390,000	3,390,000	100%	12/15/2026
TOTAL	$21,530,000	$19,340,000		

(1) Preliminary, subject to change.

Certain proceeds received from the sale of the Bonds and the Available Funds will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

Sources and Uses

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	$
[Net] Original Issue Premium	
Available Funds	
Total Sources	$
USES:	
Deposit in Escrow Account to pay the Refunded Bonds	$
Costs of Issuance[1]	
Total Uses	$

(1) Includes underwriter's discount and other issuance costs.

Risk Factors

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

State funding sources constituted 6.56% of the District's General Fund revenue sources for the fiscal year ended June 30, 2025. While the finances of the State of Illinois (the *"State"*) have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Federal Revenues

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by Congress. Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 4.12% of the District's General Fund revenue sources for the fiscal year ended June 30, 2025, or the District's ability to comply with federal laws and regulations in the future.

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Moody's Investors Service, New York, New York (*"Moody's"*). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the

Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and may adversely affect the transferability and liquidity of the Bonds and their market price.

SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (*"Congress"*) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

GENERAL DESCRIPTION

The District is an elementary school district serving students in grades K through 8 and is located in the Village of Arlington Heights, Illinois (the *"Village"*), 27 miles northwest of Chicago in northwestern Cook County (the *"County"*). In addition to the Village, the District serves small portions of the Village of Mount Prospect and the Cities of Prospect Heights and Rolling Meadows. The Village is one of the largest communities in Chicago's northwest suburban corridor. Over half of the residents age 25 or older have completed four or more years of college. The Village has several large industrial areas and large shopping centers and is experiencing growth in multi-family housing, including new developments of luxury apartments, income-qualifying apartments and mixed-use residential and commercial spaces.

The District is served by state roads and interstate highways including State Routes 21, 53, 58 and 83, U.S. Routes 12, 14 and 45, and Interstates I-90, I-94, I-294 and I-290. Chicago O'Hare International Airport is adjacent to the District, and Chicago Executive Airport (a public airport for smaller sized planes) is located in the Village of Wheeling, approximately 5 miles from the District. Rail commuters have a 50-minute ride to the Chicago Loop on Metra's Union Pacific District/Northwest Line from two stations in the Village. The District is also served by the PACE bus system.

The District is comprised of seven elementary schools and two middle schools:

School	Year Built
Dryden Elementary School	1952
Greenbrier Elementary School	1964
Ivy Hill Elementary School	1966
Olive Mary Stitt Elementary School	1962
Patton Elementary School	1962
Westgate Elementary School	1962
Windsor Elementary School	1959
South Middle School	1997
Thomas Middle School	1964

Each elementary school hosts students in grades kindergarten through fifth, and each middle school hosts students in grades six through eighth. Additionally, Greenbrier Elementary School runs an early childhood program for students ages three to five.

The District is governed by an elected seven-member Board and a full-time administrative staff.

District Administration

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

Official	Title	Year Started in Position
Dr. Brian A. Kaye	Superintendent	2024
Stacey Mallek	Assistant Superintendent for Business/CSBO and School Treasurer	2006

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Greg Scapillato	President	April 2029
Kevin Michael	Vice President	April 2027
Elizabeth Nierman	Secretary	April 2027
Melissa Buchberger	Member	April 2029
Brian Cerniglia	Member	April 2027
Dr. Anisha I. Jogee	Member	April 2029
Deb Tranter	Member	April 2029

ENROLLMENT

HISTORICAL		PROJECTED	
2021/2022	5,309	2026/2027	5,244
2022/2023	5,290	2027/2028	5,282
2023/2024	5,270	2028/2029	5,337
2024/2025	5,366	2029/2030	5,357
2025/2026	5,310	2030/2031	5,354

Source: The District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2025-2026 school year, the District had 791 full-time employees and 92 part-time employees. Of the total number of employees, approximately 548 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	2030	IEA	503
Facilities Maintenance	2028	SEIU	45

POPULATION DATA

The estimated populations of the Village, the County and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The Village	76,031	75,101	77,676	+3.43%
The County	5,376,741	5,194,675	5,275,541	+1.56%
The State	12,419,293	12,830,632	12,812,508	-0.14%

Source: U.S. Census Bureau, Decennial Census for 2000, 2010 and 2020, respectively.

EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

NAME OF ENTITY	HIGH SCHOOL GRADUATES	BACHELOR'S DEGREE OR HIGHER
The Village	96.2%	60.4%
The County	88.6%	42.7%
The State	90.5%	37.8%

Source: U.S. Census Bureau (2020-2024 American Community Survey).

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2017 BONDS (DECEMBER 15)	SERIES 2018 BONDS (DECEMBER 15)	SERIES 2022 BONDS[1] (DECEMBER 15)	SERIES 2025 BONDS[2] (DECEMBER 15)	PLUS: THE BONDS[3] (DECEMBER 15)	LESS: THE REFUNDED BONDS[3] (DECEMBER 15)	TOTAL OUTSTANDING BONDS[3]
2026	$2,190,000	$ 825,000	$ 1,850,000	$ 255,000	$ 250,000		$ 5,370,000
2027	2,300,000	860,000	1,935,000	280,000	2,160,000	$ 2,300,000	5,235,000
2028	2,415,000	890,000	2,040,000	285,000	2,265,000	2,415,000	5,480,000
2029	2,540,000	925,000	2,145,000	295,000	2,385,000	2,540,000	5,750,000
2030	2,665,000	960,000	2,270,000	290,000	2,500,000	2,665,000	6,020,000
2031	2,800,000	735,000	2,385,000	305,000	2,625,000	2,800,000	6,050,000
2032	3,230,000		2,540,000	285,000	3,050,000	3,230,000	5,875,000
2033	3,390,000		2,655,000	310,000	3,200,000	3,390,000	6,165,000
2034			2,810,000	305,000			3,115,000
2035			2,960,000	310,000			3,270,000
2036			3,105,000	330,000			3,435,000
2037			3,280,000	325,000			3,605,000
2038			3,445,000	340,000			3,785,000
2039			3,615,000[4]	360,000			3,975,000
2040			3,775,000	360,000			4,135,000
2041			3,920,000	385,000			4,305,000
2042			4,105,000[5]	415,000			4,520,000
2043				4,665,000			4,665,000
2044				4,855,000			4,855,000
TOTAL	$21,530,000	$5,195,000	$48,835,000	$14,955,000	$18,435,000	$19,340,000	$89,610,000

(1) General Obligation School Bonds, Series 2022, dated September 22, 2022 (the *"Series 2022 Bonds"*).
(2) General Obligation School Bonds, Series 2025, dated March 5,2025 (the *"Series 2025 Bonds"*).
(3) Preliminary, subject to change.
(4) Mandatory sinking fund payment.
(5) September 15, 2042, maturity date.

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON THE SERIES 2017 BONDS	DEBT SERVICE ON THE SERIES 2018 BONDS	DEBT SERVICE ON THE SERIES 2022 BONDS	DEBT SERVICE ON THE SERIES 2025 BONDS	PLUS: DEBT SERVICE ON THE BONDS(1)	LESS: DEBT SERVICE ON THE REFUNDED BONDS(1)	TOTAL DEBT SERVICE ON OUTSTANDING BONDS(1)
2026	$ 3,267,000.00	$ 1,034,800.00	$ 4,130,100.00	$ 919,800.00	$3,069,250.00	$3,267,000.00	$ 9,153,950.00
2027	3,267,000.00	1,030,400.00	4,138,350.00	910,800.00	3,066,250.00	3,267,000.00	9,145,800.00
2028	3,271,250.00	1,029,800.00	4,141,350.00	906,550.00	3,073,000.00	3,271,250.00	9,150,700.00
2029	3,269,250.00	1,027,800.00	4,159,100.00	886,800.00	3,068,750.00	3,269,250.00	9,142,450.00
2030	3,271,000.00	764,400.00	4,160,600.00	887,300.00	3,068,750.00	3,271,000.00	8,881,050.00
2031	3,561,000.00		4,196,350.00	852,050.00	3,362,500.00	3,561,000.00	8,410,900.00
2032	3,559,500.00		4,184,350.00	862,800.00	3,360,000.00	3,559,500.00	8,407,150.00
2033			4,206,600.00	842,300.00			5,048,900.00
2034			4,216,100.00	832,050.00			5,048,150.00
2035			4,213,100.00	836,550.00			5,049,650.00
2036			4,232,850.00	815,050.00			5,047,900.00
2037			4,233,850.00	813,800.00			5,047,650.00
2038			4,231,600.00	816,800.00			5,048,400.00
2039			4,247,000.00	798,800.00			5,045,800.00
2040			4,241,000.00	805,800.00			5,046,800.00
2041			4,228,150.00	816,550.00			5,044,700.00
2042				5,045,800.00			5,045,800.00
2043				5,049,200.00			5,049,200.00
TOTAL	$23,466,000.00	$4,887,200.00	$67,160,450.00	$23,698,800.00	$22,068,500.00	$23,466,000.00	$117,814,950.00

(1) Preliminary, subject to change.

Overlapping General Obligation Bonds
(As of July 9, 2026)

Taxing Body	Outstanding Bonds[(1)]	Applicable to the District Percent	Applicable to the District Amount
The County	$1,760,191,750	1.141%	$ 20,084,578
Forest Preserve District of Cook County	39,410,000	1.141%	449,686
Metro Water Recl. Dist. of Greater Chicago	1,763,710,000	1.160%	20,459,576
Northwest Mosquito Abatement District	0	7.335%	0
City of Prospect Heights	1,255,000	1.594%	20,000
City of Rolling Meadows	19,745,000	0.544%	107,443
The Village	55,060,000	61.163%	33,676,287
Village of Mount Prospect	88,355,000	2.630%	2,323,660
Inverness Fire Protection District	1,370,000	0.287%	3,927
Prospect Heights Fire Protection District	9,085,000	1.594%	144,832
Arlington Heights Park District	5,003,990	63.108%	3,157,907
Mt. Prospect Park District	49,942,435	3.071%	1,533,708
Prospect Heights Park District	723,810	3.707%	26,830
Arlington Heights Twp HS Dist. #214	13,270,000	20.903%	2,773,825
Harper Community College District No. 512	196,740,000	9.819%	19,317,786
Total Overlapping General Obligation Bonds			$104,080,044

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping equalized assessed valuation (*"EAV"*), the Cook County Clerk's Office. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly available sources.

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

SELECTED FINANCIAL INFORMATION

(After issuance of the Bonds and refunding of the Refunded Bonds)

2024 Estimated Full Value of Taxable Property:	$7,252,444,131
2024 EAV:	$2,417,481,377(1)
Population Estimate:	50,466
General Obligation Bonds:	$ 89,610,000(2)
Other Direct General Obligation Debt:	$ 195,583(3)
Total Direct General Obligation Debt:	$ 89,805,583(2)
Percentage to Full Value of Taxable Property:	1.24%(2)
Percentage to EAV:	3.71%(2)
Debt Limit (6.9% of EAV):	$ 166,806,215
Percentage of Debt Limit:	53.84%(2)
Per Capita:	$ 1,780(2)
General Obligation Bonds:	$ 89,610,000(2)
Overlapping General Obligation Bonds:	$ 104,080,044
General Obligation Bonds and Overlapping General Obligation Bonds:	$ 193,690,044(2)
Percentage to Full Value of Taxable Property:	2.67%(2)
Percentage to EAV:	8.01%(2)
Per Capita:	$ 3,838(2)

(1) Includes Incremental EAV (as hereinafter defined) in the amount of $34,226,853. See "Tax Increment Financing Districts Located Within the District" herein.
(2) Preliminary, subject to change.
(3) This amount consists of outstanding payments due pursuant to lease agreements.

COMPOSITION OF EAV

	2020	2021	2022	2023	2024
By Property Type					
Residential	$1,718,564,581	$1,582,762,957	$1,977,933,337	$2,027,068,848	$2,017,828,751
Farm	35,364	32,943	43,949	45,341	44,996
Commercial	384,941,769	353,540,607	351,190,765	358,784,662	353,703,722
Industrial	10,392,640	9,751,977	9,543,164	9,827,626	9,845,692
Railroad	1,498,282	1,498,282	1,786,389	1,930,334	1,831,363
Total EAV(1)	$2,115,432,636	$1,947,586,766	$2,340,497,604	$2,397,656,811	$2,383,254,524

Source: Cook County Clerk's Office.
(1) Does not include Incremental EAV.

TREND OF EAV

LEVY YEAR	EAV(1)	% CHANGE IN EAV FROM PREVIOUS YEAR
2020	$2,115,432,636	+0.06%(2)
2021	1,947,586,766	-7.93%
2022	2,340,497,604	+20.17%(3)
2023	2,397,656,811	+2.44%
2024	2,383,254,524	-0.60%

Source: Cook County Clerk's Office.
(1) Does not include Incremental EAV.
(2) Based on the District's $2,114,101,774 2019 EAV.
(3) Reassessment year.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2020	$13,491,266
2021	6,113,467
2022	11,997,745
2023	4,192,890
2024	10,894,020

Source: Cook County Clerk's Office.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in tax increment financing (*"TIF"*) districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the *"Base EAV"*). Any incremental increases in property tax revenue produced by the increase in EAV (the *"Incremental EAV"*) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the immediate future.

LOCATION/ NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2024 EAV	INCREMENTAL EAV
Arlington Heights - TIF 5	2005	$29,107,170	$46,242,751	$ 17,135,581
Arlington Heights - Hickory/Kensington TIF	2014	8,292,001	25,383,273	17,091,272
			Total Incremental EAV	$ 34,226,853
			2024 EAV	2,383,254,524
			Enterprise Zone EAV	0
			Total EAV	$2,417,481,377

Source: Cook County Clerk's Office.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2020/21	$70,528,683	$70,374,805	99.78%
2021/22	72,236,140	72,533,756	100.41%
2022/23	80,443,090	80,557,345	100.14%
2023/24	82,239,800	81,241,702	98.79%
2024/25	87,032,737	86,581,820	99.48%
2025/26(1)	90,947,490	43,758,375	48.11%

Source: Cook County Treasurer's and County Clerk's Offices, and the District.
(1) Collections as of June 30, 2026.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per $100 EAV)

PURPOSE	2020	2021	2022	2023	2024	MAXIMUM RATE(1)
Educational Fund	$2.5369	$2.7973	$2.6027	$2.6392	$2.7413	None
IMRF	0.0550	0.0548	0.0188	0.0256	0.0307	None
Social Security	0.0619	0.0684	0.0591	0.0610	0.0536	None
Liability Insurance	0.0285	0.0432	0.0418	0.0408	0.0386	None
Transportation	0.1011	0.1118	0.0797	0.0964	0.1034	None
Building	0.2949	0.3263	0.1655	0.1850	0.2201	$0.5500
Building Bonds	0.0000	0.0000	0.2200	0.1355	0.2160	None
Life Safety	0.0017	0.0014	0.0010	0.0010	0.0011	0.1000
Special Education	0.0448	0.0495	0.0639	0.0655	0.0665	0.4000
Limited Bonds	0.2090	0.2279	0.1836	0.1794	0.1804	None
Revenue Recapture(2)	0.0000	0.0277	0.0000	0.0000	0.0000	None
Total	$3.3338	$3.7083	$3.4361	$3.4294	$3.6518	

Source: Cook County Clerk's Office.

(1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law.

(2) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the property tax refund revenue recapture provisions of the Limitation Law.

REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

TAXING AUTHORITY	2020	2021	2022	2023	2024
The District	$3.3338	$3.7083	$3.4361	$3.4294	$3.6518
The County	0.4530	0.4460	0.4310	0.3860	0.3905
Cook County Forest Preserve District	0.0580	0.0580	0.0810	0.0750	0.0686
Metro Water Reclamation District	0.3780	0.3820	0.3740	0.3450	0.3404
Consolidated Elections	0.0000	0.0190	0.0000	0.0320	0.0000
Wheeling Township	0.0370	0.0410	0.0360	0.0370	0.0365
Wheeling Twp General Assist	0.0080	0.0080	0.0070	0.0070	0.0067
Wheeling Twp Road and Bridge	0.0130	0.0150	0.0120	0.0120	0.0116
The Village	1.1120	1.2190	0.9980	1.0090	1.0529
The Village Library Fund	0.4340	0.4750	0.4070	0.3940	0.4086
Arlington Heights Park District	0.4690	0.5210	0.4640	0.4810	0.4972
Northwest Mosquito Abatement Dist	0.0100	0.0110	0.0090	0.0100	0.0105
Township High School District 214	2.3820	2.6640	2.3520	2.4450	2.5744
Community College District 512	0.4090	0.4570	0.4100	0.4130	0.4336
TOTAL(1)	$9.0968	$10.0243	$9.0171	$9.0754	$9.4834

Source: Cook County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical District resident living in the Village.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	DESCRIPTION	2024 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Luther Village	Retirement community	$38,714,149	1.60%
Town & Country Chicago	Shopping center	23,092,187	0.96%
Stonebridge Village	Apartment complex	22,344,139	0.92%
AmCap Northpoint II LLC	Shopping center	20,869,071	0.86%
John Hancock Life Insurance	Apartment complex	20,538,383	0.85%
New Plan Excel Properties Trust	Shopping center	19,205,078	0.79%
Presbyterian Homes	Retirement community	13,600,654	0.56%
Robin Realty Management	Shopping center	12,331,767	0.51%
Arlington Town Square	Mix use building	12,203,236	0.50%
TLC Management Co.	Apartment complex	10,874,170	0.45%
		$193,772,834	8.02%

Source: Cook County Clerk's Office, except for taxpayer descriptions which are based on information publicly available to the District.
The above taxpayers represent 8.02% of the District's $2,417,481,377 2024 EAV (including Incremental EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the *"Department"*) from retailers within the Village. The table indicates the level of retail activity in the Village.

CALENDAR YEAR	STATE SALES TAX DISTRIBUTION(1)
2021	$15,345,732
2022	15,672,102
2023	15,268,656
2024	16,110,852
2025	19,532,326
2026(2)	4,466,115

Source: The Department.
(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.
(2) Through First Quarter 2026.

CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

Corporate Personal Property Replacement Taxes (*"CPPRT"*) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the *"Personal Property Tax"*) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the *"Sharing Act"*) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District over the last five years:

FISCAL YEAR ENDED JUNE 30	CPPRT RECEIPTS
2021	$1,439,901
2022	3,113,319
2023	3,248,958
2024	1,957,755
2025	1,312,828

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-June 30, 2025.

The Department estimates that the District will receive CPPRT revenues of approximately $1,447,237 for the fiscal year ended June 30, 2026.

Largest Employers

Below is a listing of large employers within or near the District.

Employer	Product or Service	Location	Approximate Number of Employees
Endeavor Health Northwest Community Healthcare	Hospital	Arlington Heights	3,300
Transformco	Retail department store chain	Hoffman Estates	3,200
Northrop Grumman Corp.	Electronic countermeasures, radar and infrared jamming and microwave tubes	Rolling Meadows	2,800
Zurich North America	Commercial property and casualty insurance	Schaumburg	2,458
Nation Pizza & Foods	Dough related items, including pizzas, sandwiches, appetizers, snacks and desserts	Schaumburg	2,000
Siemens Industry, Inc.	Building control systems	Buffalo Grove	1,800
Motorola Solutions	Telecommunications	Schaumburg	1,568
Automatic Data Processing	Data processing and payroll services	Elk Grove Village	1,500
Durable Packaging International, Inc.	Aluminum foil and plastic products, including roasters, bake pans, containers, trays and dry and wet wax paper	Wheeling	1,500
UOP, LLC	Research development laboratory for the petroleum industry	Des Plaines	1,500
Caremark Illinois Specialty Pharmacy, LLC	Wholesale specialty pharmaceutical products	Mount Prospect	850
Handi-Foil Corp.	Aluminum foil cooking containers	Wheeling	800
OptumRx, Inc.	Pharmacy software and automation services	Schaumburg	800
Paylocity Corp.	SaaS human capital management software development and payroll processing services	Schaumburg	800
SG360	Direct marketing services, including inline web printing, digital printing, offset printing, web-to-print, finishing and secured hand assembly, inserting and mailing, commingling and logistics services	Wheeling	760
Wheels, Inc.	Corporate fleet management and mobility services	Schaumburg	750
Sysco Food Services	Wholesale food	Des Plaines	650
Executive Building Maintenance, Inc.	Janitorial and staffing services	Schaumburg	630

Source: 2026 Illinois Manufacturers Directory, 2026 Illinois Services Directory and the Village of Schaumburg, and Endeavor Health.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the Village, the County and the State.

	THE VILLAGE	THE COUNTY	THE STATE
2021 – Average	4.2%	7.0%	6.1%
2022 – Average	3.5%	5.0%	4.6%
2023 – Average	3.3%	4.5%	4.5%
2024 – Average	4.1%	5.4%	5.0%
2025 – Average	3.8%	4.8%	4.6%
2026 – Average (5 mos.)	4.0%	5.3%	5.1%

Source: State of Illinois Department of Employment Security.

HOUSING VALUE AND INCOME STATISTICS

The following table sets forth information regarding median home values and various income related statistics for the Village, the County and the State.

	THE VILLAGE	THE COUNTY	THE STATE
Median Home Value	$414,500	$324,500	$263,300
Median Household Income	116,723	83,498	83,390
Median Family Income	153,956	104,836	106,018
Per Capita Income	62,826	49,329	46,406

Source: U.S. Census Bureau (2020-2024 American Community Survey).

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $0.05 per hundred dollars of EAV (the *"Working Cash Fund Tax"*). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2021	$7,706,066
2022	7,637,951
2023	7,924,478
2024	6,029,166
2025	6,109,308

Source: Compiled from the District's audited financial statements for the fiscal years ended June 30, 2021-2025.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

REAL PROPERTY ASSESSMENT

The County Assessor (the *"Assessor"*) is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the *"South Tri"*), north and northwest suburbs (the *"North Tri"*), and the City of Chicago (the *"City Tri"*). The District is located in the North Tri and was last reassessed for the 2022 tax levy year. The District will next be reassessed for the 2025 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3-year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10-year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the *"Board of Review"*), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the *"PTAB"*), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of the County (the *"Circuit Court"*) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163
2024	3.0355
2025	3.0300

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

Exemptions

The Illinois Property Tax Code, as amended (the *"Property Tax Code"*), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (*"Residential Property"*) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $10,000 for tax years 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of $75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is $8,000 for tax years 2017 and thereafter.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of $65,000 beginning in assessment year 2017. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or $2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the *"Natural Disaster Exemption"*) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Tax Levy

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds, are for fire prevention and safety, energy conservation and school security purposes or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT - School District Tax Rates by Purpose." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

If the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerk will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds (such as the Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS—Security" herein.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and Illinois Property Tax Appeal Board (the *"PTAB"*) decisions. For levy year 2025, there was no the additional amount added to the District's tax levy as a result of this change.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of "recognition" or "review" according to the Illinois State Board of Education's (*"ISBE"*) School District Financial Profile System, park districts, library districts and community college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the *"Warrant Books"*) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Due to delays in the second penalty installment date with respect to levy years 2021 and 2024, the subsequent first installment penalty date for levy years 2022 and 2025 was changed by legislation enacted by the General Assembly from, with respect to levy year 2022, March 1, 2023 to April 1, 2023, and, with respect to levy year 2025, March 1, 2026, to April 1, 2026. The District did not experience any cash flow issues due to such change with respect to levy years 2022 and 2025. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	August 3, 2020
2020	August 2, 2021
2021	December 30, 2022
2022	December 1, 2023
2023	August 1, 2024
2024	December 15, 2025

The distribution of the County's property tax bills has been delayed several times in recent years. As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, the distribution of amounts related to the second installment for each of the 2021 and 2022 tax years (for amounts payable in calendars 2022 and 2023, respectively), were delayed. Due to further efforts to modernize the County's property tax system, the County's second installment property tax distributions were delayed again for tax year 2024 (collectible in calendar year 2025). The District did not experience any cash flow issues due to such delays.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 0.75% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, the County Treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale", which is a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, the tax buyer can secure a court-ordered deed to the home. Tax buyers can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is abandoned, that time frame can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes remain unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

Scavenger Sales

In the County, if a property's taxes go unpaid in at least three of the previous 20 years, the property is offered at a biennial "Scavenger Sale," which like the Annual Tax Sale, is a sale of unpaid taxes. The winning bidder is not required to pay any of the previous years' unpaid taxes. If the owner, however, does not redeem such back taxes, the winning bidder can seek deed to the property. To obtain the deed, the bidder must pay all unpaid taxes billed on the property between the last year covered by the Scavenger Sale and the date the bidder seeks the deed. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property. As in the Annual Sale, bidders at the Scavenger Sale can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is abandoned, that time frame can be shortened to two years. With a vacant, commercial or industrial property, the winning buyer can seek the deed after six months.

Public Act 103-0555 effective January 1, 2024, eliminates the County's mandatory Scavenger Sale and allows the County or local governments to take control of properties if they are not purchased in the Annual Tax Sale. The County, like all other Illinois counties, can cease selling tax liens and instead work to connect chronically-delinquent, forfeited tax liens to new development opportunities.

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that the County's tax sale system is likewise unconstitutional based on those earlier rulings. In response to these rulings, the General Assembly (the *"General Assembly"*) of the State passed House Bill 4537, which has been approved by both chambers and is awaiting the Governor's signature. The legislation makes significant amendments to the Property Tax Code (as hereinafter defined), including: (i) requiring that properties subject to tax deed proceedings be sold at a judicial tax deed auction to the highest bidder, rather than directly to the tax purchaser; (ii) entitling former property owners to receive any surplus proceeds from such auctions that exceed the amount of the tax deed judgment; (iii) establishing a surplus equity fund to compensate former owners who sustained losses from tax deeds recorded in the two years prior to the effective date of the legislation or from outstanding tax certificates issued prior to the effective date; (iv) enhancing notice requirements to property owners regarding tax sales, redemption rights, and tax deed auctions, including multilingual notice requirements in counties with 3,000,000 or more inhabitants; and (v) establishing a pilot program in the County under which the county may acquire tax certificates for up to 100 homestead properties with the lowest tax amounts. If signed by the Governor, these provisions would apply to tax certificates issued on or after the effective date of the legislation. The District makes no prediction as to the effect of such rulings or legislation on the State's tax sale process or on the District's receipt of property tax revenues.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the *"Law"*) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

SCHOOL DISTRICT FINANCIAL PROFILE

ISBE utilizes a system for assessing a school district's financial health referred to as the *"School District Financial Profile"* which replaced the Financial Watch List and Financial Assurance and Accountability System. This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition*. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the *"Original Score"*) and an adjusted financial profile score (the *"Adjusted Score"*). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district's actual and expected receipt of State payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State payments.

The following table sets forth the District's Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in the calendar year following the conclusion of each fiscal year):

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2020	3.90	Recognition	3.90	Recognition
2021	3.90	Recognition	3.90	Recognition
2022	3.90	Recognition	3.90	Recognition
2023	3.80	Recognition	3.80	Recognition
2024	3.80	Recognition	3.80	Recognition

The Auditor has calculated the District's Original Score for fiscal year 2025 to be 3.45, which places the District in the Financial Review category. Such calculation of the Original Score is preliminary and may be different from the official Original Score released by ISBE. The District expects that ISBE will release its official Original Score and its Adjusted Score in calendar year 2026.

State Aid

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For the fiscal year ended June 30, 2025, 6.56% of the District's General Fund revenue came from State funding sources. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

Beginning with fiscal year 2018, general State funds (*"General State Aid"*) have, pursuant to Public Act 100-0465, been distributed to school districts under the "Evidence-Based Funding Model". The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the *"Adequacy Target"*) each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target", and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts (*"New State Funds"*) will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

On June 16, 2026, Governor Pritzker signed the State's $55.9 billion general funds budget (Public Act 104-0464) for the fiscal year ending June 30, 2027 (the *"Fiscal Year 2027 Budget"*). The Fiscal Year 2027 Budget increased mandated categorical state aid by approximately $68 million. The Fiscal Year 2027 Budget also appropriated General State Aid in an amount $350 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district's *"Base Funding Minimum"*). The Base Funding Minimum for the District for school year 2017-2018 was $4,546,091 (the *"Initial Base Funding Minimum"*). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidenced-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in fiscal year ending June 30, 2026.

FISCAL YEAR	EVIDENCE-BASED FUNDING
2021	$4,811,111
2022	4,959,516
2023	5,058,581
2024	5,062,925
2025	5,159,679
2026 (projected)[(1)]	5,294,390

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021, through June 30, 2025, for historical amounts and ISBE for the amount projected for fiscal year ending June 30, 2026. The projected amount of Evidenced-Based Funding for fiscal year ending June 30, 2026, consists of the Base Funding Minimum plus anticipated New State Funds for fiscal year ending June 30, 2026.

(1) For fiscal year ending June 30, 2026, the District has been placed in Tier Two.

PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the *"Property Tax Relief Pool"*). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district's percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district's Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above. In the Fiscal Year 2027 Budget, $50 million of General State Aid was allocated to the Property Tax Relief Pool.

MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as *"Mandated Categorical State Aid,"* are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated

Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

Prior to fiscal year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with fiscal year 2018, Mandated Categorical State Aid is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in fiscal year 2017 for special education programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

Competitive Grant State Aid

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such *"Competitive Grant State Aid"* is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, *"Categorical State Aid"*) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year.

See *Exhibit C* for a summary of the District's general fund revenue sources.

FEDERAL COVID-19 FUNDS DISTRIBUTED TO THE DISTRICT

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act (commonly known as ESSER I), (ii) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) the American Rescue Plan of 2021 (commonly known as ESSER III), was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The amount of funds the District received from ESSER I was $200,230. The District received additional funds in the amount of $675,717 pursuant to ESSER II. Finally, the District received $1,653,941 of ESSER III funds.

RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers' Retirement System of the State of Illinois (*"TRS"*), which provides retirement benefits to the District's teaching employees, and (ii) the Illinois Municipal Retirement Fund (the *"IMRF"* and, together with TRS, the *"Pension Plans"*), which provides retirement benefits to the District's non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the *"Pension Code"*).

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 11 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

BACKGROUND REGARDING PENSION PLANS

The Actuarial Valuation

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the *"GASB Standards"*) issued by the Governmental Accounting Standards Board (*"GASB"*), as described below.

In producing an actuarial valuation, the actuary for the Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

GASB Standards

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a "Net Pension Liability" or "Net Pension Asset," which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the *"Total Pension Liability"*) and the fair market value of the pension plan's assets (referred to as the *"Fiduciary Net Position"*).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the *"Discount Rate,"* which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

Pension Plans Remain Governed by the Pension Code

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly of the State (the *"General Assembly"*) for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Pension Code sets the benefit provisions of TRS, which can only be amended by the General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 11 to the Audit.

Employer Funding of Teachers' Retirement System

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the most recent five fiscal years, the sum of the amounts contributed by the District to TRS were as follows:

FISCAL YEAR ENDED JUNE 30	TRS CONTRIBUTION
2021	$287,972
2022	323,471
2023	304,230
2024	323,239
2025	297,475

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021, through June 30, 2025.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 11 to the Audit.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the *"IMRF Account"*) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the *"IMRF Board"*), as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF's website.

See Note 11 to the Audit for additional information on the IMRF.

Contributions

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2024 was 8.48% of covered payroll.

For the most recent five calendar years, the District contributed the following amounts to IMRF:

CALENDAR YEAR	IMRF CONTRIBUTIONS
2020	973,463
2021	1,086,889
2022	1,056,104
2023	772,524
2024	841,796

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021, through June 30, 2025.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31 for the five most recent calendar years, which are presented pursuant to the GASB Standards.

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset)/Liability	Fiduciary Net Position as a % of Total Pension Liability	Discount Rate
2020	$52,672,869	$51,890,041	$ 782,828	98.51%	7.25%
2021	54,661,898	59,077,578	(4,415,680)	108.08%	7.25%
2022	56,510,222	49,434,559	7,075,663	87.48%	7.25%
2023	58,849,753	54,059,716	4,790,037	91.86%	7.25%
2024	59,062,729	54,941,353	4,121,376	93.02%	7.25%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021, through June 30, 2025.

See Note 11 to the Audit, for additional information on the IMRF.

Other Post-Employment Benefits

The District administers a single-employer defined benefit healthcare plan (the *"Retirees Health Plan"*). The Retirees Health Plan provides health insurance contributions for eligible retirees and their dependents through the District's group health insurance plan which covers both active and retired members. Retirees are responsible for the entire premium payment to secure coverage. Because the retiree insurance premium is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. The rates charged to retirees contain an implied rate subsidy by the District through the blended premium covering all current employees and retirees. For the fiscal year ended June 30, 2025, the amount of such subsidy was $61,891. For more information regarding the District's OPEB obligations, see Note 10 of the Audit.

Teacher Health Insurance Security Fund

The District participates in the Teacher Health Insurance Security Fund (the *"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. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For the fiscal year ended June 30, 2025, the District paid $309,806 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 10 to the Audit.

Bond Rating

Moody's has assigned the Bonds a rating of "Aaa". This rating reflects only the views of Moody's. An explanation of the methodology for such rating may be obtained from Moody's.

Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating will not be changed by Moody's if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the *"OID Bonds"*) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2025 (the *"Audit"*), contained in Appendix A, including the independent auditor's report accompanying the Audit, have been prepared by Baker Tilly US, LLP, Oak Brook, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District.

Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

MUNICIPAL ADVISOR

Raymond James & Associates, Inc., Chicago, Illinois, has been retained as municipal advisor (the *"Municipal Advisor"*) in connection with the issuance of the Bonds. In assisting with the preparation of this Official Statement, the Municipal Advisor has relied upon the District and other sources having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Municipal Advisor's duties, responsibilities, and fees arise solely from that as municipal advisor to the District.

UNDERWRITING

The Bonds were offered for sale by the District at a public competitive sale on August 25, 2026. The best bid for the Bonds submitted at the sale was submitted by ________, ________, _________ (the *"Underwriter"*). The District awarded the contract for sale of the Bonds to the Underwriter at a price of $_________, reflecting the par amount of the Bonds of $_________, plus original issue premium of $_________, and less Underwriter's discount of $_________. The Underwriter has represented to the District that the Bonds have been subsequently re-offered to the public initially at the yields set forth on the inside cover of this Official Statement.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/
Assistant Superintendent for Business/CSBO
School District Number 25, Cook County,
Illinois

August __, 2026

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2021-2025

	Ed[(1)]	O&M	Debt Service	Trans	IMRF	Cap Projects	Working Cash	Tort	Fire	Total
Beginning Balance	$43,488,998	$4,925,796	$1,085,667	$1,292,184	$1,485,658	$(1,104,480)	$7,885,940	$289,789	$290,172	$59,639,724
Revenues	65,072,315	8,270,825	4,332,474	2,644,557	2,226,840	93,972	30,267	420,755	35,321	83,127,326
Expenditures	65,668,027	5,373,051	4,419,365	1,796,320	2,256,058	3,854,312	0	367,873	200,000	83,935,006
Net Transfers	(39,877)	(4,154,101)	39,877	0	0	4,364,242	(210,141)	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	$42,853,409	$3,669,469	$1,038,653	$2,140,421	$1,456,440	$(500,578)	$7,706,066	$342,671	$125,493	$58,832,044
Beginning Balance	$42,853,409	$3,669,469	$1,038,653	$2,140,421	$1,456,440	$(500,578)	$7,706,066	$342,671	$125,493	$58,832,044
Revenues	66,465,040	10,436,518	4,364,888	2,921,379	2,414,794	15,461	(68,115)	721,901	29,800	87,301,666
Expenditures	67,044,359	4,958,241	4,408,716	2,937,265	2,348,783	2,971,096	0	737,399	59,489	85,465,348
Net Transfers	(39,877)	(2,688,295)	39,877	0	0	2,688,295	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/22	$42,234,213	$6,459,451	$1,034,702	$2,124,535	$1,522,451	$(767,918)	$7,637,951	$327,173	$95,804	$60,668,362
Beginning Balance	$42,234,213	$6,459,451	$1,034,702	$2,124,535	$1,522,451	$(767,918)	$7,637,951	$327,173	$95,804	$60,668,362
Revenues	67,494,214	9,659,747	6,525,734	3,013,821	2,053,981	2,307,684	286,527	930,203	28,392	92,300,303
Expenditures	68,442,687	5,031,217	7,301,162	3,372,004	2,116,340	9,162,134	0	831,697	0	96,257,241
Net Transfers	(39,877)	(4,950,000)	39,877	0	0	4,950,000	0	0	0	0
Other Sources (Uses)	0	0	928,012	0	0	60,002,245	0	0	0	60,930,257
Ending Balance, 6/30/23	$41,245,863	$6,137,981	$1,227,163	$1,766,352	$1,460,092	$57,329,877	$7,924,478	$425,679	$124,196	$117,641,681
Beginning Balance	$41,245,863	$6,137,981	$1,227,163	$1,766,352	$1,460,092	$57,329,877	$7,924,478	$425,679	$124,196	$117,641,681
Revenues	79,373,577	7,862,650	9,005,443	3,553,302	2,100,005	1,354,111	209,955	1,031,303	30,378	104,520,724
Expenditures	72,086,327	5,889,038	8,771,701	3,875,530	2,224,649	41,452,207	0	915,521	0	135,214,973
Net Transfers	(39,878)	(3,500,000)	1,939,878	0	0	3,705,267	(2,105,267)	0	0	0
Other Sources (Uses)	(130,000)	0	0	0	130,000	0	0	0	0	0
Ending Balance, 6/30/24	$48,363,235	$4,611,593	$3,400,783	$1,444,124	$1,465,448	$20,937,048	$6,029,166	$541,461	$154,574	$86,947,432
Beginning Balance	$48,363,235	$4,611,593	$3,400,783	$1,444,124	$1,465,448	$20,937,048	$6,029,166	$541,461	$154,574	$86,947,432
Revenues	76,296,111	7,502,324	8,165,503	3,647,578	2,030,502	1,593,045	258,942	951,238	31,187	100,476,430
Expenditures	78,331,072	6,524,502	9,846,785	4,184,523	2,332,368	21,281,533	0	883,911	0	123,384,694
Net Transfers	(67,134)	(2,000,000)	67,134	0	0	2,178,800	(178,800)	0	0	0
Other Sources (Uses)	176,806	0	399,527	0	125,865	15,000,536	0	0	0	15,702,734
Ending Balance, 6/30/25	$46,437,946	$3,589,415	$2,186,162	$907,179	$1,289,447	$18,427,896	$6,109,308	$608,788	$185,761	$79,741,902

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021 - June 30, 2025.
(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

EXHIBIT B — BUDGET, FISCAL YEAR ENDED JUNE 30, 2026

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
FUND BALANCE AS OF 7/1/25	$42,945,888	$3,383,535	$2,151,752	$1,015,081	$1,269,212	$19,129,915	$6,013,149	$559,703	$182,838	$76,651,073
ESTIMATED REVENUE	81,112,927	8,428,676	9,206,703	4,498,869	2,470,197	1,030,676	209,800	965,426	33,299	107,956,573
ESTIMATED EXPENDITURES	83,761,845	7,105,085	10,027,826	4,363,230	2,698,242	4,755,288		1,006,860	80,000	113,798,376
OTHER	(204,242)	(2,000,000)	69,612	0	134,630	2,209,800	(209,800)	0	0	0
ESTIMATED FUND BALANCE 6/30/26	$40,092,728	$2,707,126	$1,400,241	$1,150,720	$1,175,797	$17,615,103	$6,013,149	$518,269	$136,137	$70,809,270

Source: Budget for the District for the fiscal year ended June 30, 2026. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District's audited financial statements for the fiscal year ended June 30, 2025.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2021-2025

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023	YEAR ENDED JUNE 30, 2024	YEAR ENDED JUNE 30, 2025
Local Sources	85.87%	85.58%	88.78%	89.48%	89.33%
State Sources	6.83%	6.88%	6.85%	6.03%	6.56%
Federal Sources	7.30%	7.54%	4.37%	4.49%	4.12%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-June 30, 2025. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund. Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

THOMAS | GREENBRIER | IVY HILL | OLIVE | PATTON
SOUTH | DRYDEN | WESTGATE | WINDSOR

Annual Comprehensive Financial Report

As of and for the year ended
June 30, 2025

Arlington Heights School District No. 25
Arlington Heights, Illinois

"Together Today to Transform Tomorrow"

Annual Comprehensive Financial Report

of

Arlington Heights School District 25

June 30, 2025

<u>Officials Issuing Report</u>

Ms. Stacey Mallek,
Assistant Superintendent for Business/CSBO

<u>Department Issuing Report</u>

Business Office

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THOMAS | GREENBRIER | IVY HILL | OLIVE | PATTON
SOUTH | DRYDEN | WESTGATE | WINDSOR

December 3, 2025

Members of the Community and the Board of Education
Arlington Heights School District 25
1200 S. Dunton Avenue, Arlington Heights, Illinois 60005

Dear Members of the Community and the Board:

The Annual Comprehensive Financial Report of Arlington Heights School District 25, Arlington Heights, Illinois, for the fiscal year ended June 30, 2025, is submitted herewith. Submittal of this report complies with the requirements of the Illinois School Code. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter for transmittal and should be read in conjunction with it.

The District is required to undergo an annual single audit as required by the U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditor's report on the internal control structure and compliance with applicable laws and regulations are, included in a separate report.

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the ASBO's Certificate of Excellence. The financial section includes the basic financial statements, individual fund financial statements and

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schedules, as well as the independent auditors' report on the basic financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for multiple years, demographics and other information.

This report includes all funds of the District. For all of the governmental fund types, the District reports on a modified accrual basis of accounting that is applied to the District's budget and accounting records. The notes to the financial statements expand upon the modified accrual basis, as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Baker Tilly US, LLP, Certified Public Accountants.

History of the District

Educational roots date back to 1849 in Arlington Heights when the first primitive school building was erected on the northwest corner of Miner Street and Prairie Street [now Evergreen Street]. The district grew in numbers alongside the prideful town of Arlington Heights, and in 1902 the district changed its number from District 10 to District 25. The district continued to add schools as the population demanded them. The town's peak enrollment years were from the late 1950's into the early 1970's. During this time, the District built 14 schools.

The population declined through the 70's and the District needed to close eight schools. In the early 90's, District 25 saw a consistent increase in enrollment, and with that came either rededication, renovation or expansion of all nine schools. Continued increases in enrollment resulted in additions to five schools between 2015 and 2018. While there was a decline in enrollment over the past few years as a result of the COVID-19 pandemic, the enrollment has returned to school year 2020-2021 levels. The District completed the building of additions at six (6) elementary schools for the implementation of full day kindergarten which began in August of 2024.

The Reporting Entity and Its Services

The District is an elementary (EC – 8) school district in Wheeling Township, Illinois, which operates as a single district. Made up of seven elementary schools and two middle schools, the District's total student enrollment for 2024-25 was 5,366. The schools currently operating in the district are as follows:

School	Year Built
Dryden Elementary School	1952
Greenbrier Elementary School	1964
Ivy Hill Elementary School	1966
Olive-Mary Stitt Elementary School	1962
Patton Elementary School	1962
Westgate Elementary School	1962
Windsor Elementary School	1959
South Middle School	1997
Thomas Middle School	1964

Each elementary school hosts students in grades kindergarten through fifth, and each middle school hosts students in grades six through eighth. Additionally, Greenbrier Elementary School runs an early childhood program for students age three to five. The governing body consists of a seven member Board of Education elected from within the District's boundaries for four-year overlapping terms. The District's boundaries consist of approximately 65% of Wheeling Township. Based on the legislative authority codified in *The Illinois School Code*, the Board of Education:

a. has the corporate power to sue and be sued in all courts
b. has the power to levy and collect taxes and to issue bonds
c. can contract for appointed administrators, teachers, and other personnel as well as for goods and services
d. holds title to all District property, and
e. appoints the Treasurer who serves as legal custodian of all the District's funds,

The Board of Education entered into an Intergovernmental Agreement with Township High School District 214 on April 11, 1996 to provide the same services previously provided by the Wheeling Township School Trustees and School Treasurer. This agreement is ongoing unless the Board of Education of Arlington Heights School District 25 should elect to withdraw from the agreement.

The primary purpose of the Board of Education is to provide a superior education for a lifetime of learning. The District believes the following:

- all children can learn.
- learning is a lifelong process.
- effective teaching promotes the desire to learn.
- students learn in different ways and at different rates.
- learning is enhanced in a nurturing and collaborative environment.
- that respect for the worth and dignity of each individual is essential.
- the mastery of basic skills and the integration of higher-order thinking skills are essential elements of education.
- education is a responsibility shared among students, teachers, parents, families, support staff, and community members.
- that essential to a quality education is a well-trained, student-centered staff.
- parental involvement is important to student success.
- all students deserve a challenging and comprehensive curriculum that includes fine and applied arts and physical education.
- high expectations influence performance.
- students and all school personnel are expected to demonstrate trustworthiness, respect, individual responsibility, fairness, caring, citizenship, and ethical behavior.
- in a consistent district-wide curriculum delivered in a way that meets the individual needs of students.
- in a safe and secure school environment.
- in continuous improvement through planning processes that involve the students, teachers, parents, support staff, and community members.
- participatory long-term planning promotes the best use of the district's resources.
- effective communication is essential as part of the educational process.

- in providing timely and accurate information to all members of the community.
- the success of the district requires accountability on the part of students, teachers, parents, support staff, administration, and Board of Education.
- intellectual risk-taking results in learning for students and staff.
- promoting a student's positive self-esteem, attitude, and emotional well-being enhances learning.
- technology is an instructional tool that significantly impacts the educational process.
- rapidly changing technologies will challenge the current structure and process of education.
- diversity enriches our schools, community and society.

Economic Conditions

With approximately 75,195 residents, Arlington Heights is a large community in Chicago's northwest suburban corridor, located only 25 miles from Chicago's business and entertainment resources. An upper middle-class community with a median household income of $106,051, Arlington Heights attracts both middle and upper management executives. The majority of residents are between 18 and 65 years old. Over half the residents age 25 or older have completed four or more years of college. This data is based on the most recent data available (2023). The average single-family home sells for $505,451. Helping to ensure these high property values are strict building and zoning ordinances as well as a frequently updated comprehensive plan that guides all land development in the Village.

What draws people to Arlington Heights in addition to opportunities for employment, are the excellent services provided by its schools, park district, and library. Many of the District's schools have received the Blue Ribbon Award for Excellence.

The community and all of its resources are committed to careful planning and thoughtful renewal. Economic conditions are quite stable.

Local District Economy

Within the Village of Arlington Heights are six industrial areas and six large shopping centers. The industrial area has more than 300 firms. The shopping centers, in addition to many smaller strip-shopping areas, provide the District residents with ample opportunities to supply their needs.

Redevelopment plans for the Village have led to demolition of some older buildings to make room for new shopping areas and multifamily residential areas. The most current assessed valuation shows approximately 84.5% of the District's valuation to be residential, 15% commercial and, 0.4% industrial with minimal farmland and railroad valuations.

For The Future

Since 1989, the District has renovated and added onto schools and has built a middle school. Classrooms were added to Windsor School during the 1999-2000 fiscal year and to Patton School for the 2005-2006 fiscal year. The District added two classrooms at Olive-Mary Stitt School and six classrooms at Dryden School for the 2007-2008 school year. Another six classrooms were added to Olive-Mary Stitt and ten classrooms to Ivy Hill schools in 2015-16. Six classrooms at Windsor School and five classrooms at Thomas Middle School were added during the 2016-17 school year, along with new/expanded gymnasiums, additional bathrooms, and expanded common spaces to accommodate continued growth. Another four classrooms were added to Greenbrier School during 2017-18. To increase space for the implementation of full day kindergarten in August of 2024, the District added four classrooms at Dryden, two classrooms at Greenbrier, four classrooms at Olive-Mary Stitt, three classrooms at Patton, ten classrooms at Westgate and two classrooms at Windsor. The District typically engages a consulting demographer, John Kasarda, every other fall to develop enrollment projections. As of the most recent December 2024 report, future projected student enrollments based on a kindergarten trend projection model are as follows:

Projected Enrollment (excludes Pre-K)

Grade	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
K	486	490	484	491	494	493	496	495
1	576	584	588	582	591	594	593	596
2	611	598	606	610	602	611	614	613
3	552	619	606	614	618	610	619	622
4	579	564	631	618	624	628	620	629
5	632	576	561	628	616	622	626	618
6	619	643	587	572	637	625	631	635
7	582	624	648	592	578	643	631	637
8	607	584	626	650	594	580	645	633
Total	5,244	5,282	5,337	5,357	5,354	5,406	5,475	5,478

The District is making a concerted effort to communicate with the residents of Arlington Heights concerning its financial picture. In April of 2005, the community approved a Debt Service Extension Base referendum. This allowed the District to add additional space for educational programs, maintain its facilities and refinance outstanding debt that was being paid from operating funds. As of December 1, 2013, the District paid off all of the debt issued as promised to the taxpayers. Between 2015-16 and 2017-18, the Board issued $58.1 million in new debt to fund life safety work and classroom additions at Greenbrier, Ivy Hill, Olive-Mary Stitt, Thomas and Windsor Schools. With a growing community demand for full-day kindergarten, the District passed a $75 million referendum in June of 2022 to add classrooms at 6 elementary schools, expand gymnasiums at 3 schools and cover $32.4 million in capital project costs across all buildings. The additions were completed in August of 2024 and costs remained within the referendum budget.

Strategic Plan

As a result of a strategic planning process involving representatives of the community and District personnel, the Board of Education adopted the following “Strategic Plan 2021-2025”:

Mission: *Empower an inclusive, diverse community of learners to innovate and thrive as global citizens.*

Motto: *Together today to transform tomorrow!*

Vision: *Cultivate a personalized environment of excellence that prepares every learner, every day, for a better tomorrow by:*

- Building the knowledge, skills, and attitudes of learners to be successful, contributing citizens of a global society
- Developing resilience and perseverance in learners to problem- solve and co-create their learning
- Embracing individuality and modeling empathy in an inclusive environment
- Promoting learner confidence, courage, growth mindset and well-being
- Fostering collaboration, voice and engagement with and among staff, families, and our communities to partner in ensuring each learner’s continuous improvement
- Ensuring equity of resources, access and opportunities for all learners and staff to learn, work, and succeed

Core Values: The following core values will guide our behaviors and actions:

- Compassion and Empathy
- Inclusivity and Diversity
- Equity and Social Justice
- Innovation and Creativity
- Collaboration and Communication
- Resilience and Perseverance

Student Achievement Goal One: Refine and extend instructional practices, programs and services to ensure all learners are academically ready for high school and beyond.
Strategies that need attention to achieve this goal at a higher level

- Refine and expand our continuum of services to better meet the needs of all students and close performance gaps for identified student subgroups.
- Ensure high student engagement and ownership of their learning through hands on, authentic, real life learning opportunities and innovative teaching practices.

Learning Environment Goal Two: Cultivate a healthy climate and culture that creates conditions and supports to meet the needs of all learners.

Strategies that need attention to achieve this goal at a higher level

- Address the growing social, emotional and mental health needs of our students, families, and staff.
- Foster a sense of belonging, mutual understanding and competence to address diversity, equity, social justice, racism and inclusion in our everyday practices.

Family and Community Relationships Goal Three: Strengthen family and community relationships to enhance learning, teaching, and partnerships.

Strategies that need attention to achieve this goal at a higher level

- Improve classroom, school and district connections, collaboration, and communication with our families to enhance external relationships, trust, respect, commitment, engagement and satisfaction.
- Develop effective partnerships with community agencies, higher education and District 214.

High-Quality Staff Goal Four: Attract, develop, and retain diverse, high-quality, innovative employees.

Strategies that need attention to achieve this goal at a higher level

- Improve policies, procedures and practices with our employees to enhance internal relationships, trust, respect, commitment, collaboration, communication and satisfaction.
- Refine and extend data collection, analysis, progress monitoring and reporting to promote continuous improvement at all levels of the system.

Stewardship of Resources Goal Five: Demonstrate stewardship by allocating resources effectively and equitably.

Strategies that need attention to achieve this goal at a higher level

- Address time, space and aging facilities to ensure an optimal learning and teaching environment.
- Explore and develop new financial strategies to respond to the changing nature of school funding and projections to continue to offer equitable, high-quality programs and services to our students and families.

* indicators, measures and targets for each goal and strategy will be developed at a later date to ensure it is a SMART Goal.

This Strategic Plan 2021-2025 was approved April 8, 2021 by the Board of Education.

Financial Overview

As resources become scarcer and more segments of the community vie for their use, planning and sound fiscal policies become even more critical in providing the financial support needed for the District to fulfill its mission. Accordingly, five-year financial projections, Board budget sessions, and quarterly budget updates have been implemented to provide the Board with accurate financial information and the community the opportunity to participate in the discussion process. Although the District's five-year financial projections point toward continued overall financial strength, several key areas of concern are monitored for probable adverse impact on operations. Key areas of concern include property tax refunds, unfunded mandates, utility costs, growing special education and English Language Learners program needs, increasing health care costs, the pension crisis, the State financial condition, changes in Federal funding and the legislative debate over property tax freezes.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, expenditures to revenues ratio, and fund balance as a percentage of next year's expenditures. However, with minimal increases and probable decreases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for taxing districts, including District 25. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenues. Over the pasts several years, the District has made some positive financial achievement in the areas of energy utilization and tying salaries to the same inflation rate that property tax increases are tied to. District 25 also seeks out other revenue sources. Grants are actively sought, a District foundation has been created, and facilities not projected to be needed have been rented.

Expenditures for 2024-25 were under budget due to the continued impact of supply chain issues, staffing shortages and unspent contingency funds. Some of this savings being set aside to fund future capital projects. Prudent use of resources, sound fiscal practices, and a plan for programs and expenditures are essential components of the financial policies.

Relevant Financial Policies

The Illinois School Code requires that public school districts approve an annual budget prior to the last day of the first quarter of the current fiscal year. The Board of Education of each district is further required to make these budgets available for public inspection at least 30 days, followed by a public hearing, prior to their adoption. The approved budgets must be filed with the Illinois State Board of Education within 30 days of their approval. The District budget is posted on the District's website. The Board is authorized by Illinois school law to transfer funds up to 10% within each fund in the budget. The budget may be amended through the last day of the fiscal year subject to the same requirements specified above. Budget planning begins no later than November by presenting a tentative tax levy to the Board of Education. The Certificate of Property Tax Levy must be filed with the Cook County Clerk by the last Tuesday in December. The District annually publishes a statement of affairs regarding the financial position of the District for the previous year by December 1 of each year.

The Board of Education maintains established budget and fund balance policies that outline parameters for the distribution of resources, provisions for safe and operational facilities, compliance with all applicable regulations, and continuous monitoring of efficiencies. Budgetary controls are in place to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end. Adequate fund balance levels are maintained for operational and financial planning purposes, and a minimum fund balance level of 40-60% of the next year's budget expenditures is a goal of the Board. This level of fund balance represents approximately 6 months of operations plus a contingency. Fund balances are reported as of June 30 each year.

Internal Accounting and Budgetary Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that: (1) the cost of a control should not exceed the benefits likely to be derived; (2) the valuation costs and benefits require estimates and judgments by management.

The School Code of Illinois and the District's adopted policy require an annual audit by certified public accountants. The accounting firm of Baker Tilly US, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related U.S. Office of Management and Budget's Uniform Guidance. The auditors' report on basic financial statements is included in the financial section of this report.

As part of the audit of the District, the District's independent auditor considered the District's internal controls to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The auditor also performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. The results of the audit for the fiscal year ended June 30, 2025 are included.

Single Audit. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgeting Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for capital outlay funds.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a regular basis. This report compares each line item account balance to the annual budget with accumulation to the cost center, fund and total District levels. For example, the District maintains an encumbered accounting system as one technique in accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management.

Property Taxes. Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are equalized assessed valuation (EAV); levy extension and property tax rates.

The EAV results from a state multiplier, which is applied to base assessments in an attempt to equalize assessment practices of the County Assessors. The District's 2024 EAV of $2,383,254,524 represents a 0.6% decrease over the 2023 EAV amount. The EAV decrease was a result of assessment reductions and the change in the State multiplier applied to property assessments.

The Board of Education approves a levy in dollars to meet the District's operating needs for the fiscal year following the levy year. This levy is subject to the Property Tax Extension Limitation Law (PTELL). This law limits the increase in the levy extension to the Consumer Price Index or 5%, whichever is less.

Tax rates are determined by dividing the total EAV by the extended levy and are usually expressed as dollars and cents per $100 of EAV. Extended levies are reduced, if necessary, to stay within the maximum rates established by law or by referendum and/or the limits allowed under the Property Tax Extension Limitation Act. Because levies are determined by a dollar amount, changes in tax rates are inversely proportional to changes in EAV.

Real Estate tax bills in Cook County, Illinois are payable in two installments, with the second payment due and payable after the close of the fiscal year. The first was due in March of 2025 and was fifty-five percent of the 2023 tax bill. The second is due late in 2025 in December after the close of the fiscal year and is the difference between the actual 2024 tax extension amount and the amount paid in the spring. Tax collections are expected to exceed 98% of the extended levy. The Board of Education abated $1.9 million of the debt service levy for tax year 2023. Following is a tax rate comparison for 2024 and the preceding two fiscal years.

Fund Type	2024	2023	2022
General	**2.8078**	**2.7047**	**2.6666**
Special Revenue	.4464	.4088	.3649
Debt Service	.3965	.3149	.4036
Levy Adjustment PA 102-0519	.0000	.0000	.0000
Capital Projects	.0011	.0010	.0010
Total Tax Rate	3.6518	3.4294	3.4361

The Illinois State legislature passed Public Act 102-0519 effective with the 2021 tax levy. Under this new Act, on or before November 15 of each year, the county treasurer will certify each covered taxing district's aggregate property tax refunds for the preceding 12 months. The county treasurer will automatically extend the recapture levy based on the certified amounts of the property tax refunds unless the taxing body passes a resolution to abate this levy. That levy will be shown as a separate line item on the taxing body's levy extension report as is reflected in the chart above and will not be included in the most recent aggregate extension for purposes of PTELL. The Board of Education abated this recapture levy since tax year 2022.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the financial records of all funds of the District. The audit is done by independent certified public accountants that are selected by the District's Board of Education. This requirement has been complied with and the independent auditors' report has been included in this report.

Awards and Achievement

District 25 is proud of its students and teachers who dedicate so much time and effort to representing District 25 and Arlington Heights in the highest ways. Six of the District schools are recognized as **National Blue Ribbon Schools of Excellence** by the U. S. Department of Education as follows: Olive-Mary Stitt, Westgate, Windsor, Greenbrier, Ivy Hill Elementary Schools & Thomas Middle School

The District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting, for the twenty-fifth consecutive year. In order to be awarded the ASBO Certificate of Excellence in Financial Reporting, the District published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Excellence in Financial Reporting is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the program requirements of the ASBO Certificate of Excellence. We are submitting it to ASBO International for consideration of the award.

Closing Statement

It is our intention that this Annual Comprehensive Financial Report will provide the District's management, outside investors, and interested local citizens with a most meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2025.

The preparation of this report on a timely basis could not be accomplished without the dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report. We would also like to extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

Stacey Mallek

Stacey Mallek
Assistant Superintendent for Business/CSBO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Arlington Heights School District 25

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Arlington Heights District 25

3:30-E

Organization of Services

Comprehensive* • *Cohesive* • *Student-Centered

Parents • Educators • Students

Community

Board of Education

Superintendent
Brian A. Kaye, Ed.D.

Dryden – Akemi Sessler

South Middle School – Jim Morrison, Ed.D.

Westgate – Ann Buch, Ed.D.

Windsor – Lindsay Anastacio

Greenbrier – Donna Bingaman

Thomas Middle School – Lori Naumowicz

Ivy Hill – Scott Kaese

Patton – Ellie Chin

Olive - Mary Stitt – Erin Davis

Student Learning
Becky FitzPatrick, Ed.D.

Teaching and Learning
Advanced Learners
Art, Music, Drama
Assessment
Consumer Education
Curriculum & Program Reviews
EL/Bilingual –**Shab Poloz**
Grants
Health
Learning Media Centers

Learning Standards
Literacy
Mathematics
Parent Education
Physical Education
Professional Development - **Andrea Luessow**
Science
Social Sciences
Summer Programs
World Language

Technology - Chris Fahnoe
Communications – **Adam Harris**
Copyright Compliance
Data Management
Data Security
District Publications
Electronic Emerging
Grants
Hardware
Infrastructure

Interactive Tools
Network Security
Parent Education
Professional Development
Social Media
Software
Technologies
Technology Support
TPACK
Video Production
Web Design & Use

Student Services
Diane Kaffka

Child Find
Early Childhood
Extended School Year
IDEA Implementation
K-8 Instructional Programs
K-8 Resource

Nursing-Health Services
Occupational & Physical Therapy Services
Psychology Services
Social Work Services
Speech Language Services

504 Implementation
Grant Management
K-8 Curriculum
McKinney-Vento/ Homeless
Non-Public Schools

Parent Education
Professional Development
Residency/Registration
RtI
Student Records
Truancy

Personnel and Planning
Kendra Perri

Compliance Issues
Contract Implementation
D.E.I. – **Shab Poloz**
District Calendar
District Policies
Educational Licensure

Employee Discipline
Employee Handbooks
Employee Performance
Enrollment Projections
Fair Labor Standards

Hiring
Investigations
Job Descriptions
Permanent Records
Qualifications

Recognitions/Awards
Recruitment
Retirement
Staffing
Student Teachers
Substitute Teachers

Business Services
Stacey Mallek, CSBO

Accounts Payable
Accounts Receivable
Budget
CAP Liaison

Employee Benefits
Food Services – **Sandy Voss**
Insurance
Internal Controls

Payroll
Purchasing
Tax Levy
Transportation

Facilities, Custodial/ Maintenance } **Ryan Schulz**

Information Management • Data-Informed Decision-Making

Professional Learning • Community Learning

July 1, 2024

Arlington Heights School District 25

1200 S. Dunton Avenue
Arlington Heights, IL 60005

Annual Comprehensive Financial Report
Officers and Officials

Fiscal Year Ended June 30, 2025

Board of Education

		Term Expires
Greg Scapillato	President	2029
Dr. Anisha Jogee	Vice President	2029
Kevin Michael	Secretary	2027
Brian Cerniglia	Member	2027
Melissa Buchberger	Member	2029
Elizabeth Nierman	Member	2027
Deb Tranter	Member	2029

Treasurer

James Palmer	Comptroller Township High School District 214

District Administration

Dr. Brian Kaye	Superintendent
Stacey Mallek	Assistant Superintendent for Business/CSBO
Kendra Perri	Assistant Superintendent for Personnel & Planning
Diane Kaffka	Assistant Superintendent for Student Services
Dr. Rebecca FitzPatrick	Assistant Superintendent for Student Learning

Principals

Akemi Sessler	Dryden Elementary School
Donna Bingaman	Greenbrier Elementary School
Scott Kaese	Ivy Hill Elementary School
Erin Davis	Olive-Mary Stitt Elementary School
Ellie Chin	Patton Elementary School
Ann Buch	Westgate Elementary School
Lindsay Anastacio	Windsor Elementary School
Dr. James Morrison	South Middle School
Lori Naumowicz	Thomas Middle School

bakertilly

Independent Auditors' Report

To the Board of Education of
Arlington Heights School District 25

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Arlington Heights School District 25 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2025 and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 required supplementary information, 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 for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information for the year ended June 30, 2025 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated December 3, 2024, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The supplementary information for the year ended June 30, 2024 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated December 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended , is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Oak Brook, Illinois
December 3, 2025

The discussion and analysis of Arlington Heights School District 25'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 transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. 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 $1.2. This represents a 2% increase from 2024 and is a result of lower than anticipated total personnel costs due to the inability to fill all vacant positions related to the labor shortages and lingering concerns about COVID.

- General revenues accounted for $91.2 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for $27.1 or 23% of total revenues of $118.3.

- The District had $117.1 in expenses related to government activities. However, only $27.1 of these expenses were offset by program specific charges and grants.

- The District spent over $21.2 on capital projects, the majority of which related to the completion of building additions at 6 elementary schools to accommodate full day kindergarten. Additionally, capital projects approved by the Board in spring of 2023 were completed in the summers of 2024 and 2025 in combination with the building additions, including roofing, HVAC replacements, parking lot repairs and replacements.

- The District continued to pay down its long term bond debt retiring $6.2 in fiscal year 2025.

- The Board of Education authorized the transfer of $2.0 from the Operations and Maintenance Fund to the Capital Projects Fund to cover projects not covered by the referendum bonds, both current and future.

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 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 education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

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 divided into two categories: governmental funds and fiduciary 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 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 net pension and OPEB liabilities.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2025, than it was the year before, increasing 2% to $104.3.

Table 1
Condensed Statements of Net Position
(in Millions of Dollars)

	2024	2025
Assets		
Current and other assets	$ 149.4	$ 141.6
Capital assets	154.2	169.2
Total assets	303.6	310.8
Total deferred outflows of resources	5.9	4.1
Liabilities		
Current liabilities	20.9	17.0
Long-term debt outstanding	113.4	123.2
Total liabilities	134.3	140.2
Total deferred inflows of resources	72.0	70.3
Net Position		
Net investment in capital assets	74.7	74.5
Restricted	20.4	19.6
Unrestricted	8.0	10.2
Total net position	$ 103.1	$ 104.3

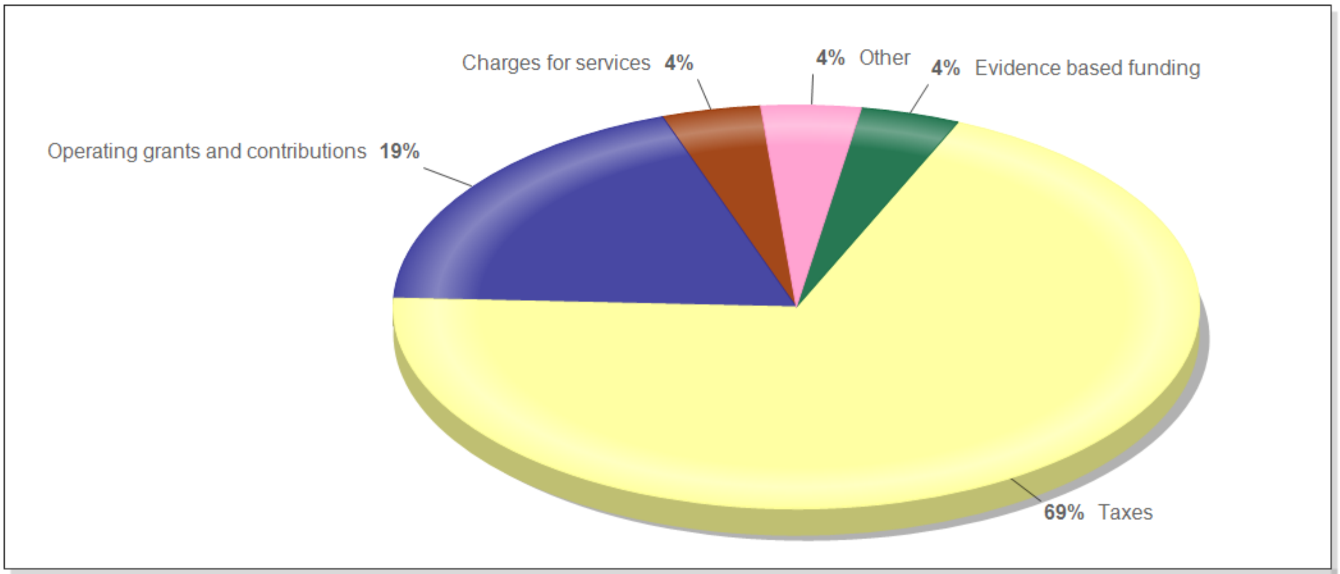
Revenues in the governmental activities of the District of $118.3 exceeded expenses by $1.2. This was attributable primarily to lower than budgeted expenditures as a result of unspent contingency funds and the continued labor shortages and inability to fill positions. This was offset by revenues impacted by the increase in property taxes from the 3.4% CPI, $0.7 in TIF district distributions, the impact of the abatement of $1.9 in debt service taxes, increases in federal and state grants and the receipt of significant additional interest earnings.

Table 2
Changes in Net Position
(in Millions of Dollars)

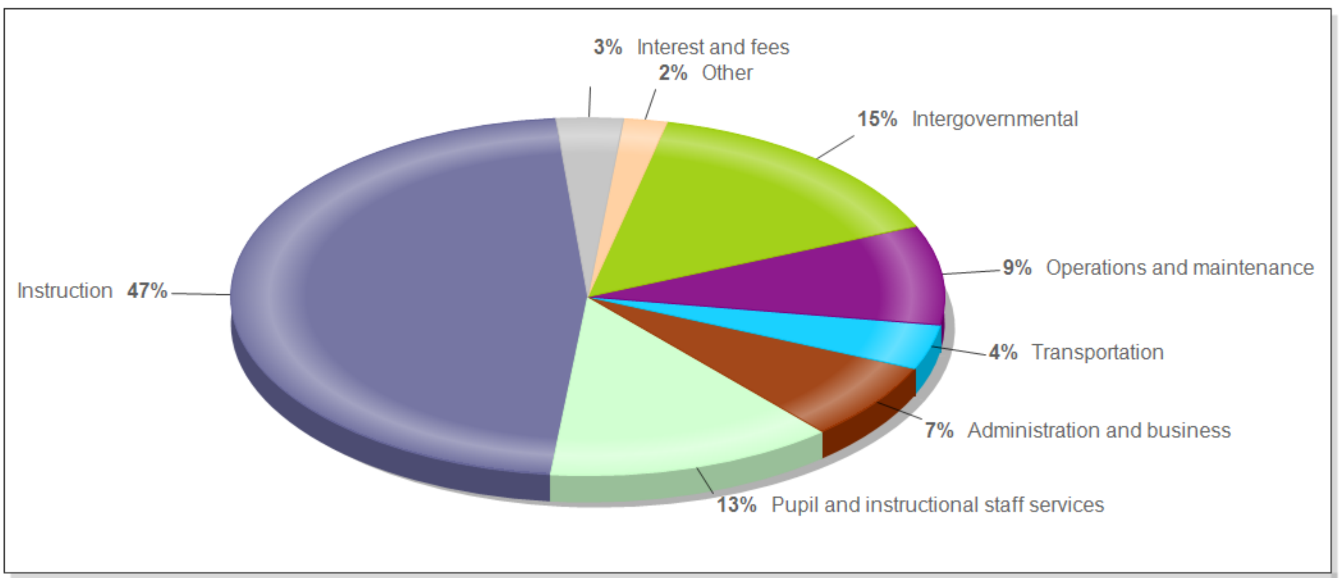
	2024	2025
Revenues		
Program revenues:		
Charges for services	$ 4.1	$ 4.3
Operating grants and contributions	23.0	22.3
Capital grants and contributions	0.1	0.5
General revenues:		
Taxes	86.2	81.6
Evidence based funding	5.1	5.2
Other	3.9	4.4
Total revenues	122.4	118.3
Expenses		
Instruction	50.5	55.1
Pupil and instructional staff services	12.2	15.1
Administration and business	6.9	8.3
Transportation	3.9	4.2
Operations and maintenance	11.7	10.8
Intergovernmental	18.1	17.4
Interest and fees	3.3	3.6
Other	3.0	2.6
Total expenses	109.6	117.1
Increase (decrease) in net position	12.8	1.2
Net Position, Beginning	90.3	103.1
Net Position, Ending	$ 103.1	$ 104.3

Property taxes accounted for the largest portion of the District's revenues, contributing 71%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was $117.1, mainly related to instructing and caring for the students and student transportation at 64%.

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from $86.9 to $79.7.

The fund balance in the General Fund decreased by $1.8 due to expenditures exceeding revenues. The budget anticipated a $4.2 deficit, but expenditures were $2.9 under budget resulting in a smaller overall deficit.

The Operations and Maintenance fund balance decreased $1.0 during fiscal 2025. Net transfers to the Capital Projects fund of $2.0 were based on the Board directed use of reserves to fund a portion of current and future capital improvements.

The Debt Service Fund represents the property taxes received for and debt service payment on the outstanding bond issues. The deficit is a result of the structure of the levy extension to maintain a level debt service tax rate versus the required annual debt service payments.

The fund balance in the Capital Projects fund decreased $2.5 over the prior year. This was a result of the transfer of reserves from the Operations and Maintenance fund of $2.0 combined with the spend down of bond proceeds for building projects and expansions for full day kindergarten.

General Fund Budgetary Highlights

The 2024-25 budget was adopted by the Board of Education in September 2024. For 2024-25, the largest category of revenue is local property taxes and reflected a $2.7 unfavorable budget position due to $1.2 million refunds issued during the year plus the timing of payments. The District, like other taxing units of local government across Cook County, continues to lose significant dollars in property tax revenue every year from refunds resulting from assessment valuation challenges brought before the Illinois Property Tax Appeal Board or circuit court, exemption decisions of the Illinois Department of Revenue or certificates of error issued by local assessing officials. Despite levies that are properly approved and statutorily limited, the district does not receive the full amount of its extension because taxpayers have won or settled these over assessment or exemption cases for prior years. The refunds for prior years are taken out of current collections, leaving the District with less property tax revenue than it is legally entitled to each year. This was partially offset by $1.2 in investment income in excess of the budgeted amount.

Overall, the General Fund revenues ended the year with a $0.7 deficit condition. Offsetting the deficit related to the tax refunds mentioned above were investment earnings in excess of budget due to higher than projected interest rates and unanticipated state and federal funds.

Total expenditures for 2024-25 were $2.9 under budget. This was mainly due to unspent contingency funds and lower than anticipated salary and benefit expenditures as a result labor shortages and an inability to fill positions.

Capital Assets and Debt Administration

Capital Assets

By the end of 2025, the District had compiled a total investment of $266.7 ($169.2 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was $4.2. More detailed information about capital assets can be found in Note 5. of the basic financial statements.

Table 3
Capital Assets (Net of Depreciation)
(in Millions of Dollars)

	2024	2025
Land	$ 1.1	$ 1.1
Construction in progress	37.5	1.0
Buildings	64.1	115.6
Building improvements	45.6	45.6
Equipment	5.6	5.6
Vehicles	0.3	0.3
Total	$ 154.2	$ 169.2

Long-Term Debt

The District retired $5.4 in bonds and issued $15.0 in bonds in 2025. Lease liability and other were increased by $0.3. At the end of fiscal 2025, the District had a debt margin of $62.0. More detailed information on long-term debt can be found in Note 6. of the basic financial statements.

Table 4
Outstanding Long-Term Debt
(in Millions of Dollars)

	2024	2025
General obligation bonds	$ 93.2	$ 102.4
Net pension liability	8.2	7.6
Net OPEB liability	11.7	12.6
Lease liability and other	0.3	0.6
Total	$ 113.4	$ 123.2

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 will significantly affect financial operations in the future:

- Property tax growth for the District is limited under the Property Tax Extension Limitation Law. After two years of 5% increases, the CPI for the 2025 levy will be 2.9%. Property tax increases are limited to CPI of 5.0% plus new property growth. The 10 year average CPI is 2.68% currently. Limited revenue growth year over year, combined with unlimited cost increases, will put a strain on future budgets.

- A collective bargaining agreement with the Arlington Teachers' Association is in place through August of 2026. The District also has a collective bargaining agreement with the custodial/maintenance union through June 30, 2028. These agreements provide some stability in the District's largest expense.

- The District enrollment had stabilized for many years, with just pockets of projected enrollment increases at a couple of schools. Compared to three years ago, enrollment has declined by about 300 students, which is attributed to the COVID 19 pandemic at this point. It is anticipated this enrollment will ultimately return. The District passed a $75 referendum in June of 2022 to fund five-years of larger capital projects and build additions at 6 schools to accommodate full day kindergarten.

- Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System. The State of Illinois still continues to debate the cost of pensions and the need for funding reforms to address an increasing unfunded liability in the system. Employers are mandated to contribute 0.58% of all creditable earnings to the Teachers' Retirement System. Due to the complexities of the pension system and various funding reform options discussed in the legislature, additional employer contributions may be a future consideration.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Stacey Mallek
Arlington Heights School District 25
1200 South Dunton
Arlington Heights, Illinois 60005

Arlington Heights School District 25

Statement of Net Position
June 30, 2025

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	$ 94,887,081
Student activity cash and investments	313,091
Receivables (net of allowance for uncollectibles):	
Interest	25,178
Property taxes	42,418,216
Replacement taxes	226,387
Intergovernmental	1,358,605
Accounts	3,885
Lease receivable	2,261,879
Prepaid items	77,065
Capital assets:	
Land	1,060,199
Construction in progress	987,730
Capital assets being depreciated, net of accumulated depreciation	167,135,653
Total assets	310,754,969
Deferred Outflows of Resources	
Deferred outflows related to pensions	2,385,278
Deferred outflows related to OPEB	1,720,418
Total deferred outflows of resources	4,105,696
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	3,447,132
Salaries and wages payable	8,928,759
Payroll deductions payable	33,761
Other current liabilities	2,853,414
Unearned revenue	398,634
Health claims payable	1,380,613
Long-term liabilities:	
Other long-term liabilities, due within one year	5,948,108
Other long-term liabilities, due after one year	117,217,016
Total liabilities	140,207,437
Deferred Inflows of Resources	
Property taxes levied for a future period	42,418,216
Deferred inflows related to pensions	856,771
Deferred inflows related to OPEB	24,776,798
Deferred inflows related to leases	2,261,879
Total deferred inflows of resources	70,313,664
Net Position	
Net investment in capital assets	74,479,272
Restricted for:	
Tort immunity	608,788
Operations and maintenance	3,589,415
Student transportation	907,179
Debt service	2,186,162
Capital projects	9,718,319
Food service program	2,615,509
Unrestricted	10,234,920
Total net position	$ 104,339,564

See notes to basic financial statements

Arlington Heights School District 25

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction:					
Regular programs	$ 33,908,152	$ 836,486	$ 128,816	$ -	$ (32,942,850)
Special programs	17,877,235	186,550	2,889,297	-	(14,801,388)
Other instructional programs	3,004,172	46,060	79,725	-	(2,878,387)
Student activities	325,524	367,776	-	-	42,252
Support services:					
Pupils	6,737,772	-	18,957	-	(6,718,815)
Instructional staff	8,353,001	-	108,864	-	(8,244,137)
General administration	2,175,121	-	-	-	(2,175,121)
School administration	2,699,647	-	-	-	(2,699,647)
Business	3,408,055	1,326,857	699,892	50,000	(1,331,306)
Transportation	4,208,433	261,166	1,012,376	-	(2,934,891)
Operations and maintenance	10,833,614	1,247,599	-	460,961	(9,125,054)
Central	2,469,175	-	-	-	(2,469,175)
Other supporting services	143,435	-	-	-	(143,435)
Intergovernmental:					
State retirement contributions	17,367,749	-	17,367,749	-	-
Other:					
Community services	16,922	-	-	-	(16,922)
Interest and fees	3,585,414	-	-	-	(3,585,414)
Total governmental activities	$ 117,113,421	$ 4,272,494	$ 22,305,676	$ 510,961	(90,024,290)

General Revenues	
Taxes:	
Real estate taxes, levied for general purposes	62,496,424
Real estate taxes, levied for specific purposes	9,759,073
Real estate taxes, levied for debt service	8,040,386
Intergovernmental, unrestricted:	
Personal property replacement taxes	1,312,828
State aid-formula grants	5,159,679
Investment income	3,770,572
Miscellaneous	732,010
Total general revenues	91,270,972
Change in net position	1,246,682
Net Position, Beginning	103,092,882
Net Position, Ending	$ 104,339,564

See notes to basic financial statements

Arlington Heights School District 25

Balance Sheet -
Governmental Funds
June 30, 2025
With Comparative Totals as of June 30, 2024

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Assets				
Cash and investments	$ 63,854,694	$ 5,235,033	$ 1,500,438	$ 1,285,158
Student activity cash and investments	313,091	-	-	-
Receivables (net allowance for uncollectibles):				
Interest	15,714	1,595	324	404
Property taxes	33,062,578	2,557,003	1,201,316	979,378
Replacement taxes	-	226,387	-	-
Intergovernmental	1,358,605	-	-	-
Accounts	-	-	-	3,885
Lease receivable	-	2,261,879	-	-
Prepaid items	77,065	-	-	-
Total assets	$ 98,681,747	$ 10,281,897	$ 2,702,078	$ 2,268,825
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	$ 1,282,588	$ 260,875	$ 592,158	$ -
Salaries and wages payable	8,928,759	-	-	-
Other current liabilities	338,249	1,607,596	-	-
Payroll deductions payable	28,632	5,129	-	-
Unearned revenue	397,209	-	1,425	-
Health claims payable	1,380,613	-	-	-
Total liabilities	12,356,050	1,873,600	593,583	-
Deferred Inflows of Resources				
Property taxes levied for a future period	33,062,578	2,557,003	1,201,316	979,378
Unavailable state and federal aid receivable	107,077	-	-	-
Deferred inflows related to leases	-	2,261,879	-	-
Total deferred inflows of resources	33,169,655	4,818,882	1,201,316	979,378
Fund Balance				
Nonspendable	77,065	-	-	-
Restricted	3,184,163	3,589,415	907,179	1,289,447
Assigned	313,091	-	-	-
Unassigned	49,581,723	-	-	-
Total fund balance	53,156,042	3,589,415	907,179	1,289,447
Total liabilities, deferred inflows of resources and fund balance	$ 98,681,747	$ 10,281,897	$ 2,702,078	$ 2,268,825

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total 2025	Total 2024
$ 2,185,475	$ 20,640,580	$ 185,703	$ 94,887,081	$ 105,885,264
-	-	-	313,091	270,839
687	6,396	58	25,178	30,612
4,605,396	-	12,545	42,418,216	38,421,695
-	-	-	226,387	331,578
-	-	-	1,358,605	1,319,341
-	-	-	3,885	-
-	-	-	2,261,879	3,097,496
-	-	-	77,065	48,569
$ 6,791,558	$ 20,646,976	$ 198,306	$ 141,571,387	$ 149,405,394
$ -	$ 1,311,511	$ -	$ 3,447,132	$ 7,926,291
-	-	-	8,928,759	8,509,917
-	907,569	-	2,853,414	2,692,772
-	-	-	33,761	18,827
-	-	-	398,634	386,604
-	-	-	1,380,613	1,352,246
-	2,219,080	-	17,042,313	20,886,657
4,605,396	-	12,545	42,418,216	38,421,695
-	-	-	107,077	52,114
-	-	-	2,261,879	3,097,496
4,605,396	-	12,545	44,787,172	41,571,305
-	-	-	77,065	48,569
2,186,162	18,427,896	185,761	29,770,023	35,583,039
-	-	-	313,091	270,839
-	-	-	49,581,723	51,044,985
2,186,162	18,427,896	185,761	79,741,902	86,947,432
$ 6,791,558	$ 20,646,976	$ 198,306	$ 141,571,387	$ 149,405,394

See notes to basic financial statements

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total Fund Balances, Governmental Funds		$ 79,741,902
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		169,183,582
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.		107,077
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		2,385,278
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,720,418
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(856,771)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(24,776,798)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2025 are:		
Bonds payable	$ (96,120,000)	
Unamortized bond premium	(6,287,721)	
Net OPEB liability	(12,589,459)	
Net pension liability	(7,629,253)	
Lease liability	(252,036)	
Compensated absences	(286,655)	
		(123,165,124)
Net Position of Governmental Activities		$ 104,339,564

Arlington Heights School District 25

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Revenues				
Property taxes	$ 63,393,737	$ 4,620,574	$ 2,277,877	$ 1,939,713
Corporate personal property replacement taxes	-	1,292,828	-	20,000
State aid	27,819,014	-	1,012,376	-
Federal aid	3,433,928	-	25,562	-
Investment income	2,718,385	317,697	68,426	70,789
Student activities	367,776	-	-	-
Other	2,121,688	1,271,225	263,337	-
Total revenues	99,854,528	7,502,324	3,647,578	2,030,502
Expenditures				
Current:				
Instruction:				
Regular programs	31,426,942	-	-	306,867
Special programs	13,902,739	-	-	654,482
Other instructional programs	3,199,392	-	-	49,675
Student activities	325,524	-	-	-
Support services:				
Pupils	6,640,155	-	-	192,095
Instructional staff	8,375,383	-	-	228,503
General administration	2,438,297	-	-	44,224
School administration	3,819,164	-	-	137,087
Business	3,103,580	-	-	177,866
Transportation	-	-	4,184,523	10,945
Operations and maintenance	-	6,444,036	-	446,209
Central	2,223,136	-	-	84,400
Other supporting services	-	8,048	-	-
Community services	16,909	-	-	15
Intergovernmental:				
State retirement contributions	22,348,237	-	-	-
Payments to other districts and government units	3,229,430	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	514,332	72,418	-	-
Total expenditures	101,563,220	6,524,502	4,184,523	2,332,368
Excess (deficiency) of revenues over expenditures	(1,708,692)	977,822	(536,945)	(301,866)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(245,934)	(2,000,000)	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Transfer to IMRF fund	-	-	-	125,865
Lease value	302,671	-	-	-
Transfer from general fund	(125,865)	-	-	-
Total other financing sources (uses)	(69,128)	(2,000,000)	-	125,865
Net change in fund balance	(1,777,820)	(1,022,178)	(536,945)	(176,001)
Fund Balance, Beginning	54,933,862	4,611,593	1,444,124	1,465,448
Fund Balance, Ending	$ 53,156,042	$ 3,589,415	$ 907,179	$ 1,289,447

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	2025	2024
$ 8,040,386	$ -	$ 23,596	$ 80,295,883	$ 84,283,196
-	-	-	1,312,828	1,957,755
-	150,000	-	28,981,390	26,872,963
-	-	-	3,459,490	3,920,698
125,117	462,567	7,591	3,770,572	3,905,770
-	-	-	367,776	339,580
-	980,478	-	4,636,728	3,766,227
8,165,503	1,593,045	31,187	122,824,667	125,046,189
-	-	-	31,733,809	28,428,720
-	-	-	14,557,221	13,549,396
-	-	-	3,249,067	3,415,641
-	-	-	325,524	369,736
-	-	-	6,832,250	6,334,272
-	-	-	8,603,886	7,139,436
-	-	-	2,482,521	2,400,085
-	-	-	3,956,251	3,814,711
-	-	-	3,281,446	3,028,316
-	-	-	4,195,468	3,885,841
-	2,771,559	-	9,661,804	11,068,648
-	-	-	2,307,536	2,451,658
-	-	-	8,048	1,038
-	-	-	16,924	14,037
-	-	-	22,348,237	20,525,465
-	-	-	3,229,430	2,975,049
5,423,949	-	-	5,423,949	4,574,074
4,422,836	-	-	4,422,836	4,197,627
-	18,509,974	-	19,096,724	37,566,688
9,846,785	21,281,533	-	145,732,931	155,740,438
(1,681,282)	(19,688,488)	31,187	(22,908,264)	(30,694,249)
67,134	2,178,800	-	2,245,934	5,645,145
-	-	-	(2,245,934)	(5,645,145)
-	14,955,000	-	14,955,000	-
399,527	45,536	-	445,063	-
-	-	-	125,865	130,000
-	-	-	302,671	-
-	-	-	(125,865)	(130,000)
466,661	17,179,336	-	15,702,734	-
(1,214,621)	(2,509,152)	31,187	(7,205,530)	(30,694,249)
3,400,783	20,937,048	154,574	86,947,432	117,641,681
$ 2,186,162	$ 18,427,896	$ 185,761	$ 79,741,902	$ 86,947,432

See notes to basic financial statements

Arlington Heights School District 25

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

Net Change in Fund Balances, Total Governmental Funds		$ (7,205,530)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay is reported as an expenditure in the governmental funds but is capitalized in the Statement of Activities	$ 19,527,781	
Depreciation is reported in the Statement of Activities	(4,241,070)	
		15,286,711
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.		(271,823)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:		
Grant revenue	$ 54,963	
		54,963
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount that current year debt issuances exceed the current year principal repayments.		(9,833,722)
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		392,359
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
State on-behalf contribution revenue	(4,980,488)	
State on-behalf contribution expense	4,980,488	
Compensated absences	(5,525)	
Net OPEB liability	(867,297)	
Deferred outflows related to OPEB	288,361	
Deferred inflows related to OPEB	5,303,295	
Net pension liability	594,425	
Deferred outflows related to pensions	(2,073,669)	
Deferred inflows related to pensions	(415,866)	
		2,823,724
Change in Net Position of Governmental Activities		$ 1,246,682

See notes to basic financial statements

1. Summary of Significant Accounting Policies

Arlington Heights School District 25 (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 accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. 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 activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "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. 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.

Major Governmental Funds

General Fund

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.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel and administrative involvement of the board of education.

Special Revenue Funds

Special Revenue Funds 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.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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

Debt Service Fund

Debt Service Fund accounts 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.

Capital Project Funds

Capital Project Funds accounts 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.

Capital Projects Fund - accounts for construction projects and renovations financed through bond proceeds or transfers from other funds for such purpose.

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

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 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

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 10, 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 of 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 lessor 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. The PTELL limits applicable to the 2024 and 2023 tax levies were 3.4% and 5.0%, respectively.

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 the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is 55% 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 fiscal 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 2025. The District has determined that the second installment of the 2024 levy is to be used to finance operations in fiscal 2026 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.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, construction in progress, buildings, building improvements, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20-50
Vehicles	8
Machinery and equipment	5-20

Leased assets are depreciated of the life of the lease period.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Employees who work a twelve month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 10 days may be carried over into the next year. Maintenance employees are awarded vacation time on July 1 in the year following the year in which they earned the vacation time.

All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the Arlington Teachers' Association. Unused sick leave days accumulate to a maximum of 340 days. Employees are not compensated for accumulated sick days upon retirement.

Educational support personnel receive 15 sick days per year, which accumulate to a maximum of 255 days. The District does not reimburse employees for unused sick days remaining upon termination of employment.

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 applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Equity is classified as net position in the government-wide financial statements 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 less than any unspent debt proceeds.

Restricted Net Position - Consists of net position with constraints placed on its 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 legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g., Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent or the Assistant Superintendent for Business may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance and then restricted fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2025 are as follows:

The nonspendable fund balances in the General Fund is comprised of $77,065 for prepaid items. The restricted fund balance in the General Fund is comprised of $568,654 for tort immunity and $2,615,509 for the operation of the District's food service program. The assigned fund balance in the General Fund of $313,091 is for student activity programs. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Budget

For the year ended June 30, 2025, expenditures exceeded budget in the Transportation Fund, the Capital Project Fund and Debt Service Fund by $190,662, $268,633, and $187,064, respectively. These excesses were funded by available fund balances or bond proceeds.

3. Deposits and Investments

Cash and Investments Under the Custody of the Township Treasurer

The voters of the respective school districts located within the boundaries of the offices of the Wheeling Township School Treasurer passed a referendum abolishing the offices of the Township School Treasurer effective July 1, 1996. The Boards of Education of the respective school districts and the Board of Education of Township High School District 214 (also located in Wheeling Township) entered into an intergovernmental agreement creating the Wheeling Township Treasury Intergovernmental Agreement ("Treasury") administered by District 214. The Treasury agreed to provide to the respective school districts many of the services that were provided by the Township School Treasurer. These services are provided on an optional basis and without costs to the district.

The Wheeling Township School Treasury is the lawful custodian of all school funds. The Treasury 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 Treasury invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasury 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 balance 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 Wheeling 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 Treasury 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 1.39 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 cash and investments, held by the Treasurer's office was $339,988,272 and the fair value of the District's proportionate share of the pool was $94,632,216.

Because all cash and investments are pooled by a separate legal governmental agency (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.

Cash and Investments in the Custody of the District

Deposits of the student activity and imprest funds, 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	$ 567,656	$ 575,073
Total	$ 567,656	$ 575,073

The District maintains $300 in petty cash.

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 deposit with financial institutions totaled $575,073; of this amount, $325,073 was uncollateralized and uninsured.

4. Interfund Transfers

During the year, the Board transferred $67,134 from the General Fund (Educational Accounts) to the Debt Service Fund for the payment of principal and interest on outstanding leases. The Board also transferred $125,865 from the General Fund (Educational Accounts) to the Municipal Retirement/Social Security Fund to cover the IMRF and FICA/Medicare expenditures related to food service.

Additionally, during the year, the Board transferred $2,000,000 from the Operations and Maintenance Fund to the Capital Projects Fund for various projects throughout the year.

The Board approved the permanent transfer of interest earned in the General Fund (Working Cash) of $178,800 to the Capital Projects Fund.

State law allows for the above transfers.

5. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated / amortized:				
Land	$ 1,060,199	$ -	$ -	$ 1,060,199
Construction in progress	37,520,246	18,046,443	54,578,959	987,730
Total capital assets not being depreciated / amortized	38,580,445	18,046,443	54,578,959	2,047,929
Capital assets being depreciated / amortized:				
Buildings	136,065,959	55,418,109	12,375	191,471,693
Building improvements	59,096,641	-	-	59,096,641
Equipment	12,974,335	339,517	363,465	12,950,387
Equipment, right-to-use lease asset	116,810	302,671	116,810	302,671
Vehicles	792,208	-	-	792,208
Total capital assets being depreciated	209,045,953	56,060,297	492,650	264,613,600
Less accumulated depreciation / amortization for:				
Buildings	71,922,136	3,930,552	12,375	75,840,313
Building improvements	13,530,088	-	-	13,530,088
Equipment	7,447,021	196,907	91,642	7,552,286
Equipment, right-to-use lease asset	113,496	53,949	116,810	50,635
Vehicles	444,963	59,662	-	504,625
Total accumulated depreciation / amortization	93,457,704	4,241,070	220,827	97,477,947
Net capital assets being depreciated / amortized	115,588,249	51,819,227	271,823	167,135,653
Net governmental activities capital assets	$ 154,168,694	$ 69,865,670	$ 54,850,782	$ 169,183,582

Depreciation/amortization expense was recognized in the operating activities of the District as follows:

Governmental Activities	Depreciation/ Amortization
Regular programs	$ 3,053,570
Operations and maintenance	593,750
Central	466,518
Other supporting services	127,232
Total depreciation/amortization expense, governmental activities	$ 4,241,070

6. Long-Term Liabilities

Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	$ 86,535,000	$ 14,955,000	$ 5,370,000	$ 96,120,000	$ 5,605,000
Unamortized premium	6,680,080	445,063	837,422	6,287,721	-
Total bonds payable	93,215,080	15,400,063	6,207,422	102,407,721	5,605,000
Lease liabilities	3,314	302,671	53,949	252,036	56,453
Compensated absences	281,130	375,150	369,625	286,655	286,655
Net pension liability	8,223,678	74,236	668,661	7,629,253	-
Net OPEB liability	11,722,162	936,188	68,891	12,589,459	-
Total long-term liabilities, governmental activities	$ 113,445,364	$ 17,088,308	$ 7,368,548	$ 123,165,124	$ 5,948,108

The obligations for the compensated absences, TRS net pension liability and net OPEB liabilities will be repaid from the General Fund. The IMRF net pension liability will be repaid from the Municipal Retirement/Social Security Fund.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Amount	Carrying Amount
Series 2017 GO Limited Schools Bonds dated February 16, 2017 are due in annual installments through December 15, 2033	3.75-5.00%	$ 27,650,000	$ 23,620,000
Series 2018 GO Limited School Bonds dated February 8, 2018 are due in annual installments through December 15, 2031	4.00%	7,375,000	5,985,000
Series 2022 GO School Bonds dated September 9, 2022 are due in annual installments through September 15, 2042	4.00-5.00%	56,045,000	51,560,000
Series 2025 GO School Bonds dated March 5, 2025 are due in annual installments through December 15, 2044	4.00-5.00%	14,955,000	14,955,000
Total		$106,025,000	$ 96,120,000

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

Years	Principal	Interest	Total
2026	$ 5,605,000	$ 4,360,625	$ 9,965,625
2027	5,120,000	4,100,575	9,220,575
2028	5,375,000	3,846,625	9,221,625
2029	5,630,000	3,580,250	9,210,250
2030	5,905,000	3,300,950	9,205,950
2031-2035	27,935,000	12,051,600	39,986,600
2036-2040	18,070,000	7,602,000	25,672,000
2041-2045	22,480,000	3,191,900	25,671,900
Total	$ 96,120,000	$ 42,034,525	$ 138,154,525

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. As of June 30, 2025, the statutory debt limit for the District was $164,444,562, providing a debt margin of $62,036,841.

Leases

The District has entered into lease agreements as a lessee for financing the temporary acquisition of copy machines. These agreements qualify as leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for the copy machines will be repaid from the Debt Service Fund with a transfer from the General Fund (Educational Accounts).

Description	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance
Copy machine lease	7/10/2024	7/10/2030	4.63%	$ 302,671	$ 252,036
Total				$ 302,671	$ 252,036

Annual debt service requirements to maturity for the lease liabilities are as follows:

Years	Principal	Interest	Total
2026	$ 56,453	$ 13,159	$ 69,612
2027	59,737	13,159	69,612
2028	63,211	6,401	69,612
2029	66,888	2,724	69,612
2030	5,747	9	5,756
Total	$ 252,036	$ 35,452	$ 284,204

7. Lessor Agreements

The District leases building space at two schools to tenants under noncancelable operating leases to third parties. 98% of one school is leased, with an associated cost of $6,081,357 and related accumulated depreciation of $3,624,838. 93% of another school is leased, with an associated cost of $4,683,678 and related accumulated depreciation of $2,609,289. The District recognized $835,617 in lease revenue and $57,947 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the District's receivable for lease payments was $2,261,879. Additionally, the District reported deferred inflows of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2025, the District reported deferred inflows of resources of $2,261,879.

Description	Date of Issue	Final Maturity	Interest Rates	Outstanding Principal Amount
Miner School - A Mother's Touch	7/1/2018	6/30/2028	1.90%	$ 360,721
Miner School - NSSEO	7/1/2017	6/30/2027	1.90	595,505
Rand Junior High School - Chicago Futabakai Japanese School	4/1/2018	3/31/2028	1.52	1,305,653
Total				$ 2,261,879

8. 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: SSCIP and IPR 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 is self-insured for medical coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed $0 per employee or 25% of the expected claims in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2025, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled $1,380,613. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2024 and June 30, 2025, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2024	$ 1,346,151	$ 10,840,102	$ 10,834,007	$ 1,352,246
Fiscal Year 2025	$ 1,352,246	$ 11,022,920	$ 10,994,553	$ 1,380,613

9. Joint Agreements

The District is a member of Northwest Suburban Special Education Organization, 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.

10. Other Postemployment Benefits

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	Total OPEB Liability	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/ (Income)
THIS	$ -	$ 11,666,071	$ 1,466,744	$ 24,688,541	$ (4,496,404)
District OPEB Plan	923,388	-	253,674	88,257	150,405
Total	$ 923,388	$ 11,666,071	$ 1,720,418	$ 24,776,798	$ (4,345,999)

Teachers' Health Insurance Security

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The current reports are listed under "Central Management Services."

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 the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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% of pay during the year ended June 30, 2025. State of Illinois contributions of $416,157 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of $(6,045,865) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2025. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2025, the District paid $309,806 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

THIS Fiduciary Net Position

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

Net OPEB Liability

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. 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 follows:

District's proportionate share of the collection net OPEB liability	$ 11,666,071
State's proportionate share of the collective net OPEB liability associated with the District	15,843,051
Total	$ 27,509,122

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.147475% and 0.151323%, respectively.

Actuarial Assumptions

The net 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	3.50% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates - Initial	8.00%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2041

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, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Discount Rate

At June 30, 2024, the discount rate used to measure the total OPEB liability was a blended rate of 3.97%, which was a change from the June 30, 2023 rate of 3.86%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$ 13,019,336	$ 11,666,071	$ 10,473,120

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 10,044,481	$ 11,666,071	$ 13,595,691

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 $(4,496,404) and on-behalf revenue and expenditures of $(6,045,865) for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 321,917	$ 4,916,993
Changes in assumptions	352,581	16,763,125
Net difference between projected and actual earnings on OPEB plan investments	-	6,334
Changes in proportion and differences between District contributions and proportionate share of contributions	482,440	3,002,089
District contributions subsequent to the measurement date	309,806	-
Total	$ 1,466,744	$ 24,688,541

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB was $(23,531,603). Amounts will be recognized in OPEB expense as follows in these reporting years:

Years Ending June 30,	Amount
2026	$ (2,920,352)
2027	(2,920,352)
2028	(2,920,352)
2029	(2,920,350)
2030	(2,918,768)
Thereafter	(8,931,429)
Total	$ (23,531,603)

District OPEB Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan (the District OPEB Plan). The District does not allow retirees and/or their spouses to access the District's group health insurance plan during retirement, except under two specific laws: the Consolidated Omnibus Budget Reconciliation Act (COBRA) or Public Act 86-1444. In accordance with federal COBRA legislation, the District must allow a covered employee to continue his or her health insurance for a minimum 18 months after employment ends. Public Act 86-1444 amends the Illinois Insurance Code to require Illinois Municipal Retirement Fund (IMRF) employees who offer health insurance to their active employees to offer the same health insurance to retirees at the same premium rate for active employees. If a retiree elects to leave the Retirees' Health Plan, he/she may not return to the plan in a future year.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), retirees contribute the same premium amount as active employees plus 2% COBRA administration fee. Under Public Act 86-1444, retirees are responsible to contribute the full premium toward the cost of their insurance. There is not an additional administrative charge allowed under this act. Retirees may also access dental and life insurance benefits on a "direct pay" basis. Currently, the District contributes 87.9 percent to the postemployment benefits for retirees.

The District OPEB Plan does not issue a publicly available financial report.

Contributions and Benefits Provided

Contribution requirements are established through the specific laws allowing retirees access to benefits. For the year ended 2025, the District contributed $68,891 to the plan through the implicit rate subsidy. Plan members receiving benefits contribute 100% and 100% of their premium costs for a family plan and a single plan, respectively.

Employees Covered by Benefit Term

At June 30, 2024, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired plan members	7
Active employees not yet eligible	-
Active employees fully eligible	196
Total	203

Total OPEB Liability

The District's total OPEB liability of $923,388 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Inflation	2.50%
Election at Retirement	20.00%
Discount Rate	4.81%
Healthcare Cost Trend Rate - Initial PPO & HMO Illinois Plans	7.00%
Healthcare Cost Trend Rate - Initial Blue Advantage HMO Plan	5.50%
Healthcare Cost Trend Rate - Initial High Deductible PPO Plan	7.00%
Healthcare Cost Trend Rate - Ultimate	4.50%
Fiscal Year the Ultimate Rate is Reached	2039

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Index as of June 30, 2024.

Mortality rates were based on the Pub-2010(B), Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021 were used for retirees. 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 were used.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of the assumptions about future events.

Changes in Total OPEB Liability

The District's changes in total OPEB liability for the year ended June 30, 2025 was as follows:

	Total OPEB Liability
Balance at June 30, 2024	$ 936,793
Changes for the year:	
Service cost	43,933
Interest	37,989
Changes in assumptions and other inputs	(26,436)
Benefit payments	(68,891)
Net changes	(13,405)
Balance at June 30, 2025	$ 923,388

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

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 discount rate that is 1-percentage-point lower (3.81%) or 1-percentage-point higher (5.81%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 971,735	$ 923,388	$ 878,365

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 864,456	$ 923,388	$ 989,622

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 $150,405. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 129,860	$ 2,860
Assumption changes	123,814	85,397
Total	$ 253,674	$ 88,257

The amounts reported as deferred outflows and inflows of resources related to OPEB ($165,417) will be recognized in OPEB expense as follows:

Years Ending June 30,	Amount
2026	$ 56,444
2027	56,683
2028	48,627
2029	7,369
2030	(3,706)
Total	$ 165,417

11. 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.

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
TRS	$ 3,507,877	$ 387,401	$ 276,161	$ 205,621
IMRF	4,121,376	1,997,877	580,610	2,837,083
Total	$ 7,629,253	$ 2,385,278	$ 856,771	$ 3,042,704

Teachers' Retirement System

Plan Description

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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at https://www.trsil.org/financial/acfrs/fy2024; 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 the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service.

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 from *Tier 1*.

Essentially all *Tier 1* retirees receive an annual 3% 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.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% 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, 2025 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2025, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of $23,413,614 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of $21,932,080 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58% 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 $268,225, 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 District, there is a statutory requirement for the District 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 District 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 more higher.

For the year ended June 30, 2025, the District pension contribution was 10.34% of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2025, were $24,224, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

Salary Increases Over 6%

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2025, the District paid $5,026 to TRS for employer contributions due on salary increases in excess of 6%.

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.

Net Pension Liability

At June 30, 2025, the District 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 District. The state's support and total are for disclosure purposes only. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net pension liability	$ 3,507,877
State's proportionate share of the collective net pension liability associated with the District	292,481,718
Total	$ 295,989,595

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, 2023, and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.00408531% and 0.00404050%, respectively.

Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2024 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit and (c) inflation of 2.5%. These actuarial assumptions were based on an experience study dated August 16, 2024.

Mortality

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.

Long-Term Expected Real Rate of Return

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 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	37.00 %	7.55 %
Private equity	15.00	10.28
Public income	18.00	5.81
Private credit	8.00	9.20
Real assets	18.00	7.01
Diversifying strategies	4.00	5.18

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. 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 of 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.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	$ 4,332,327	$ 3,507,877	$ 2,824,445

Pension Expense and 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 $205,621 and on-behalf revenue of $23,413,614 for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,191	$ 9,106
Net difference between projected and actual earnings on pension plan investments	-	30,117
Assumption changes	48,333	1,861
Changes in proportion and differences between District contributions and proportionate share of contributions	33,303	235,077
District contributions subsequent to the measurement date	292,574	-
Total	$ 387,401	$ 276,161

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was $(181,334). Amounts will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2026	$ (143,370)
2027	(33,745)
2028	(21,016)
2029	9,499
2030	7,298
Total	$ (181,334)

Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2.*

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual 2% for each year of service credit after 15 years to a maximum of 75% of their *Regular Tier 2,* final rate 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership

At December 31, 2024, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	355
Inactive, nonretired members	367
Active members	296
Total	1,018

Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2024 was 8.48% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2024 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75% and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

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.

Long-Term Expected Real Rate of Return

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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

		Projected Returns/Risk	
Asset Class	**Target Allocation**	**One Year Arithmetic**	**Ten Year Geometric**
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits 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 pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability/(asset)	$ 10,210,886	$ 4,121,376	$ (833,528)

Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2024 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2023	$ 58,849,753	$ 54,059,716	$ 4,790,037
Service cost	866,293	-	866,293
Interest on total pension liability	4,161,605	-	4,161,605
Differences between expected and actual experience of the total pension liability	(1,052,029)	-	(1,052,029)
Benefit payments, including refunds of employee contributions	(3,762,893)	(3,762,893)	-
Contributions, employer	-	841,796	(841,796)
Contributions, employee	-	446,570	(446,570)
Net investment income	-	5,356,636	(5,356,636)
Other (net transfer)	-	(2,000,472)	2,000,472
Balances at December 31, 2024	$ 59,062,729	$ 54,941,353	$ 4,121,376

Pension Expense and 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 $2,837,083. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 188,149	$ 574,659
Assumption changes	-	5,951
Net difference between projected and actual earnings on pension plan investments	1,265,477	-
Contributions subsequent to the measurement date	544,251	-
Total	$ 1,997,877	$ 580,610

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was $873,016. Amounts will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2026	$ 334,392
2027	1,573,249
2028	(714,720)
2029	(319,905)
Total	$ 873,016

12. Construction Commitments

As of June 30, 2025, the District is committed to approximately $1,127,191 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

13. 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 grants. Management believes such disallowance, if any, would be immaterial.

14. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

When they become effective, application of these standards may restate portions of these financial statements.

Arlington Heights School District 25

Schedule of Changes in the District's Net Pension Liability/(Asset)
and Related Ratios -
Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

	2025	2024	2023
Total Pension Liability			
Service cost	$ 866,293	$ 863,852	$ 871,213
Interest	4,161,605	3,998,982	3,869,833
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,052,029)	1,078,373	548,285
Changes of assumptions	-	(34,113)	-
Benefit payments, including refunds of member contributions	(3,762,893)	(3,567,563)	(3,441,007)
Net change in total pension liability	212,976	2,339,531	1,848,324
Total Pension Liability, Beginning	58,849,753	56,510,222	54,661,898
Total Pension Liability, Ending (a)	$ 59,062,729	$ 58,849,753	$ 56,510,222
Plan Fiduciary Net Position			
Employer contributions	$ 841,796	$ 772,524	$ 1,056,104
Employee contributions	446,570	418,551	411,042
Net investment income	5,356,636	5,525,449	(7,713,129)
Benefit payments, including refunds	-	(3,567,563)	(3,441,007)
of member contributions	(3,762,893)	-	
Other (net transfer)	(2,000,472)	1,476,196	43,971
Net change in plan fiduciary net position	881,637	4,625,157	(9,643,019)
Plan Fiduciary Net Position, Beginning	54,059,716	49,434,559	59,077,578
Plan Fiduciary Net Position, Ending (b)	$ 54,941,353	$ 54,059,716	$ 49,434,559
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	$ 4,121,376	$ 4,790,037	$ 7,075,663
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.02%	91.86%	87.48%
Covered Payroll	$ 9,926,851	$ 9,300,791	$ 8,866,599
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	41.52%	51.50%	79.80%

Notes to Schedule:
Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

2022	2021	2020	2019	2018	2017	2016
$ 793,584	$ 837,511	$ 826,609	$ 777,672	$ 848,202	$ 866,048	$ 869,695
3,733,309	3,577,522	3,418,240	3,324,644	3,251,677	3,120,202	2,969,300
-	-	-	-	-	-	-
613,624	1,225,134	840,609	193,364	711,424	(35,527)	265,732
-	(436,455)	-	1,190,789	(1,388,230)	(194,112)	94,426
(3,151,488)	(2,914,449)	(2,873,366)	(2,509,401)	(2,320,450)	(2,115,056)	(2,021,132)
1,989,029	2,289,263	2,212,092	2,977,068	1,102,623	1,641,555	2,178,021
52,672,869	50,383,606	48,171,514	45,194,446	44,091,823	42,450,268	40,272,247
$ 54,661,898	$ 52,672,869	$ 50,383,606	$ 48,171,514	$ 45,194,446	$ 44,091,823	$ 42,450,268
$ 1,086,889	$ 973,463	$ 813,477	$ 912,384	$ 919,875	$ 943,309	$ 896,167
402,211	365,677	367,632	351,229	365,413	348,069	348,858
8,904,656	6,688,762	7,616,869	(2,448,992)	6,780,945	2,489,530	180,413
(3,151,488)	(2,914,449)	(2,873,366)	(2,509,401)	(2,320,450)	(2,115,056)	(2,021,132)
						-
(54,731)	344,528	372,955	543,908	(743,786)	384,179	358,469
7,187,537	5,457,981	6,297,567	(3,150,872)	5,001,997	2,050,031	(237,225)
51,890,041	46,432,060	40,134,493	43,285,365	38,283,368	36,233,337	36,470,562
$ 59,077,578	$ 51,890,041	$ 46,432,060	$ 40,134,493	$ 43,285,365	$ 38,283,368	$ 36,233,337
$ (4,415,680)	$ 782,828	$ 3,951,546	$ 8,037,021	$ 1,909,081	$ 5,808,455	$ 6,216,931
108.08%	98.51%	92.16%	83.32%	95.78%	86.83%	85.35%
$ 8,784,307	$ 8,117,039	$ 7,992,929	$ 7,804,690	$ 7,779,557	$ 7,734,843	$ 7,633,456
-50.27%	9.64%	49.44%	102.98%	24.54%	75.09%	81.44%

See notes to required supplementary information

Schedule of Employer Contributions -
Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 841,797	$ 765,455	$ 942,519	$ 1,053,238	$ 973,233
Contributions in relation to the actuarially determined contribution	(841,796)	(772,524)	(1,056,104)	(1,086,889)	(973,463)
Contribution deficiency (excess)	$ 1	$ (7,069)	$ (113,585)	$ (33,651)	$ (230)
Covered payroll	$ 10,126,496	$ 9,300,791	$ 8,866,599	$ 8,753,676	$ 8,543,585
Contributions as a percentage of covered payroll	8.31%	8.31%	11.91%	12.42%	11.39%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 805,687	$ 898,320	$ 908,652	$ 931,275	$ 896,168
Contributions in relation to the actuarially determined contribution	(813,477)	(912,384)	(919,875)	(943,309)	(896,167)
Contribution deficiency (excess)	$ (7,790)	$ (14,064)	$ (11,223)	$ (12,034)	$ 1
Covered payroll	$ 8,084,313	$ 7,898,512	$ 7,761,190	$ 7,786,891	$ 7,668,982
Contributions as a percentage of covered payroll	10.06%	11.55%	11.85%	12.11%	11.69%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
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
Mortality	MP-2020

Other information:

There were no benefit changes during the year.

Schedule of District's Proportionate Share of Net Pension Liability and District Contributions -
Teachers' Retirement System
Ten Most Recent Fiscal Years

	2025	2024	2023	2022
District's proportion of the net pension liability	0.00408531%	0.00404050%	0.00403622%	0.00451207%
District's proportionate share of the net pension liability	$ 3,507,877	$ 3,433,641	$ 3,383,979	$ 3,519,921
State's proportionate share of the net pension liability	292,481,718	296,324,951	293,537,787	295,006,808
Total net pension liability	$ 295,989,595	$ 299,758,592	$ 296,921,766	$ 298,526,729
Covered payroll	$ 43,986,768	$ 43,986,768	$ 42,281,885	$ 40,471,528
District's proportionate share of the net pension liability as a percentage of covered payroll	7.97%	7.81%	8.00%	8.70%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%
Contractually required contribution	$ 292,539	$ 322,042	$ 302,405	$ 310,639
Contributions in relation to the contractually required contribution	(292,574)	(321,776)	(304,230)	(309,971)
Contribution deficiency (excess)	$ (35)	$ 266	$ (1,825)	$ 668
Covered payroll	$ 43,986,768	$ 43,986,768	$ 42,281,885	$ 40,471,528
Contributions as a percentage of covered payroll	0.6651%	0.7315%	0.7195%	0.7659%

Notes to Schedule:
Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%	7.00%
Municipal bond index	3.93%	3.65%	3.54%	2.16%
Single equivalent discount rate	7.00%	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%	2.25%
Projected salary increases	4.00% to 8.50% varying by service	3.75% to 8.75% varying by service	3.75% to 8.75% varying by service	3.50% to 8.50% varying by service

2021	2020	2019	2018	2017	2016
0.00466756%	0.00500162%	0.00539633%	0.00829924%	0.00824193%	0.00610587%
$ 4,024,148	$ 4,056,718	$ 4,206,158	$ 6,340,469	$ 6,505,851	$ 3,999,957
315,192,140	288,712,211	288,139,465	282,083,553	299,296,918	236,860,466
$ 319,216,288	$ 292,768,929	$ 292,345,623	$ 288,424,022	$ 305,802,769	$ 240,860,423
$ 39,230,881	$ 39,053,759	$ 38,650,229	$ 38,097,188	$ 37,706,879	$ 36,479,215
10.26%	10.39%	10.88%	16.64%	17.25%	10.97%
37.8%	39.6%	40.0%	39.3%	36.4%	41.5%
$ 269,744	$251,182	$ 251,898	$ 259,360	$ 341,892	$ 319,213
(269,717)	(251,149.00)	(251,898)	(259,360)	(341,892)	(319,213)
$ 27	$ 33	$ -	$ -	$ -	$ -
$ 39,230,881	$ 39,053,759	$ 38,650,229	$ 38,097,188	$ 37,706,879	$ 36,479,215
0.6875%	0.6431%	0.6517%	0.6808%	0.9067%	0.8751%
7.00%	7.00%	7.00%	7.00%	7.00%	7.50%
2.21%	3.50%	3.87%	3.58%	2.85%	3.73%
7.00%	7.00%	7.00%	7.00%	6.83%	7.47%
2.50%	2.50%	2.50%	2.50%	2.50%	3.00%
4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	3.25% to 9.25% varying by service	3.25% to 9.25% varying by service	3.75% to 9.75% varying by service

See notes to required supplementary information

Schedule of Changes in the District's Total OPEB Liability
and Related Ratios -
District OPEB Plan
Eight Most Recent Fiscal Years

	2025	2024	2023
Total OPEB Liability			
Service cost	$ 43,933	$ 47,365	$ 38,980
Interest	37,989	32,879	33,846
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	72,561	-
Changes of assumptions	(26,436)	30,374	(1,801)
Benefit payments, including refunds of member contributions	(68,891)	(84,952)	(119,996)
Net change in total OPEB liability	(13,405)	98,227	(48,971)
Total OPEB Liability, Beginning	936,793	838,566	887,537
Total OPEB Liability, Ending (a)	$ 923,388	$ 936,793	$ 838,566
Plan Fiduciary Net Position as a Percentage of the Total OPEB liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	$ -	$ -	$ -
District's Total OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

Notes to Schedule:
The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

2022	2021	2020	2019	2018
$ 50,632	$ 34,546	$ 37,149	$ 31,522	$ 31,085
13,006	16,847	18,825	25,357	13,185
-	-	(48,901)	-	320,147
199,672	17,033	36,634	20,444	(27,819)
87,851	-	(87,284)	(63,463)	(68,512)
(120,420)	(89,943)	3,527	(33,558)	68,446
230,741	(21,517)	(40,050)	(19,698)	336,532
656,796	678,313	718,363	738,061	401,529
$ 887,537	$ 656,796	$ 678,313	$ 718,363	$ 738,061
0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -
0.00%	0.00%	0.00%	0.00%	0.00%

See notes to required supplementary information

Schedule of District's Proportionate Share
of the Net OPEB Liability and District Contributions -
Teachers' Health Insurance Security Fund
Eight Most Recent Fiscal Years

	2025	2024	2023
District's proportion of the net OPEB liability	0.147475%	0.151323%	0.149782%
District's proportionate share of the net OPEB liability	$ 11,666,071	$ 10,785,369	$ 10,252,100
State's proportionate share of the net OPEB liability	15,843,051	14,585,255	13,946,973
Total net OPEB liability	$ 27,509,122	$ 25,370,624	$ 24,199,073
Covered payroll	$ 43,986,768	$ 42,281,885	$ 41,277,332
District's proportionate share of the net OPEB liability as a percentage of covered payroll	26.52%	25.51%	24.84%
Plan fiduciary net position as a percentage of the total pension liability	7.43%	6.21%	5.24%
Contractually required contribution	$ 309,806	$ 294,711	$ 283,289
Contributions in relation to the contractually required contribution	(309,806)	(294,711)	(283,289)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 46,239,649	$ 42,281,885	$ 41,277,332
Contributions as a percentage of covered payroll	0.6700%	0.6970%	0.6863%

Notes to Schedule:
The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

	2025	2024	2023
Long-term expected rate of return	2.75%	2.75%	2.75%
Municipal bond index	3.97%	3.86%	3.69%
Single equivalent discount rate	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010

(1) Obtain from THIS Allocations and Testing Workpaper "Note Disclosures and RSI" tab
(2) Obtained from the THIS Actuary Report

2022	2021	2020	2019	2018
0.155917%	0.155072%	0.158888%	0.163041%	0.165642%
$ 34,388,177	$ 41,460,044	$ 43,976,277	$ 42,951,839	$ 42,983,376
46,625,349	56,167,069	59,549,490	57,675,057	56,447,853
$ 81,013,526	$ 97,627,113	$ 103,525,767	$ 100,626,896	$ 99,431,229
$ 40,471,528	$ 39,230,881	$ 39,053,759	$ 38,650,229	$ 38,097,188
84.97%	105.68%	112.60%	111.13%	112.83%
1.40%	0.70%	0.25%	-0.07%	-0.17%
$ 276,558	$ 372,338	$ 360,924	$ 359,296	$ 340,122
(276,558)	(372,338)	(360,924)	(359,296)	(340,122)
$ -	$ -	$ -	$ -	$ -
$ 40,471,528	$ 39,230,881	$ 39,053,759	$ 38,650,229	$ 38,097,188
0.6833%	0.9491%	0.9242%	0.9296%	0.8928%

2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Revenues					
Local Sources					
General levy	$ 63,576,327	$ 63,576,327	$ 61,000,806	$ (2,575,521)	$ 64,352,454
Tort immunity levy	943,746	943,746	897,313	(46,433)	1,013,998
Special education levy	1,587,444	1,587,444	1,495,618	(91,826)	1,588,564
Regular tuition from pupils or parents (in state)	-	-	-	-	17,176
Summer school tuition from pupils or parents (in state)	65,520	65,520	41,770	(23,750)	69,180
Special education tuition from pupils or parents (in state)	220,500	220,500	186,550	(33,950)	211,722
Investment income	1,557,700	1,557,700	2,718,385	1,160,685	2,195,017
Sales to pupils, lunch	907,000	907,000	1,021,179	114,179	893,941
Sales to pupils, breakfast	8,070	8,070	16,000	7,930	10,229
Sales to pupils, other	247,700	247,700	255,735	8,035	258,899
Sales to adults	8,350	8,350	7,205	(1,145)	7,977
Other food service	2,400	2,400	26,738	24,338	21,816
Fees	77,600	77,600	37,331	(40,269)	39,199
Other pupil activity revenue	-	-	47,880	47,880	47,910
Student activities	338,000	338,000	367,776	29,776	339,580
Rentals, regular textbook	318,400	318,400	344,177	25,777	284,944
Rentals, other	6,000	6,000	4,290	(1,710)	6,380
Impact fees from municipal or county governments	-	-	6,000	6,000	-
Refund of prior years' expenditures	-	-	23,230	23,230	4,956
Other	131,280	131,280	103,603	(27,677)	110,771
Total local sources	69,996,037	69,996,037	68,601,586	(1,394,451)	71,474,713
State Sources					
Evidence based funding	5,159,679	5,159,679	5,159,679	-	5,062,925
Special education, private facility tuition	50,000	50,000	278,743	228,743	168,434
Special education, orphanage, individual	16,841	16,841	16,841	-	-
State free lunch and breakfast	4,400	4,400	3,622	(778)	4,646
Other restricted revenue from state sources	4,100	4,100	11,892	7,792	4,100
Total state sources	5,235,020	5,235,020	5,470,777	235,757	5,240,105

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Federal Sources					
National school lunch program	$ 565,000	$ 565,000	$ 520,611	$ (44,389)	$ 574,988
School breakfast program	14,000	14,000	19,470	5,470	17,358
Food service, other	-	-	149,737	149,737	225,367
Title I, low income	171,473	171,473	199,244	27,771	188,555
Title IV, safe and drug free schools, formula	11,724	11,724	18,957	7,233	5,886
Federal, special education, preschool flow-through	43,226	43,226	36,909	(6,317)	40,306
Federal, special education, IDEA, flow-through	1,580,169	1,580,169	1,864,614	284,445	1,406,603
Federal, special education, IDEA, room and board	-	-	37,590	37,590	-
Emergency immigrant assistance	-	-	706	706	5,582
Title III, english language acquisition	35,710	35,710	27,054	(8,656)	25,580
Title II, teacher quality	71,217	71,217	108,864	37,647	115,361
Medicaid matching funds, administrative outreach	90,000	90,000	94,525	4,525	86,415
Medicaid matching funds, fee-for-service program	200,000	200,000	354,448	154,448	458,171
Other restricted revenue from federal sources	202,193	202,193	1,199	(200,994)	749,845
Total federal sources	2,984,712	2,984,712	3,433,928	449,216	3,900,017
Total revenues	78,215,769	78,215,769	77,506,291	(709,478)	80,614,835
Expenditures					
Instruction					
Regular Programs					
Salaries	24,784,410	24,784,410	24,366,389	418,021	22,862,619
Employee benefits	4,011,304	4,011,304	3,383,528	627,776	3,288,967
Purchased services	340,450	340,450	330,692	9,758	183,407
Supplies and materials	3,613,435	3,613,435	3,061,683	551,752	1,689,726
Capital outlay	16,900	16,900	333,998	(317,098)	121,230
Other objects	5,230	5,230	4,341	889	5,228
Noncapitalized equipment	290,152	290,152	182,348	107,804	-
Termination benefits	73,800	73,800	97,961	(24,161)	98,566
Total	33,135,681	33,135,681	31,760,940	1,374,741	28,249,743

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Special Education Programs					
Salaries	$ 8,407,420	$ 8,407,420	$ 8,116,773	$ 290,647	$ 7,731,560
Employee benefits	2,064,500	2,064,500	2,017,456	47,044	1,888,070
Purchased services	30,100	30,100	72,031	(41,931)	6,658
Supplies and materials	414,787	414,787	344,830	69,957	133,955
Capital outlay	-	-	10,955	(10,955)	13,595
Noncapitalized equipment	32,400	32,400	153,554	(121,154)	-
Total	10,949,207	10,949,207	10,715,599	233,608	9,773,838
Special Education Programs Pre-K					
Salaries	901,930	901,930	888,892	13,038	886,127
Employee benefits	121,000	121,000	120,209	791	121,608
Purchased services	4,300	4,300	2,642	1,658	82
Supplies and materials	23,110	23,110	19,748	3,362	9,569
Total	1,050,340	1,050,340	1,031,491	18,849	1,017,386
Remedial and Supplemental Programs K - 12					
Salaries	1,164,357	1,164,357	1,155,831	8,526	1,496,160
Employee benefits	102,581	102,581	112,022	(9,441)	219,127
Supplies and materials	2,513	2,513	1,498	1,015	1,276
Total	1,269,451	1,269,451	1,269,351	100	1,716,563
Interscholastic Programs					
Salaries	231,055	231,055	207,111	23,944	205,560
Employee benefits	3,200	3,200	2,479	721	2,378
Purchased services	24,400	24,400	21,591	2,809	17,939
Supplies and materials	6,500	6,500	6,790	(290)	6,668
Other objects	8,345	8,345	5,892	2,453	8,759
Total	273,500	273,500	243,863	29,637	241,304
Summer School Programs					
Salaries	208,700	208,700	108,847	99,853	161,280
Employee benefits	2,800	2,800	1,696	1,104	3,317
Purchased services	11,000	11,000	7,261	3,739	6,110
Supplies and materials	10,000	10,000	3,720	6,280	2,506
Total	232,500	232,500	121,524	110,976	173,213

See notes to required supplementary information

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Gifted Programs					
Salaries	$ 721,770	$ 721,770	$ 717,031	$ 4,739	$ 869,068
Employee benefits	61,600	61,600	76,915	(15,315)	89,521
Purchased services	7,500	7,500	-	7,500	-
Supplies and materials	1,550	1,550	927	623	1,211
Total	792,420	792,420	794,873	(2,453)	959,800
Bilingual Programs					
Salaries	1,756,670	1,756,670	1,657,935	98,735	1,603,216
Employee benefits	337,500	337,500	320,072	17,428	343,254
Purchased services	9,850	9,850	17,591	(7,741)	8,502
Supplies and materials	31,338	31,338	43,534	(12,196)	27,481
Total	2,135,358	2,135,358	2,039,132	96,226	1,982,453
Regular K-12 Programs - Private Tuition					
Other objects	-	-	-	-	14,650
Total	-	-	-	-	14,650
Special Education Programs K-12 - Private Tuition					
Other objects	729,211	729,211	897,253	(168,042)	449,763
Total	729,211	729,211	897,253	(168,042)	449,763
Student Activities					
Other objects	366,000	366,000	325,524	40,476	369,736
Total	366,000	366,000	325,524	40,476	369,736
Total instruction	50,933,668	50,933,668	49,199,550	1,734,118	44,948,449

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Support Services					
Pupils					
Attendance and Social Work Services					
Salaries	$ 1,635,760	$ 1,635,760	$ 1,620,707	$ 15,053	$ 1,543,354
Employee benefits	196,600	196,600	195,287	1,313	206,681
Purchased services	4,250	4,250	68,781	(64,531)	-
Supplies and materials	5,100	5,100	1,851	3,249	3,005
Total	1,841,710	1,841,710	1,886,626	(44,916)	1,753,040
Health Services					
Salaries	826,030	826,030	800,443	25,587	657,837
Employee benefits	179,900	179,900	177,602	2,298	181,564
Purchased services	7,000	7,000	98,913	(91,913)	17,818
Supplies and materials	14,000	14,000	11,185	2,815	9,982
Capital outlay	-	-	-	-	13,395
Noncapitalized equipment	13,000	13,000	1,814	11,186	-
Total	1,039,930	1,039,930	1,089,957	(50,027)	880,596
Psychological Services					
Salaries	1,073,231	1,073,231	869,211	204,020	977,836
Employee benefits	156,100	156,100	133,750	22,350	172,697
Purchased services	9,000	9,000	114,179	(105,179)	19,311
Supplies and materials	9,000	9,000	10,807	(1,807)	8,201
Total	1,247,331	1,247,331	1,127,947	119,384	1,178,045
Speech Pathology and Audiology Services					
Salaries	1,667,170	1,667,170	1,630,480	36,690	1,515,064
Employee benefits	266,000	266,000	273,274	(7,274)	240,098
Purchased services	11,050	11,050	1,107	9,943	34,885
Supplies and materials	23,600	23,600	9,337	14,263	7,245
Capital outlay	-	-	(1,425)	1,425	1,425
Noncapitalized equipment	2,200	2,200	2,912	(712)	-
Total	1,970,020	1,970,020	1,915,685	54,335	1,798,717

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Other Support Services - Pupils					
Salaries	$ 568,310	$ 568,310	$ 560,296	$ 8,014	$ 523,214
Employee benefits	5,300	5,300	5,109	191	4,551
Purchased services	8,700	8,700	26,569	(17,869)	13,090
Supplies and materials	31,298	31,298	26,541	4,757	27,209
Total	613,608	613,608	618,515	(4,907)	568,064
Total pupils	6,712,599	6,712,599	6,638,730	73,869	6,178,462
Instructional Staff					
Improvement of Instructional Services					
Salaries	2,902,666	2,902,666	2,768,044	134,622	1,984,118
Employee benefits	450,658	450,658	438,667	11,991	301,929
Purchased services	244,240	244,240	219,166	25,074	204,099
Supplies and materials	77,082	77,082	65,095	11,987	61,323
Other objects	1,000	1,000	-	1,000	-
Total	3,675,646	3,675,646	3,490,972	184,674	2,551,469
Educational Media Services					
Salaries	2,088,460	2,088,460	2,054,948	33,512	2,028,671
Employee benefits	505,600	505,600	493,230	12,370	511,194
Purchased services	433,500	433,500	441,061	(7,561)	235,231
Supplies and materials	1,445,261	1,445,261	1,418,359	26,902	1,318,571
Capital outlay	28,200	28,200	31,474	(3,274)	516,719
Noncapitalized equipment	216,100	216,100	187,268	28,832	-
Total	4,717,121	4,717,121	4,626,340	90,781	4,610,386
Assessment and Testing					
Salaries	103,610	103,610	95,343	8,267	96,692
Employee benefits	31,700	31,700	30,204	1,496	28,829
Purchased services	1,400	1,400	1,380	20	857
Supplies and materials	164,031	164,031	162,618	1,413	150,034
Total	300,741	300,741	289,545	11,196	276,412
Total instructional staff	8,693,508	8,693,508	8,406,857	286,651	7,438,267

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
General Administration					
Board of Education Services					
Salaries	$ 5,000	$ 5,000	$ 5,000	$ -	$ 5,000
Purchased services	244,071	244,071	178,309	65,762	203,620
Supplies and materials	2,600	2,600	5,442	(2,842)	2,872
Other objects	15,085	15,085	14,925	160	14,915
Total	266,756	266,756	203,676	63,080	226,407
Executive Administration Services					
Salaries	316,120	316,120	316,124	(4)	360,639
Employee benefits	69,600	69,600	69,474	126	54,936
Purchased services	16,950	16,950	29,591	(12,641)	12,899
Supplies and materials	4,800	4,800	8,652	(3,852)	7,263
Other objects	2,900	2,900	2,845	55	2,952
Total	410,370	410,370	426,686	(16,316)	438,689
Special Area Administration Services					
Salaries	733,600	733,600	732,475	1,125	625,934
Employee benefits	180,000	180,000	178,819	1,181	144,972
Purchased services	22,500	22,500	5,601	16,899	3,546
Supplies and materials	1,500	1,500	973	527	1,337
Other objects	1,200	1,200	-	1,200	-
Noncapitalized equipment	1,500	1,500	-	1,500	-
Total	940,300	940,300	917,868	22,432	775,789
Tort Immunity Services					
Purchased services	972,600	972,600	890,067	82,533	917,384
Total	972,600	972,600	890,067	82,533	917,384
Total general administration	2,590,026	2,590,026	2,438,297	151,729	2,358,269

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
School Administration					
Office of the Principal Services					
Salaries	$ 3,061,830	$ 3,061,830	$ 3,074,702	$ (12,872)	$ 2,973,527
Employee benefits	688,500	688,500	695,314	(6,814)	669,052
Purchased services	30,600	30,600	19,562	11,038	18,464
Supplies and materials	28,928	28,928	29,054	(126)	27,753
Capital outlay	-	-	-	-	516
Noncapitalized equipment	-	-	532	(532)	-
Total	3,809,858	3,809,858	3,819,164	(9,306)	3,689,312
Total school administration	3,809,858	3,809,858	3,819,164	(9,306)	3,689,312
Business					
Direction of Business Support Services					
Salaries	298,284	298,284	305,277	(6,993)	287,678
Employee benefits	64,500	64,500	64,476	24	60,928
Purchased services	3,450	3,450	2,205	1,245	1,330
Other objects	1,400	1,400	1,275	125	1,275
Total	367,634	367,634	373,233	(5,599)	351,211
Fiscal Services					
Salaries	267,540	267,540	237,448	30,092	221,101
Employee benefits	37,100	37,100	34,944	2,156	35,509
Purchased services	159,600	159,600	129,168	30,432	129,146
Supplies and materials	62,926	62,926	57,685	5,241	101,218
Noncapitalized equipment	4,000	4,000	-	4,000	-
Total	531,166	531,166	459,245	71,921	486,974
Food Services					
Salaries	975,370	975,370	836,848	138,522	790,593
Employee benefits	136,300	136,300	126,506	9,794	104,891
Purchased services	52,875	52,875	16,914	35,961	42,394
Supplies and materials	741,035	741,035	1,075,101	(334,066)	964,088
Capital outlay	75,000	165,000	139,330	25,670	230,433
Other objects	1,000	1,000	3	997	(45)
Noncapitalized equipment	375,000	285,000	119,743	165,257	-
Total	2,356,580	2,356,580	2,314,445	42,135	2,132,354

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Internal Services					
Purchased services	$ 54,584	$ 54,584	$ 65,586	$ (11,002)	$ 55,110
Supplies and materials	29,506	29,506	30,401	(895)	-
Total	84,090	84,090	95,987	(11,897)	55,110
Total business	3,339,470	3,339,470	3,242,910	96,560	3,025,649
Central					
Planning, Research, Development and Evaluation Services					
Salaries	117,020	117,020	117,020	-	115,491
Employee benefits	29,300	29,300	30,709	(1,409)	28,410
Purchased services	9,600	9,600	1,951	7,649	2,932
Total	155,920	155,920	149,680	6,240	146,833
Information Services					
Salaries	147,690	147,690	147,521	169	141,977
Employee benefits	36,800	36,800	36,650	150	35,785
Purchased services	38,500	38,500	24,151	14,349	30,391
Supplies and materials	8,500	8,500	17,571	(9,071)	5,202
Other objects	1,500	1,500	1,175	325	915
Noncapitalized equipment	1,500	1,500	-	1,500	-
Total	234,490	234,490	227,068	7,422	214,270
Staff Services					
Salaries	1,692,340	1,692,340	1,511,814	180,526	1,627,963
Employee benefits	179,300	179,300	147,853	31,447	150,459
Purchased services	186,200	186,200	80,489	105,711	161,944
Supplies and materials	106,700	106,700	103,987	2,713	62,478
Capital outlay	-	-	-	-	6,625
Other objects	12,750	12,750	2,245	10,505	3,788
Noncapitalized equipment	500	500	-	500	-
Total	2,177,790	2,177,790	1,846,388	331,402	2,013,257
Total central	2,568,200	2,568,200	2,223,136	345,064	2,374,360
Total support services	27,713,661	27,713,661	26,769,094	944,567	25,064,319

See notes to required supplementary information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Community Services					
Salaries	$ 1,792	$ 1,792	$ 419	$ 1,373	$ 150
Employee benefits	116	116	14	102	18
Purchased services	13,632	13,632	13,837	(205)	10,969
Supplies and materials	500	500	2,639	(2,139)	2,894
Total community services	16,040	16,040	16,909	(869)	14,031
Intergovernmental					
Payments to Other Districts and Governmental Units					
Payments for Special Education Programs					
Purchased services	241,695	241,695	243,515	(1,820)	244,074
Other objects	324,720	324,720	324,720	-	309,426
Total	566,415	566,415	568,235	(1,820)	553,500
Payments for Special Education Programs - Tuition					
Other objects	2,745,171	2,745,171	2,661,195	83,976	2,421,549
Total	2,745,171	2,745,171	2,661,195	83,976	2,421,549
Total payments to other districts and governmental units	3,311,586	3,311,586	3,229,430	82,156	2,975,049
Total intergovernmental	3,311,586	3,311,586	3,229,430	82,156	2,975,049

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - General Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Provision for Contingencies	$ 100,000	$ 100,000	$ -	$ 100,000	$ -
Total expenditures	82,074,955	82,074,955	79,214,983	2,859,972	73,001,848
Excess (deficiency) of revenues over expenditures	(3,859,186)	(3,859,186)	(1,708,692)	2,150,494	7,612,987
Other Financing Sources (Uses)					
Lease value	-	-	302,671	302,671	-
Permanent transfer from working cash accounts	-	-	-	-	(1,900,000)
Permanent transfer from working cash accounts	(178,800)	(178,800)	(178,800)	-	(205,267)
Transfer for principal on leases	(49,409)	(49,409)	(54,018)	(4,609)	(39,074)
Transfer for interest on leases	(11,925)	(11,925)	(13,116)	(1,191)	(804)
Transfer to IMRF fund	(130,610)	(130,610)	(125,865)	4,745	(130,000)
Total other financing sources (uses)	(370,744)	(370,744)	(69,128)	301,616	(2,275,145)
Net change in fund balance	$ (4,229,930)	$ (4,229,930)	(1,777,820)	$ 2,452,110	5,337,842
Fund Balance, Beginning			54,933,862		49,596,020
Fund Balance, Ending			$ 53,156,042		$ 54,933,862

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Operations and Maintenance Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues					
Local Sources					
General levy	$ 4,829,237	$ 4,829,237	$ 4,620,574	$ (208,663)	$ 4,303,701
Corporate personal property replacement taxes	1,420,800	1,420,800	1,292,828	(127,972)	1,937,755
Investment income	130,300	130,300	317,697	187,397	395,239
Rentals	1,125,800	1,125,800	1,247,599	121,799	1,065,091
Impact fees from municipal or county governments	-	-	-	-	1,888
Refund of prior years' expenditures	-	-	12,200	12,200	17,622
Other local fees	7,800	7,800	11,426	3,626	9,935
Other	8,000	8,000	-	(8,000)	131,419
Total local sources	7,521,937	7,521,937	7,502,324	(19,613)	7,862,650
Total revenues	7,521,937	7,521,937	7,502,324	(19,613)	7,862,650
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction Service					
Purchased services	20,000	20,000	9,782	10,218	23,717
Total	20,000	20,000	9,782	10,218	23,717
Operation and Maintenance of Plant Services					
Salaries	3,102,020	3,102,020	2,915,057	186,963	2,654,772
Employee benefits	611,650	611,650	590,829	20,821	566,153
Purchased services	918,752	918,752	1,070,075	(151,323)	861,231
Supplies and materials	1,543,905	1,859,905	1,786,067	73,838	1,566,950
Capital outlay	132,500	132,500	72,418	60,082	212,704
Noncapitalized equipment	75,750	75,750	68,034	7,716	-
Termination benefits	2,500	2,500	4,192	(1,692)	2,473
Total	6,387,077	6,703,077	6,506,672	196,405	5,864,283
Total business	6,407,077	6,723,077	6,516,454	206,623	5,888,000

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Operations and Maintenance Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Other Supporting Services					
Purchased services	$ -	$ -	$ 8,048	$ (8,048)	$ 1,038
Total	-	-	8,048	(8,048)	1,038
Total support services	6,407,077	6,723,077	6,524,502	198,575	5,889,038
Total expenditures	6,407,077	6,723,077	6,524,502	198,575	5,889,038
Excess (deficiency) of revenues over expenditures	1,114,860	798,860	977,822	178,962	1,973,612
Other Financing Sources (Uses)					
Transfer to capital projects fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(3,500,000)
Total other financing sources (uses)	(2,000,000)	(2,000,000)	(2,000,000)	-	(3,500,000)
Net change in fund balance	$ (885,140)	$ (1,201,140)	(1,022,178)	$ 178,962	(1,526,388)
Fund Balance, Beginning			4,611,593		6,137,981
Fund Balance, Ending			$ 3,589,415		$ 4,611,593

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - Transportation Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues					
Local Sources					
General levy	$ 2,390,117	$ 2,390,117	$ 2,277,877	$ (112,240)	$ 2,162,367
Regular transportation fees from pupils or parents (in state)	26,630	26,630	76,876	50,246	71,321
Regular transportation fees from private sources (in state)	115,000	115,000	115,439	439	107,887
Regular transportation fees from co-curricular activities (in state)	59,500	59,500	68,851	9,351	63,158
Investment income	45,400	45,400	68,426	23,026	67,282
Other	2,250	2,250	2,171	(79)	3,213
Total local sources	2,638,897	2,638,897	2,609,640	(29,257)	2,475,228
State Sources					
Transportation, regular/vocational	253,382	253,382	16,277	(237,105)	196,453
Transportation, special education	1,184,490	1,184,490	996,099	(188,391)	860,940
Total state sources	1,437,872	1,437,872	1,012,376	(425,496)	1,057,393
Federal Sources					
Emergency immigrant assistance	5,929	5,929	3,740	(2,189)	-
Title III, english language acquisition	21,822	21,822	21,822	-	20,681
Total federal sources	27,751	27,751	25,562	(2,189)	20,681
Total revenues	4,104,520	4,104,520	3,647,578	(456,942)	3,553,302

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Transportation Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Expenditures					
Support Services					
Business					
Pupil Transportation Services					
Salaries	$ 66,400	$ 66,400	$ 66,868	$ (468)	$ 64,422
Employee benefits	12,800	12,800	12,688	112	12,004
Purchased services	3,756,661	3,756,661	4,006,920	(250,259)	3,677,351
Supplies and materials	158,000	158,000	98,047	59,953	121,753
Total	3,993,861	3,993,861	4,184,523	(190,662)	3,875,530
Total business	3,993,861	3,993,861	4,184,523	(190,662)	3,875,530
Total support services	3,993,861	3,993,861	4,184,523	(190,662)	3,875,530
Total expenditures	3,993,861	3,993,861	4,184,523	(190,662)	3,875,530
Net change in fund balance	$ 110,659	$ 110,659	(536,945)	$ (647,604)	(322,228)
Fund Balance, Beginning			1,444,124		1,766,352
Fund Balance, Ending			$ 907,179		$ 1,444,124

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Revenues					
Local Sources					
General levy	$ 686,777	$ 686,777	$ 645,466	$ (41,311)	$ 545,325
Social security/Medicare only levy	1,351,996	1,351,996	1,294,247	(57,749)	1,474,453
Corporate personal property replacement taxes	20,000	20,000	20,000	-	20,000
Investment income	43,500	43,500	70,789	27,289	60,227
Total local sources	2,102,273	2,102,273	2,030,502	(71,771)	2,100,005
Total revenues	2,102,273	2,102,273	2,030,502	(71,771)	2,100,005
Expenditures					
Instruction					
Regular programs	311,300	311,300	306,867	4,433	285,557
Pre-K programs	13,200	13,200	-	13,200	-
Special education programs	639,110	639,110	610,925	28,185	559,383
Special education programs Pre-K	50,810	50,810	28,971	21,839	27,750
Remedial and supplemental programs K - 12	15,579	15,579	14,586	993	18,308
Interscholastic programs	4,590	4,590	4,544	46	4,989
Summer school programs	11,520	11,520	5,383	6,137	8,415
Gifted programs	9,560	9,560	8,974	586	10,541
Bilingual programs	36,440	36,440	30,774	5,666	34,926
Total instruction	1,092,109	1,092,109	1,011,024	81,085	949,869
Support Services					
Pupils					
Attendance and social work services	21,620	21,620	18,481	3,139	17,618
Health services	105,120	105,120	93,306	11,814	70,173
Psychological services	53,650	53,650	40,674	12,976	44,680
Speech pathology and audiology services	22,150	22,150	20,337	1,813	18,955
Other support services - pupils	27,210	27,210	19,297	7,913	19,204
Total pupils	229,750	229,750	192,095	37,655	170,630

See notes to required supplementary information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Instructional Staff					
Improvement of instructional staff	$ 56,170	$ 56,170	$ 51,027	$ 5,143	$ 40,324
Educational media services	201,060	201,060	176,298	24,762	176,355
Assessment and testing	1,510	1,510	1,178	332	1,209
Total instructional staff	258,740	258,740	228,503	30,237	217,888
General Administration					
Board of education services	830	830	731	99	712
Executive administration services	17,010	17,010	16,695	315	16,732
Special area administration services	28,140	28,140	26,798	1,342	24,372
Total general administration	45,980	45,980	44,224	1,756	41,816
School Administration					
Office of the principal services	146,920	146,920	137,087	9,833	125,915
Total school administration	146,920	146,920	137,087	9,833	125,915
Business					
Direction of business support services	13,430	13,430	14,219	(789)	13,062
Fiscal services	36,490	36,490	37,781	(1,291)	34,979
Operations and maintenance of plant services	496,840	496,840	446,209	50,631	391,191
Pupil transportation services	10,930	10,930	10,945	(15)	10,311
Food services	131,020	131,020	125,866	5,154	185,059
Total business	688,710	688,710	635,020	53,690	634,602
Central					
Planning, research, development and evaluation services	1,700	1,700	1,576	124	1,563
Information services	24,300	24,300	24,592	(292)	23,239
Staff services	60,940	60,940	58,232	2,708	59,121
Total central	86,940	86,940	84,400	2,540	83,923
Total support services	1,457,040	1,457,040	1,321,329	135,711	1,274,774

See notes to required supplementary information

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Community Services	$ 29	$ 29	$ 15	$ 14	$ 6
Total expenditures	2,549,178	2,549,178	2,332,368	216,810	2,224,649
Excess (deficiency) of revenues over expenditures	(446,905)	(446,905)	(301,866)	145,039	(124,644)
Other Financing Sources (Uses)					
Transfer from general fund	130,610	130,610	125,865	(4,745)	130,000
Total other financing sources (uses)	130,610	130,610	125,865	(4,745)	130,000
Net change in fund balance	$ (316,295)	$ (316,295)	(176,001)	$ 140,294	5,356
Fund Balance, Beginning			1,465,448		1,460,092
Fund Balance, Ending			$ 1,289,447		$ 1,465,448

See notes to required supplementary information

Stewardship, Compliance and Accountability

Budgetary Data

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 general purpose 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 Board of Education amended the budget on June 10, 2025.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - 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 in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	Revenues	Expenditures
General Fund Budgetary Basis	$ 77,506,291	$ 79,214,983
To adjust for on-behalf payments received	22,348,237	-
To adjust for on-behalf payments made	-	22,348,237
General Fund GAAP Basis	$ 99,854,528	$ 101,563,220

Excess of Expenditures Over Budget

For the year ended June 30, 2025, expenditures exceeded budget in the Transportation Fund by $190,662. The excess was offset by available fund balance.

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Debt Service Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Revenues					
Local Sources					
General levy	$ 8,461,426	$ 8,461,426	$ 8,040,386	$ (421,040)	$ 8,817,780
Investment income	100,900	100,900	125,117	24,217	187,663
Total local sources	8,562,326	8,562,326	8,165,503	(396,823)	9,005,443
Total revenues	8,562,326	8,562,326	8,165,503	(396,823)	9,005,443
Expenditures					
Debt Services					
Payments on Long-Term Debt					
Interest on long term debt	3,974,031	3,974,031	4,156,555	(182,524)	4,190,992
Principal payments on long term debt	5,419,409	5,419,409	5,423,949	(4,540)	4,574,074
Total	9,393,440	9,393,440	9,580,504	(187,064)	8,765,066
Other Debt Service					
Other objects	2,797	266,281	266,281	-	6,635
Total	2,797	266,281	266,281	-	6,635
Total debt services	9,396,237	9,659,721	9,846,785	(187,064)	8,771,701
Total expenditures	9,396,237	9,659,721	9,846,785	(187,064)	8,771,701
Excess (deficiency) of revenues over expenditures	(833,911)	(1,097,395)	(1,681,282)	(583,887)	233,742

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Debt Service Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Other Financing Sources (Uses)					
Permanent transfer from working cash accounts	$ -	$ -	$ -	$ -	$ 1,900,000
Premium on bonds sold	-	399,527	399,527	-	-
Transfer for principal on leases	49,409	49,409	53,949	4,540	39,074
Transfer for interest on leases	11,925	11,925	13,185	1,260	804
Total other financing sources (uses)	61,334	460,861	466,661	5,800	1,939,878
Net change in fund balance	$ (772,577)	$ (636,534)	(1,214,621)	$ (578,087)	2,173,620
Fund Balance, Beginning			3,400,783		1,227,163
Fund Balance, Ending			$ 2,186,162		$ 3,400,783

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual --
Capital Projects Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Revenues					
Local Sources					
Investment income	$ 200,000	$ 200,000	$ 462,567	$ 262,567	$ 994,518
Payments of surplus monies from TIF districts	370,000	370,000	690,580	320,580	-
Other	405,065	405,065	289,898	(115,167)	309,593
Total local sources	975,065	975,065	1,443,045	467,980	1,304,111
State Sources					
School infrastructure, maintenance projects	-	-	50,000	50,000	50,000
Other restricted revenue from state sources	100,000	100,000	100,000	-	-
Total state sources	100,000	100,000	150,000	50,000	50,000
Total revenues	1,075,065	1,075,065	1,593,045	517,980	1,354,111
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction Service					
Purchased services	3,034,480	3,034,480	2,722,581	311,899	4,441,208
Supplies and materials	268,000	268,000	37,341	230,659	544,887
Capital outlay	17,710,420	17,710,420	18,509,974	(799,554)	36,450,046
Other objects	-	-	3,869	(3,869)	16,066
Noncapitalized equipment	-	-	7,768	(7,768)	-
Total	21,012,900	21,012,900	21,281,533	(268,633)	41,452,207
Total business	21,012,900	21,012,900	21,281,533	(268,633)	41,452,207
Total support services	21,012,900	21,012,900	21,281,533	(268,633)	41,452,207
Total expenditures	21,012,900	21,012,900	21,281,533	(268,633)	41,452,207
Excess (deficiency) of revenues over expenditures	(19,937,835)	(19,937,835)	(19,688,488)	249,347	(40,098,096)

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Capital Projects Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Other Financing Sources (Uses)					
Permanent transfer from working cash accounts	$ 178,800	$ 178,800	$ 178,800	$ -	$ 205,267
Principal on bonds sold	15,000,000	14,955,000	14,955,000	-	-
Premium on bonds sold	-	45,536	45,536	-	-
Transfer to capital projects fund	2,000,000	2,000,000	2,000,000	-	3,500,000
Total other financing sources (uses)	17,178,800	17,179,336	17,179,336	-	3,705,267
Net change in fund balance	$ (2,759,035)	$ (2,758,499)	(2,509,152)	$ 249,347	(36,392,829)
Fund Balance, Beginning			20,937,048		57,329,877
Fund Balance, Ending			$ 18,427,896		$ 20,937,048

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Fire Prevention and Life Safety Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Revenues					
Local Sources					
General levy	$ 24,675	$ 24,675	$ 23,596	$ (1,079)	$ 24,554
Investment income	4,600	4,600	7,591	2,991	5,824
Total local sources	29,275	29,275	31,187	1,912	30,378
Total revenues	29,275	29,275	31,187	1,912	30,378
Expenditures					
Total expenditures	-	-	-	-	-
Net change in fund balance	$ 29,275	$ 29,275	31,187	$ 1,912	30,378
Fund Balance, Beginning			154,574		124,196
Fund Balance, Ending			$ 185,761		$ 154,574

Arlington Heights School District 25

Combining Balance Sheet -
General Fund
June 30, 2025

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Total
Assets				
Cash	$ 57,178,830	$ 568,475	$ 6,107,389	$ 63,854,694
Student activity cash and investments	313,091	-	-	313,091
Receivables (net allowance for uncollectibles):				
Interest	13,616	179	1,919	15,714
Property taxes	32,613,892	448,686	-	33,062,578
Intergovernmental	1,358,605	-	-	1,358,605
Prepaid items	36,931	40,134	-	77,065
Total assets	$ 91,514,965	$ 1,057,474	$ 6,109,308	$ 98,681,747
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	$ 1,282,588	$ -	$ -	$ 1,282,588
Salaries and wages payable	8,928,759	-	-	8,928,759
Other current liabilities	338,249	-	-	338,249
Payroll deductions payable	28,632	-	-	28,632
Deferred revenue	397,209	-	-	397,209
Health claims payable	1,380,613	-	-	1,380,613
Total liabilities	12,356,050	-	-	12,356,050
Deferred Inflows of Resources				
Property taxes levied for a future period	32,613,892	448,686	-	33,062,578
Deferred revenue	107,077	-	-	107,077
Total deferred inflows of resources	32,720,969	448,686	-	33,169,655
Fund Balance				
Nonspendable	36,931	40,134	-	77,065
Restricted	2,615,509	568,654	-	3,184,163
Assigned	313,091	-	-	313,091
Unassigned	43,472,415	-	6,109,308	49,581,723
Total fund balance	46,437,946	608,788	6,109,308	53,156,042
Total liabilities, deferred inflows of resources and fund balance	$ 91,514,965	$ 1,057,474	$ 6,109,308	$ 98,681,747

Arlington Heights School District 25

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
General Fund
Year Ended June 30, 2025

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Total
Revenues				
Property taxes	$ 62,496,424	$ 897,313	$ -	$ 63,393,737
State aid	27,819,014	-	-	27,819,014
Federal aid	3,433,928	-	-	3,433,928
Investment income	2,430,105	29,338	258,942	2,718,385
Student activities	367,776	-	-	367,776
Other	2,097,101	24,587	-	2,121,688
Total revenues	98,644,348	951,238	258,942	99,854,528
Expenditures				
Current:				
Instruction:				
Regular programs	31,426,942	-	-	31,426,942
Special programs	13,902,739	-	-	13,902,739
Other instructional programs	3,199,392	-	-	3,199,392
Student activities	325,524	-	-	325,524
Support services:				
Pupils	6,640,155	-	-	6,640,155
Instructional staff	8,375,383	-	-	8,375,383
General administration	1,554,386	883,911	-	2,438,297
School administration	3,819,164	-	-	3,819,164
Business	3,103,580	-	-	3,103,580
Central	2,223,136	-	-	2,223,136
Community services	16,909	-	-	16,909
Intergovernmental:				
State retirement contributions	22,348,237	-	-	22,348,237
Payments to other districts and government units	3,229,430	-	-	3,229,430
Capital outlay	514,332	-	-	514,332
Total expenditures	100,679,309	883,911	-	101,563,220
Excess (deficiency) of revenues over expenditures	(2,034,961)	67,327	258,942	(1,708,692)
Other Financing Sources (Uses)				
Transfers (out)	(67,134)	-	(178,800)	(245,934)
Lease value	302,671	-	-	302,671
Transfer from general fund	(125,865)	-	-	(125,865)
Total other financing Sources (Uses)	109,672	-	(178,800)	(69,128)
Net change in fund balance	(1,925,289)	67,327	80,142	(1,777,820)
Fund Balance, Beginning	48,363,235	541,461	6,029,166	54,933,862
Fund Balance, Ending	$ 46,437,946	$ 608,788	$ 6,109,308	$ 53,156,042

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues					
Local Sources					
General levy	$ 63,576,327	$ 63,576,327	$ 61,000,806	$ (2,575,521)	$ 64,352,454
Special education levy	1,587,444	1,587,444	1,495,618	(91,826)	1,588,564
Regular tuition from pupils or parents (in state)	-	-	-	-	17,176
Summer school tuition from pupils or parents (in state)	65,520	65,520	41,770	(23,750)	69,180
Special education tuition from pupils or parents (in state)	220,500	220,500	186,550	(33,950)	211,722
Investment income	1,362,800	1,362,800	2,430,105	1,067,305	1,967,757
Sales to pupils, lunch	907,000	907,000	1,021,179	114,179	893,941
Sales to pupils, breakfast	8,070	8,070	16,000	7,930	10,229
Sales to pupils, other	247,700	247,700	255,735	8,035	258,899
Sales to adults	8,350	8,350	7,205	(1,145)	7,977
Other food service	2,400	2,400	26,738	24,338	21,816
Fees	77,600	77,600	37,331	(40,269)	39,199
Other pupil activity revenue	-	-	47,880	47,880	47,910
Student activities	338,000	338,000	367,776	29,776	339,580
Rentals, regular textbook	318,400	318,400	344,177	25,777	284,944
Rentals, other	6,000	6,000	4,290	(1,710)	6,380
Impact fees from municipal or county governments	-	-	6,000	6,000	-
Refund of prior years' expenditures	-	-	(1,357)	(1,357)	4,956
Other	131,280	131,280	103,603	(27,677)	110,771
Total local sources	68,857,391	68,857,391	67,391,406	(1,465,985)	70,233,455
State Sources					
Evidence based funding	5,159,679	5,159,679	5,159,679	-	5,062,925
Special education, private facility tuition	50,000	50,000	278,743	228,743	168,434
Special education, orphanage, individual	16,841	16,841	16,841	-	-
State free lunch and breakfast	4,400	4,400	3,622	(778)	4,646
Other restricted revenue from state sources	4,100	4,100	11,892	7,792	4,100
Total state sources	5,235,020	5,235,020	5,470,777	235,757	5,240,105

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Federal Sources					
National school lunch program	$ 565,000	$ 565,000	$ 520,611	$ (44,389)	$ 574,988
School breakfast program	14,000	14,000	19,470	5,470	17,358
Food service, other	-	-	149,737	149,737	225,367
Title I, low income	171,473	171,473	199,244	27,771	188,555
Title IV, safe and drug free schools, formula	11,724	11,724	18,957	7,233	5,886
Federal, special education, preschool flow-through	43,226	43,226	36,909	(6,317)	40,306
Federal, special education, IDEA, flow-through	1,580,169	1,580,169	1,864,614	284,445	1,406,603
Federal, special education, IDEA, room and board	-	-	37,590	37,590	-
Emergency immigrant assistance	-	-	706	706	5,582
Title III, english language acquisition	35,710	35,710	27,054	(8,656)	25,580
Title II, teacher quality	71,217	71,217	108,864	37,647	115,361
Medicaid matching funds, administrative outreach	90,000	90,000	94,525	4,525	86,415
Medicaid matching funds, fee-for-service program	200,000	200,000	354,448	154,448	458,171
Other restricted revenue from federal sources	202,193	202,193	1,199	(200,994)	749,845
Total federal sources	2,984,712	2,984,712	3,433,928	449,216	3,900,017
Total revenues	77,077,123	77,077,123	76,296,111	(781,012)	79,373,577
Expenditures					
Instruction					
Regular Programs					
Salaries	24,784,410	24,784,410	24,366,389	418,021	22,862,619
Employee benefits	4,011,304	4,011,304	3,383,528	627,776	3,288,967
Purchased services	340,450	340,450	330,692	9,758	183,407
Supplies and materials	3,613,435	3,613,435	3,061,683	551,752	1,689,726
Capital outlay	16,900	16,900	333,998	(317,098)	121,230
Other objects	5,230	5,230	4,341	889	5,228
Noncapitalized equipment	290,152	290,152	182,348	107,804	-
Termination benefits	73,800	73,800	97,961	(24,161)	98,566
Total	33,135,681	33,135,681	31,760,940	1,374,741	28,249,743

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Special Education Programs					
Salaries	$ 8,407,420	$ 8,407,420	$ 8,116,773	$ 290,647	$ 7,731,560
Employee benefits	2,064,500	2,064,500	2,017,456	47,044	1,888,070
Purchased services	30,100	30,100	72,031	(41,931)	6,658
Supplies and materials	414,787	414,787	344,830	69,957	133,955
Capital outlay	-	-	10,955	(10,955)	13,595
Noncapitalized equipment	32,400	32,400	153,554	(121,154)	-
Total	10,949,207	10,949,207	10,715,599	233,608	9,773,838
Special Education Programs Pre-K					
Salaries	901,930	901,930	888,892	13,038	886,127
Employee benefits	121,000	121,000	120,209	791	121,608
Purchased services	4,300	4,300	2,642	1,658	82
Supplies and materials	23,110	23,110	19,748	3,362	9,569
Total	1,050,340	1,050,340	1,031,491	18,849	1,017,386
Remedial and Supplemental Programs K - 12					
Salaries	1,164,357	1,164,357	1,155,831	8,526	1,496,160
Employee benefits	102,581	102,581	112,022	(9,441)	219,127
Supplies and materials	2,513	2,513	1,498	1,015	1,276
Total	1,269,451	1,269,451	1,269,351	100	1,716,563
Interscholastic Programs					
Salaries	231,055	231,055	207,111	23,944	205,560
Employee benefits	3,200	3,200	2,479	721	2,378
Purchased services	24,400	24,400	21,591	2,809	17,939
Supplies and materials	6,500	6,500	6,790	(290)	6,668
Other objects	8,345	8,345	5,892	2,453	8,759
Total	273,500	273,500	243,863	29,637	241,304
Summer School Programs					
Salaries	208,700	208,700	108,847	99,853	161,280
Employee benefits	2,800	2,800	1,696	1,104	3,317
Purchased services	11,000	11,000	7,261	3,739	6,110
Supplies and materials	10,000	10,000	3,720	6,280	2,506
Total	232,500	232,500	121,524	110,976	173,213
Gifted Programs					
Salaries	721,770	721,770	717,031	4,739	869,068
Employee benefits	61,600	61,600	76,915	(15,315)	89,521
Purchased services	7,500	7,500	-	7,500	-
Supplies and materials	1,550	1,550	927	623	1,211
Total	792,420	792,420	794,873	(2,453)	959,800

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Bilingual Programs					
Salaries	$ 1,756,670	$ 1,756,670	$ 1,657,935	$ 98,735	$ 1,603,216
Employee benefits	337,500	337,500	320,072	17,428	343,254
Purchased services	9,850	9,850	17,591	(7,741)	8,502
Supplies and materials	31,338	31,338	43,534	(12,196)	27,481
Total	2,135,358	2,135,358	2,039,132	96,226	1,982,453
Regular K - 12 Programs - Private Tuition					
Other objects	-	-	-	-	14,650
Total	-	-	-	-	14,650
Special Education Programs K -12 - Private Tuition					
Other objects	729,211	729,211	897,253	(168,042)	449,763
Total	729,211	729,211	897,253	(168,042)	449,763
Student Activities					
Other objects	366,000	366,000	325,524	40,476	369,736
Total	366,000	366,000	325,524	40,476	369,736
Total instruction	50,933,668	50,933,668	49,199,550	1,734,118	44,948,449
Support Services					
Pupils					
Attendance and Social Work Services					
Salaries	1,635,760	1,635,760	1,620,707	15,053	1,543,354
Employee benefits	196,600	196,600	195,287	1,313	206,681
Purchased services	4,250	4,250	68,781	(64,531)	-
Supplies and materials	5,100	5,100	1,851	3,249	3,005
Total	1,841,710	1,841,710	1,886,626	(44,916)	1,753,040
Health Services					
Salaries	826,030	826,030	800,443	25,587	657,837
Employee benefits	179,900	179,900	177,602	2,298	181,564
Purchased services	7,000	7,000	98,913	(91,913)	17,818
Supplies and materials	14,000	14,000	11,185	2,815	9,982
Capital outlay	-	-	-	-	13,395
Noncapitalized equipment	13,000	13,000	1,814	11,186	-
Total	1,039,930	1,039,930	1,089,957	(50,027)	880,596

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Psychological Services					
Salaries	$ 1,073,231	$ 1,073,231	$ 869,211	$ 204,020	$ 977,836
Employee benefits	156,100	156,100	133,750	22,350	172,697
Purchased services	9,000	9,000	114,179	(105,179)	19,311
Supplies and materials	9,000	9,000	10,807	(1,807)	8,201
Total	1,247,331	1,247,331	1,127,947	119,384	1,178,045
Speech Pathology and Audiology Services					
Salaries	1,667,170	1,667,170	1,630,480	36,690	1,515,064
Employee benefits	266,000	266,000	273,274	(7,274)	240,098
Purchased services	11,050	11,050	1,107	9,943	34,885
Supplies and materials	23,600	23,600	9,337	14,263	7,245
Capital outlay	-	-	(1,425)	1,425	1,425
Noncapitalized equipment	2,200	2,200	2,912	(712)	-
Total	1,970,020	1,970,020	1,915,685	54,335	1,798,717
Other Support Services - Pupils					
Salaries	568,310	568,310	560,296	8,014	523,214
Employee benefits	5,300	5,300	5,109	191	4,551
Purchased services	8,700	8,700	26,569	(17,869)	13,090
Supplies and materials	31,298	31,298	26,541	4,757	27,209
Total	613,608	613,608	618,515	(4,907)	568,064
Total pupils	6,712,599	6,712,599	6,638,730	73,869	6,178,462
Instructional Staff					
Improvement of Instructional Services					
Salaries	2,902,666	2,902,666	2,768,044	134,622	1,984,118
Employee benefits	450,658	450,658	438,667	11,991	301,929
Purchased services	244,240	244,240	219,166	25,074	204,099
Supplies and materials	77,082	77,082	65,095	11,987	61,323
Other objects	1,000	1,000	-	1,000	-
Total	3,675,646	3,675,646	3,490,972	184,674	2,551,469
Educational Media Services					
Salaries	2,088,460	2,088,460	2,054,948	33,512	2,028,671
Employee benefits	505,600	505,600	493,230	12,370	511,194
Purchased services	433,500	433,500	441,061	(7,561)	235,231
Supplies and materials	1,445,261	1,445,261	1,418,359	26,902	1,318,571
Capital outlay	28,200	28,200	31,474	(3,274)	516,719
Noncapitalized equipment	216,100	216,100	187,268	28,832	-
Total	4,717,121	4,717,121	4,626,340	90,781	4,610,386

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**2024 Actual**
Assessment and Testing					
Salaries	$ 103,610	$ 103,610	$ 95,343	$ 8,267	$ 96,692
Employee benefits	31,700	31,700	30,204	1,496	28,829
Purchased services	1,400	1,400	1,380	20	857
Supplies and materials	164,031	164,031	162,618	1,413	150,034
Total	300,741	300,741	289,545	11,196	276,412
Total instructional staff	8,693,508	8,693,508	8,406,857	286,651	7,438,267
General Administration					
Board of Education Services					
Salaries	5,000	5,000	5,000	-	5,000
Purchased services	244,071	244,071	178,309	65,762	203,620
Supplies and materials	2,600	2,600	5,442	(2,842)	2,872
Other objects	15,085	15,085	14,925	160	14,915
Total	266,756	266,756	203,676	63,080	226,407
Executive Administration Services					
Salaries	316,120	316,120	316,124	(4)	360,639
Employee benefits	69,600	69,600	69,474	126	54,936
Purchased services	16,950	16,950	29,591	(12,641)	12,899
Supplies and materials	4,800	4,800	8,652	(3,852)	7,263
Other objects	2,900	2,900	2,845	55	2,952
Total	410,370	410,370	426,686	(16,316)	438,689
Special Area Administration Services					
Salaries	733,600	733,600	732,475	1,125	625,934
Employee benefits	180,000	180,000	178,819	1,181	144,972
Purchased services	22,500	22,500	5,601	16,899	3,546
Supplies and materials	1,500	1,500	973	527	1,337
Other objects	1,200	1,200	-	1,200	-
Noncapitalized equipment	1,500	1,500	-	1,500	-
Total	940,300	940,300	917,868	22,432	775,789
Tort Immunity Services					
Purchased services	20,000	20,000	6,156	13,844	1,863
Total	20,000	20,000	6,156	13,844	1,863
Total general administration	1,637,426	1,637,426	1,554,386	83,040	1,442,748

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
School Administration					
Office of the Principal Services					
Salaries	$ 3,061,830	$ 3,061,830	$ 3,074,702	$ (12,872)	$ 2,973,527
Employee benefits	688,500	688,500	695,314	(6,814)	669,052
Purchased services	30,600	30,600	19,562	11,038	18,464
Supplies and materials	28,928	28,928	29,054	(126)	27,753
Capital outlay	-	-	-	-	516
Noncapitalized equipment	-	-	532	(532)	-
Total	3,809,858	3,809,858	3,819,164	(9,306)	3,689,312
Total school administration	3,809,858	3,809,858	3,819,164	(9,306)	3,689,312
Business					
Direction of Business Support Services					
Salaries	298,284	298,284	305,277	(6,993)	287,678
Employee benefits	64,500	64,500	64,476	24	60,928
Purchased services	3,450	3,450	2,205	1,245	1,330
Other objects	1,400	1,400	1,275	125	1,275
Total	367,634	367,634	373,233	(5,599)	351,211
Fiscal Services					
Salaries	267,540	267,540	237,448	30,092	221,101
Employee benefits	37,100	37,100	34,944	2,156	35,509
Purchased services	159,600	159,600	129,168	30,432	129,146
Supplies and materials	62,926	62,926	57,685	5,241	101,218
Noncapitalized equipment	4,000	4,000	-	4,000	-
Total	531,166	531,166	459,245	71,921	486,974
Food Services					
Salaries	975,370	975,370	836,848	138,522	790,593
Employee benefits	136,300	136,300	126,506	9,794	104,891
Purchased services	52,875	52,875	16,914	35,961	42,394
Supplies and materials	741,035	741,035	1,075,101	(334,066)	964,088
Capital outlay	75,000	165,000	139,330	25,670	230,433
Other objects	1,000	1,000	3	997	(45)
Noncapitalized equipment	375,000	285,000	119,743	165,257	-
Total	2,356,580	2,356,580	2,314,445	42,135	2,132,354
Internal Services					
Purchased services	54,584	54,584	65,586	(11,002)	55,110
Supplies and materials	29,506	29,506	30,401	(895)	-
Total	84,090	84,090	95,987	(11,897)	55,110
Total business	3,339,470	3,339,470	3,242,910	96,560	3,025,649

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Central					
Planning, Research, Development and Evaluation Services					
Salaries	$ 117,020	$ 117,020	$ 117,020	$ -	$ 115,491
Employee benefits	29,300	29,300	30,709	(1,409)	28,410
Purchased services	9,600	9,600	1,951	7,649	2,932
Total	155,920	155,920	149,680	6,240	146,833
Information Services					
Salaries	147,690	147,690	147,521	169	141,977
Employee benefits	36,800	36,800	36,650	150	35,785
Purchased services	38,500	38,500	24,151	14,349	30,391
Supplies and materials	8,500	8,500	17,571	(9,071)	5,202
Other objects	1,500	1,500	1,175	325	915
Noncapitalized equipment	1,500	1,500	-	1,500	-
Total	234,490	234,490	227,068	7,422	214,270
Staff Services					
Salaries	1,692,340	1,692,340	1,511,814	180,526	1,627,963
Employee benefits	179,300	179,300	147,853	31,447	150,459
Purchased services	186,200	186,200	80,489	105,711	161,944
Supplies and materials	106,700	106,700	103,987	2,713	62,478
Capital outlay	-	-	-	-	6,625
Other objects	12,750	12,750	2,245	10,505	3,788
Noncapitalized equipment	500	500	-	500	-
Total	2,177,790	2,177,790	1,846,388	331,402	2,013,257
Total central	2,568,200	2,568,200	2,223,136	345,064	2,374,360
Total support services	26,761,061	26,761,061	25,885,183	875,878	24,148,798
Community Services					
Salaries	1,792	1,792	419	1,373	150
Employee benefits	116	116	14	102	18
Purchased services	13,632	13,632	13,837	(205)	10,969
Supplies and materials	500	500	2,639	(2,139)	2,894
Total community services	16,040	16,040	16,909	(869)	14,031

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Non-GAAP Budgetary Basis - Educational Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Intergovernmental					
Payments to Other Districts and Governmental Units					
Payments for Special Education Programs					
Purchased services	$ 241,695	$ 241,695	$ 243,515	$ (1,820)	$ 244,074
Other objects	324,720	324,720	324,720	-	309,426
Total	566,415	566,415	568,235	(1,820)	553,500
Payments for Special Education Programs - Tuition					
Other objects	2,745,171	2,745,171	2,661,195	83,976	2,421,549
Total	2,745,171	2,745,171	2,661,195	83,976	2,421,549
Total payments to other districts and governmental units	3,311,586	3,311,586	3,229,430	82,156	2,975,049
Total intergovernmental	3,311,586	3,311,586	3,229,430	82,156	2,975,049
Total expenditures	81,022,355	81,022,355	78,331,072	2,691,283	72,086,327
Excess (deficiency) of revenues over expenditures	(3,945,232)	(3,945,232)	(2,034,961)	1,910,271	7,287,250
Other Financing Sources (Uses)					
Lease value	-	-	302,671	302,671	-
Transfer for principal on leases	(49,409)	(49,409)	(54,018)	(4,609)	(39,074)
Transfer for interest on leases	(11,925)	(11,925)	(13,116)	(1,191)	(804)
Transfer from general fund	(130,610)	(130,610)	(125,865)	4,745	(130,000)
Total other financing sources (uses)	(191,944)	(191,944)	109,672	301,616	(169,878)
Net change in fund balance	$ (4,137,176)	$ (4,137,176)	(1,925,289)	$ 2,211,887	7,117,372
Fund Balance, Beginning			48,363,235		41,245,863
Fund Balance, Ending			$ 46,437,946		$ 48,363,235

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Tort Immunity and Judgment Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues					
Local Sources					
Tort immunity levy	$ 943,746	$ 943,746	$ 897,313	$ (46,433)	$ 1,013,998
Investment income	16,100	16,100	29,338	13,238	17,305
Refund of prior years' expenditures	-	-	24,587	24,587	-
Total local sources	959,846	959,846	951,238	(8,608)	1,031,303
Total revenues	959,846	959,846	951,238	(8,608)	1,031,303
Expenditures					
Support Services					
General Administration					
Claims Paid From Self Insurance Fund					
Risk Management and Claims Service Payments					
Purchased services	952,600	952,600	883,911	68,689	915,521
Total	952,600	952,600	883,911	68,689	915,521
Total general administration	952,600	952,600	883,911	68,689	915,521
Total support services	952,600	952,600	883,911	68,689	915,521
Total expenditures	952,600	952,600	883,911	68,689	915,521
Net change in fund balance	$ 7,246	$ 7,246	67,327	$ 60,081	115,782
Fund Balance, Beginning			541,461		425,679
Fund Balance, Ending			$ 608,788		$ 541,461

Arlington Heights School District 25

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Working Cash Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues					
Local Sources					
Investment income	$ 178,800	$ 178,800	$ 258,942	$ 80,142	$ 209,955
Total local sources	178,800	178,800	258,942	80,142	209,955
Total revenues	178,800	178,800	258,942	80,142	209,955
Expenditures					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	178,800	178,800	258,942	80,142	209,955
Other Financing Sources (Uses)					
Permanent transfer from working cash accounts	-	-	-	-	(1,900,000)
Permanent transfer from working cash accounts	(178,800)	(178,800)	(178,800)	-	(205,267)
Total other financing sources (uses)	(178,800)	(178,800)	(178,800)	-	(2,105,267)
Net change in fund balance	$ -	$ -	80,142	$ 80,142	(1,895,312)
Fund Balance, Beginning			6,029,166		7,924,478
Fund Balance, Ending			$ 6,109,308		$ 6,029,166

Statistical Section

The part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	**Page**
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	85
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	97
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	102
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	107
Operating Information These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	110

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2025	2024	2023	2022****
Governmental activities				
Net investment in capital assets	$ 74,479,272	$ 74,665,174	$ 76,099,685	$ 82,020,949
Restricted	19,625,372	20,410,231	18,221,500	19,236,087
Unrestricted	10,234,920	8,017,477	(4,018,365)	(15,072,688)
Total governmental activities net position	$ 104,339,564	$ 103,092,882	$ 90,302,820	$ 86,184,348

** The District implemented GASB 75 in 2018.
*** The District implemented GASB 84 in 2021.
**** The District implemented GASB 87 in 2022.
Amounts in prior years have not been adjusted.

2021***	2020	2019	2018**	2017	2016
$ 82,285,344	$ 81,138,833	$ 80,147,193	$ 82,067,404	$ 81,240,280	$ 81,324,939
10,607,291	7,883,608	7,137,991	7,405,397	7,281,482	6,453,305
(11,941,370)	(8,921,564)	(7,877,931)	(9,817,550)	38,690,652	43,851,000
$ 80,951,265	$ 80,100,877	$ 79,407,253	$ 79,655,251	$ 127,212,414	$ 131,629,244

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2025	2024	2023	2022****
Expenses				
Instruction:				
Regular programs	$ 33,908,152	$ 31,215,804	$ 29,612,954	$ 29,787,095
Special programs	17,877,235	15,740,865	15,799,854	14,960,252
Other instructional programs	3,004,172	3,182,309	2,898,305	3,100,941
Student activities	325,524	369,736	372,895	285,793
Support services:				
Pupils	6,737,772	5,966,000	5,759,474	5,791,898
Instructional staff	8,353,001	6,256,810	5,403,231	6,030,631
General administration	2,175,121	1,774,226	1,287,323	2,927,553
School administration	2,699,647	2,569,052	2,421,762	3,944,300
Business	3,408,055	2,587,547	2,622,151	2,594,563
Transportation	4,208,433	3,878,111	3,386,828	2,935,874
Operations and maintenance	10,833,614	11,731,531	10,813,625	6,344,837
Central and other	2,469,175	2,753,839	3,734,788	1,702,076
Other supporting services	143,435	183,696	180,343	282,142
Community services	16,922	14,022	27,023	101,260
Intergovernmental:	-	-	-	-
State retirement contributions	17,367,749	18,117,935	16,282,645	19,982,898
Interest and fees	3,585,414	3,317,011	4,099,808	1,269,131
Total expenses	$ 117,113,421	$ 109,658,494	$ 104,703,009	$ 102,041,244
Program Revenues				
Charges for services:				
Instruction	$ 1,436,872	$ 1,581,022	$ 1,382,813	$ 1,032,768
Support services	2,835,622	2,500,319	2,270,180	1,291,446
Operating grants and contributions				
Instruction	20,465,587	21,025,498	19,189,976	23,483,094
Support services	1,840,089	1,981,314	1,757,058	3,276,580
Capital grants and contributions	510,961	126,291	-	-
Total program revenues	$ 27,089,131	$ 27,214,444	$ 24,600,027	$ 29,083,888
Net (expense)/revenue	$ (90,024,290)	$ (82,444,050)	$ (80,102,982)	$ (72,957,356)
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	$ 62,496,424	$ 65,941,018	$ 54,882,401	$ 54,634,014
Real estate taxes, levied for specific purposes	9,759,073	9,524,398	9,486,983	11,520,403
Real estate taxes, levied for debt service	8,040,386	8,817,780	6,461,466	4,373,637
Intergovernmental, unrestricted:				
Personal property replacement taxes	1,312,828	1,957,755	3,248,958	3,113,319
Unrestricted grants and contributions	5,159,679	5,062,925	5,058,581	4,959,516
Investment earnings (losses)	3,770,572	3,905,770	4,998,994	(422,025)
Miscellaneous	732,010	24,466	84,071	11,575
Total general revenues	$ 91,270,972	$ 95,234,112	$ 84,221,454	$ 78,190,439
Change in net position	$ 1,246,682	$ 12,790,062	$ 4,118,472	$ 5,233,083

* The District implemented GASB 68 and 71 in 2015.
** The District implemented GASB 75 in 2018.
*** The District implemented GASB 84 in 2021.
**** The District implemented GASB 87 in 2022.
Amounts in prior years have not been adjusted.

2021***	2020	2019	2018**	2017	2016
$ 30,074,791	$ 30,358,225	$ 29,700,265	$ 31,698,766	$ 29,015,739	$ 28,298,413
13,702,941	13,009,741	12,830,761	13,159,189	13,502,465	13,220,613
2,910,057	2,732,051	3,063,189	2,915,399	2,618,128	2,642,202
96,780	-	-	-	-	-
5,537,583	4,935,145	4,967,277	4,971,259	5,051,215	4,794,026
7,861,119	6,870,023	6,440,177	5,908,610	6,369,894	4,316,232
1,836,514	2,168,153	2,009,382	1,758,735	1,622,450	1,557,535
3,111,629	3,565,840	3,973,124	3,674,367	3,523,989	3,272,930
3,025,382	2,787,429	2,430,387	2,426,092	2,346,508	2,406,340
1,783,128	2,191,612	2,745,943	2,489,671	2,420,169	2,283,172
6,660,384	7,102,925	6,706,110	8,237,399	10,523,261	11,358,697
3,506,786	2,150,638	2,086,917	1,952,401	2,236,659	2,136,785
787,940	463,923	372,159	351,091	337,607	300,970
234,141	642,816	705,665	688,655	665,243	686,047
-	-	-	-	-	-
34,729,204	33,713,571	29,969,888	28,217,385	29,819,470	19,809,071
1,311,394	1,350,485	1,383,340	1,432,063	914,349	420,529
$ 117,169,773	$ 114,042,577	$ 109,384,584	$ 109,881,082	$ 110,967,146	$ 97,503,562
$ 1,000,504	$ 671,233	$ 691,616	$ 981,776	$ 1,092,898	$ 1,124,592
1,293,537	2,822,619	3,084,245	2,865,941	2,924,951	2,864,099
37,266,385	35,886,166	32,202,549	30,573,596	34,296,095	24,650,172
3,361,436	2,370,571	1,005,053	1,827,880	1,732,692	1,526,381
173,674	294,594	-	-	-	-
$ 43,095,536	$ 42,045,183	$ 36,983,463	$ 36,249,193	$ 40,046,636	$ 30,165,244
$ (74,074,237)	$ (71,997,394)	$ (72,401,121)	$ (73,631,889)	$ (70,920,510)	$ (67,338,318)
$ 53,286,946	$ 52,109,355	$ 51,981,005	$ 50,276,978	$ 48,913,488	$ 47,170,764
10,483,621	9,052,130	8,562,358	8,935,224	9,967,098	9,682,213
4,324,691	4,262,483	4,318,380	4,113,357	3,383,531	1,407,392
1,439,901	1,033,450	955,761	858,882	1,163,522	824,522
4,811,111	4,811,111	4,668,560	4,552,629	2,360,022	2,278,082
349,827	1,372,811	1,620,875	1,063,266	616,942	384,149
20,465	49,678	46,184	595,968	99,077	51,744
$ 74,716,562	$ 72,691,018	$ 72,153,123	$ 70,396,304	$ 66,503,680	$ 61,798,866
$ 642,325	$ 693,624	$ (247,998)	$ (3,235,585)	$ (4,416,830)	$ (5,539,452)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022
General Fund				
Nonspendable	$ 77,065	$ 41,055	$ 882,970	$ 63,820
Restricted	3,184,163	3,576,983	3,702,240	3,550,213
Assigned	313,091	270,839	300,995	280,198
Unassigned	49,581,723	51,044,985	44,709,815	46,305,106
Total general fund	$ 53,156,042	$ 54,933,862	$ 49,596,020	$ 50,199,337
All other governmental funds				
Unassigned, reported in:				
Capital projects fund	$ -	$ -	$ -	$ (767,918)
Restricted, reported in:				
Debt service fund	2,186,162	3,400,783	1,227,163	1,034,702
Special revenue funds	5,786,041	7,513,651	9,360,962	10,103,051
Capital projects fund	18,613,657	21,091,622	57,454,073	95,804
Nonspendable, reported in:				
Special revenue funds	-	7,514	3,463	3,386
Total all other governmental funds	$ 26,585,860	$ 32,013,570	$ 68,045,661	$ 10,469,025
Total Governmental Funds	$ 79,741,902	$ 86,947,432	$ 117,641,681	$ 60,668,362

2021	2020	2019	2018	2017	2016
$ 44,145	$ 87,745	$ 33,149	$ 30,689	$ 30,689	$ 30,689
2,927,767	260,352	325,240	231,287	202,096	155,302
298,326	-	-	-	-	-
47,631,908	51,108,567	49,200,652	51,246,574	61,099,588	53,361,874
$ 50,902,146	$ 51,456,664	$ 49,559,041	$ 51,508,550	$ 61,332,373	$ 53,547,865
$ (500,578)	$ (1,104,480)	$ (34,529)	$ (716,049)	$ (368,491)	$ (431,212)
1,038,653	-	-	-	-	-
7,259,778	9,073,224	9,129,891	8,612,624	8,472,144	7,968,513
125,493	-	-	-	-	-
6,552	6,253	10,602	-	-	-
$ 7,929,898	$ 7,974,997	$ 9,105,964	$ 7,896,575	$ 8,103,653	$ 7,537,301
$ 58,832,044	$ 59,431,661	$ 58,665,005	$ 59,405,125	$ 69,436,026	$ 61,085,166

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

GOVERNMENTAL FUNDS REVENUES

LAST TEN FISCAL YEARS

	2025	2024	2023	2022
Local Sources				
Property taxes	$ 80,295,883	$ 84,283,196	$ 70,830,850	$ 70,528,054
Replacement taxes	1,312,828	1,957,755	3,248,958	3,113,319
Earnings (losses) on investments	3,770,572	3,905,770	4,998,994	(422,025)
Other local sources	5,004,504	4,105,807	3,737,064	2,335,789
Total local sources	90,383,787	94,252,528	82,815,866	75,555,137
State sources	28,981,390	26,872,963	26,856,121	26,830,437
Federal sources	3,459,490	3,920,698	3,386,730	5,795,710
Total	$ 122,824,667	$ 125,046,189	$ 113,058,717	$ 108,181,284

2021	2020	2019	2018	2017	2016
$ 68,095,258	$ 65,423,968	$ 64,861,743	$ 63,325,559	$ 62,264,117	$ 58,260,369
1,439,901	1,033,450	955,761	858,882	1,163,522	824,522
349,827	1,372,811	1,620,875	1,063,266	618,278	384,149
2,314,506	3,543,530	3,822,045	4,443,685	4,115,590	4,040,435
72,199,492	71,373,759	71,260,424	69,691,392	68,161,507	63,509,475
24,603,253	23,440,197	23,901,571	35,064,552	35,922,082	24,795,971
5,339,094	3,238,486	2,426,625	2,511,057	2,483,600	2,482,145
$ 102,141,839	$ 98,052,442	$ 97,588,620	$ 107,267,001	$ 106,567,189	$ 90,787,591

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2025	2024	2023	2022
Current:				
Instruction				
Regular programs	$ 31,733,809	$ 28,428,720	$ 27,157,974	$ 26,915,112
Special programs	14,557,221	13,549,396	13,060,634	12,732,894
Other instructional programs	3,574,591	3,785,377	3,583,335	3,384,835
Total instruction	49,865,621	45,763,493	43,801,943	43,032,841
Supporting Services				
Pupils	6,832,250	6,334,272	5,989,786	5,851,659
Instructional staff	8,603,886	7,139,436	6,444,687	6,601,150
General administration	2,482,521	2,400,085	2,269,482	2,275,856
School administration	3,956,251	3,814,711	3,613,121	3,519,385
Business	3,281,446	3,028,316	2,633,280	2,987,880
Transportation	4,195,468	3,885,841	3,382,288	2,948,076
Operations and maintenance	9,661,804	11,068,648	9,895,096	5,870,967
Central	2,307,536	2,451,658	2,423,243	2,040,119
Other supporting services	8,048	1,038	594	99,065
Community services	16,924	14,037	20,508	115,101
Intergovernmental				
State retirement contributions	22,348,237	20,525,465	20,758,414	20,879,618
Nonprogrammed charges	3,229,430	2,975,049	2,880,900	2,839,851
Total supporting services	66,923,801	63,638,556	60,311,399	56,028,727
Other:				
Debt service:				
Principal	5,423,949	4,574,074	2,712,818	2,586,604
Interest	4,422,836	4,197,627	4,588,344	1,822,112
Capital outlay	19,096,724	37,566,688	5,601,151	2,874,682
Total Other	28,943,509	46,338,389	12,902,313	7,283,398
Total	$ 145,732,931	$ 155,740,438	$ 117,015,655	$ 106,344,966
Debt service as a percentage of noncapital expenditures	11.06%	10.89%	6.91%	4.38%

2021	2020	2019	2018	2017	2016
$ 26,677,105	$ 25,930,765	$ 26,071,976	$ 26,253,145	$ 26,470,427	$ 26,074,062
11,320,485	10,521,195	10,557,638	10,986,544	11,195,783	10,997,971
3,083,491	2,828,091	2,996,255	2,868,326	2,586,709	2,653,470
41,081,081	39,280,051	39,625,869	40,108,015	40,252,919	59,534,574
5,567,818	4,997,064	4,982,180	4,869,805	4,963,213	4,791,003
7,605,953	6,180,068	6,236,647	5,747,986	6,250,024	5,609,716
1,785,735	1,707,786	1,601,163	1,677,078	1,577,630	1,535,990
3,501,061	3,445,198	3,488,388	3,461,774	3,389,658	3,339,080
2,908,988	2,615,188	2,305,707	2,371,829	2,262,137	2,355,106
1,789,618	2,189,924	2,743,948	2,484,220	2,415,067	2,279,062
6,043,182	6,242,260	5,994,036	8,203,645	10,197,119	9,093,893
1,880,753	1,482,928	1,509,241	1,496,036	1,376,641	1,355,222
613,865	290,545	244,047	240,540	230,160	197,950
233,982	634,655	696,072	670,991	636,891	654,904
19,014,513	18,178,621	17,279,099	28,217,385	29,819,470	19,809,071
2,710,193	2,259,928	2,134,910	1,970,921	1,972,798	1,894,168
53,655,661	50,224,165	49,215,438	61,412,210	65,090,808	33,106,094
2,495,427	2,403,661	2,324,117	2,257,461	2,255,874	34,354
1,923,938	2,017,603	2,100,978	2,110,810	1,384,683	604,917
3,793,412	3,544,518	5,062,338	19,596,312	21,522,667	16,559,411
8,212,777	7,965,782	9,487,433	23,964,583	25,163,224	17,198,682
$ 102,949,519	$ 97,469,998	$ 98,328,740	$ 125,484,808	$ 130,506,951	$ 109,839,350
4.64%	4.48%	4.74%	4.13%	3.34%	0.69%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES

LAST TEN FISCAL YEARS

	2025	2024	2023	2022
Excess of revenues over (under) expenditures	$ (22,908,264)	$ (30,694,249)	$ (3,956,938)	$ 1,836,318
Other financing sources (uses)				
General long-term debt issued	14,955,000	-	56,045,000	-
Premium on bonds sold	445,063	-	4,885,257	-
Lease value	302,671	-	-	-
Transfers in	2,371,799	5,775,145	4,989,877	2,728,172
Transfers out	(2,371,799)	(5,775,145)	(4,989,877)	(2,728,172)
Total	15,702,734	-	60,930,257	-
Net change in fund balances	$ (7,205,530)	$ (30,694,249)	$ 56,973,319	$ 1,836,318

2021	2020	2019	2018	2017	2016
$ (807,680)	$ 582,444	$ (740,120)	$ (18,217,807)	$ (23,939,762)	$ (19,051,759)
-	-	-	7,375,000	27,650,000	16,775,000
-	-	-	811,906	4,640,622	1,595,197
-	184,212	-	-	-	-
4,614,260	3,323,170	9,570,081	40,299,934	46,850,418	31,630,139
(4,614,260)	(3,323,170)	(9,570,081)	(40,299,934)	(46,850,418)	(31,630,139)
-	184,212	-	8,186,906	32,290,622	18,370,197
$ (807,680)	$ 766,656	$ (740,120)	$ (10,030,901)	$ 8,350,860	$ (681,562)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN LEVY YEARS

	2023*	2022	2021	2020
District direct rates				
Total direct	$ 3.4300	$ 3.4370	$ 3.7090	$ 3.3340
Overlapping rates				
County of Cook	0.3860	0.4310	0.4460	0.4530
Cook County Forest Preserve District	0.0750	0.0810	0.0580	0.0580
Consolidated Elections	0.0320	-	0.0190	-
Wheeling Township	0.0370	0.0360	0.0410	0.0370
Wheeling Twp General Assistance	0.0070	0.0070	0.0080	0.0080
Wheeling Twp Road & Bridge	0.0120	0.0120	0.0150	0.0130
Metro Water Reclamation District of Chicago	0.3450	0.3740	0.3820	0.3780
Northwest Mosquito Abatement District	0.0100	0.0090	0.0110	0.0100
Village of Arlington Heights & Library Fund	1.4030	1.4050	1.6940	1.5460
Arlington Heights Park District	0.4810	0.4640	0.5210	0.4690
Arlington Heights High School #214	2.4450	2.3520	2.6640	2.3820
Harper Comm College #512	0.4130	0.4100	0.4570	0.4090
Total direct and overlapping rate	$ 9.0760	$ 9.0180	$ 10.0250	$ 9.0970

* Tax year 2023 rates were used in this statement as tax year 2024 rates were not available.
Source: Cook County Clerk
Note: Tax rates are per $100 of assessed value.

2019	2018	2017	2016	2015	2014
$ 3.2460	$ 3.6170	$ 3.4880	$ 3.4240	$ 3.9900	$ 3.6780
0.4540	0.4890	0.4960	0.5330	0.5520	0.5680
0.0590	0.0600	0.0620	0.0630	0.0690	0.0690
0.0300	-	0.0310	-	0.0340	-
0.0380	0.0430	0.0430	0.0410	0.0550	0.0520
0.0080	0.0090	0.0090	0.0080	0.0100	0.0100
0.0140	0.0160	0.0150	0.0140	0.0200	0.0190
0.3890	0.3960	0.4020	0.4060	0.4260	0.4300
0.0100	0.0110	0.0100	0.0100	0.0110	0.0130
1.5400	1.7580	1.6960	1.6650	1.9250	1.8160
0.4570	0.5140	0.4940	0.4880	0.6260	0.6360
2.3560	2.6690	2.5630	2.5270	2.8810	2.7760
0.4030	0.4430	0.4250	0.4160	0.4660	0.4510
$ 9.0040	$ 10.0250	$ 9.7340	$ 9.5950	$ 11.0650	$ 10.5180

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

LEVY YEAR	ASSESSED VALUATION RESIDENTIAL	FARMS	COMMERCIAL	INDUSTRIAL	RAILROAD	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	$ 2,027,068,848	$ 45,341	$ 358,784,662	$ 9,827,626	$ 1,930,334	$ 2,397,656,811	$ 7,192,970,433
2022	1,977,933,337	43,949	351,190,765	9,543,164	1,786,389	2,340,497,604	7,021,492,812
2021	1,582,762,957	32,943	353,540,607	9,751,977	1,498,282	1,947,586,766	5,842,760,298
2020	1,718,564,581	35,364	384,941,769	10,392,640	1,498,282	2,115,432,636	6,346,297,908
2019	1,729,487,909	31,991	372,505,374	10,638,846	1,437,654	2,114,101,774	6,342,305,322
2018	1,544,900,929	27,502	298,918,190	9,077,223	1,317,992	1,854,241,836	5,562,725,508
2017	1,553,098,586	27,992	307,536,067	8,792,653	1,227,510	1,870,682,808	5,612,048,424
2016	1,541,379,848	26,485	291,408,485	8,768,378	1,203,411	1,842,786,607	5,528,359,821
2015	1,258,651,381	22,503	265,596,751	8,458,946	1,182,948	1,533,912,529	4,601,737,587

Source: Cook County Clerk
Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per $100 of assessed value.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT LEVY YEAR AND NINE YEARS AGO

TAXPAYER		2023* EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2023 EQUALIZED ASSESSED VALUATION
Luther Village	$	44,596,174	1.86%
Town & Country Chicago		22,946,116	0.96%
Stonebridge Village		22,202,779	0.93%
Amcap Northpoint II LLC		20,800,649	0.87%
John Hancock Life Ins		20,408,314	0.85%
New Plaln Excel Prop T		19,074,267	0.80%
Presbyterian Homes		15,256,325	0.64%
Robin Realty Mgt		12,253,764	0.51%
Arlington Town Square		12,106,745	0.50%
TLC Management Co		10,805,304	0.45%
	$	200,450,437	8.37%

Includes parcels with 2023 EAVs of $100,000 and over.

Source: Cook County Clerk

Taxpayer		2014 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2014 EQUALIZED ASSESSED VALUATION
Luther Village	$	31,495,633	2.01%
Avalon Bay Communities		19,226,193	1.23%
Northpoint & Arlington Heights Freed		17,119,899	1.09%
Stonebridge Real Estate		14,423,784	0.92%
Dominicks		10,901,221	0.70%
M&J Wilkow, Ltd.		10,455,613	0.67%
Arlington Town Square		9,505,771	0.61%
Sunrise Tax Dept.		8,874,433	0.57%
Berkshire Mortgage		7,382,265	0.47%
Rysco Inc.		7,135,977	0.46%
Total	$	136,520,789	8.72%

* Tax year 2023 values were used in this statement as tax year 2024 values were not available

Source: Cook County Clerk Assessor's Office

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

LEVY YEAR	TAXES LEVIED FOR THE LEVY YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2024	$ 87,032,737	$ 42,873,866	49.26%	$ -	$ 42,873,866	49.26%
2023	82,224,981	42,158,787	51.27%	37,388,015	79,546,802	96.74%
2022	80,421,532	37,506,354	46.64%	41,842,050	79,348,404	98.67%
2021	72,221,139	37,785,637	52.32%	33,302,157	71,087,794	98.43%
2020	70,524,897	36,344,849	51.53%	32,644,526	68,989,375	97.82%
2019	68,620,206	35,191,865	51.28%	31,826,960	67,018,825	97.67%
2018	67,060,147	34,784,259	51.87%	30,223,733	65,007,992	96.94%
2017	65,240,773	33,795,853	51.80%	30,098,755	63,894,608	97.94%
2016	63,080,314	32,439,004	51.42%	29,536,770	61,975,774	98.25%
2015	61,202,077	30,818,197	50.35%	29,879,572	60,697,769	99.18%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	LEASES	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2025	$ 102,407,721	$ 252,036	$ 102,659,757	N/A	N/A
2024	93,215,080	3,314	93,218,394	2.95%	1,845
2023	98,630,696	42,388	98,673,084	3.37%	1,934
2022	40,863,975	80,206	40,944,181	1.50%	821
2021	43,966,956	116,806	44,083,762	1.59%	883
2020	42,710,000	152,237	42,862,237	1.62%	863
2019	45,075,000	6,686	45,081,686	1.27%	599
2018	47,360,000	45,803	47,405,803	1.47%	628
2017	42,205,000	83,264	42,288,264	1.31%	560
2016	16,775,000	119,138	16,894,138	0.52%	224

Note: See Demographic and Economic Statistics table for personal and population data.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2024	$ 102,407,721	$ 2,186,162	$ 100,221,559	1.58%	$ 1,984
2024	93,215,080	3,400,783	89,814,297	1.42%	1,761
2023	98,630,696	1,227,163	97,403,533	1.75%	1,952
2022	40,863,975	1,034,702	39,829,273	0.72%	798
2021	43,966,956	1,038,653	42,928,303	0.77%	860
2020	42,710,000	1,085,667	41,624,333	0.74%	838
2019	45,075,000	1,173,477	43,901,523	0.79%	583
2018	47,360,000	1,209,245	46,150,755	1.00%	611
2017	42,205,000	1,280,280	40,924,720	0.89%	542
2016	16,775,000	1,134,596	15,640,404	0.33%	207

Note: See Demographic and Economic Statistics table for personal and population data.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2025

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING		OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:				
County				
Cook County	$ 1,930,661,750		1.204%	$ 23,245,167
Cook County Forest Preserve	75,290,000		1.204%	906,492
Metro Water Reclamation District of Chicago	2,437,561,774	(1)	1.225%	29,860,132
School Districts				
High School District 214	16,415,000		20.875%	3,426,631
Harper Community College 512	212,340,000		10.606%	22,520,780
Park Districts				
Arlington Heights Park District	5,545,000		63.286%	3,509,209
Mt. Prospect Park District	4,032,635	(2)(3)	3.033%	122,310
Prospect Heights Park District	700,195	(2)	3.708%	25,963
Fire District				
Palatine Rural Fire Protection District	1,585,000		0.283%	4,486
Prospect Heights Fire Protection District	5,635,000		1.335%	75,227
Municipalities				
Village of Arlington Heights	59,705,000		60.403%	36,063,611
Village of Mount Prospect	92,670,000		2.587%	2,397,373
City of Prospect Heights	2,445,000	(3)	1.617%	39,536
City of Rolling Meadows	14,335,000		0.545%	78,126
Total overlapping debt				122,275,042
Direct debt:				
School District Number 25	96,120,000		100.000%	96,120,000
Total Direct and Overlapping Debt				$ 218,395,042

* Tax year 2023 values were used in this statement as tax year 2024 values were not available as of the completion of this statement.

(1) Includes IEPA Revolving Loan Fund Bonds
(2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
(3) Excludes outstanding Debt Certificates and/or notes.

Source: Office of the County Clerk, Cook County, IL

NOTE: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Valuation	$ 2,383,254,524
Debt Limit - 6.9% of Assessed Valuation	$ 164,444,562
Total Debt Outstanding	102,407,721
Less: Exempted Debt	-
Net Subject to 6.9% Limit	102,407,721
Total Debt Margin	$ 62,036,841

	Fiscal Year			
	2025	2024	2023	2022
Debt Limit	$ 164,444,562	$ 165,438,320	$ 161,494,335	$ 134,383,487
Total Net Debt Applicable to Limit	102,407,721	93,218,394	98,673,084	40,944,181
Legal Debt Margin	$ 62,036,841	$ 72,219,926	$ 62,821,251	$ 93,439,306
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	62.3%	56.3%	61.1%	30.5%

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ 145,964,852	$ 145,873,022	$ 127,942,687	$ 129,077,114	$ 127,152,276	$ 105,839,965
40,366,810	42,862,237	45,081,686	47,405,803	42,288,264	16,894,138
$ 105,598,042	$ 103,010,785	$ 82,861,001	$ 81,671,311	$ 84,864,012	$ 88,945,827
27.7%	29.4%	35.2%	36.7%	33.3%	16.0%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	UNEMPLOYMENT RATE
2025	N/A	N/A	N/A	4.10%
2024	50,525	$ 3,157,761,975	$ 62,499	3.20%
2023	51,016	2,928,522,464	57,404	3.40%
2022	49,899	2,735,413,281	54,819	4.10%
2021	49,937	2,768,057,847	55,431	7.50%
2020	49,656	2,642,890,944	49,656	2.70%
2019	75,249	3,549,570,579	47,171	3.00%
2018	75,634	3,311,029,618	43,777	3.80%
2017	75,525	3,226,805,625	42,725	4.60%
2016	75,926	3,188,436,444	41,994	4.30%

SOURCE OF INFORMATION:

Population and Per Capita Income obtained from American Community 5-year
Surveys from 2012-2016, to 2018-2022
published by National Center of Educational Statistics Edge
(Education, Demographic and Geographic Estimates)
Income in 2022 dollars
Most recent information available
Illinois Department of Employment Security for the Village of Arlington Heights, IL

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2025

EMPLOYER		APPROXIMATE NUMBER OF EMPLOYEES	RANK	PERCENT OF TOTAL EMPLOYMENT
Northwest Community Hospital	Hospital & Medical Facilities	3,600	1	14.5%
Northrop Grumman Corp.	Land & Self Protection Systems Division	2,380	2	9.6%
Arlington Heights High School District 214	Public High Schools	1,800	3	7.2%
Arthur J. Gallagher & Company	Commercial Insurance	1,750	4	7.0%
United Airlines	Network Operations Center	900	5	3.6%
Cellco Partnership DBA Verizon Wireless	Wireless Voice and Data Services	900	6	3.6%
School District 25	Public Schools - Grades K-8	860	7	3.5%
CVS Caremark	Wholesale Specialty Pharmaceutical Products	725	8	2.9%
Robert Bosch Tool Corp.	Power Tool Manufacturing	650	9	2.6%
Walmart Superstores (2 locations)	Department Stores	600	10	2.4%
Paddock Publications, Inc. (HQ) Daily Herald	Newspaper Publishing	500	11	2.0%
Village of Arlington Heights	Local Government (Full-Time Equivalent)	435	12	1.8%

* Calculating overlap percentages to the Illinois Department of Employment Security reports, the estimated number of persons employed in the District was 24,852.

Data Sources
City / Village Records / School District Records
Official Employer Website
Data Axle Reference Solutions

2016

EMPLOYER	APPROXIMATE NUMBER OF EMPLOYEES	DATA SOURCE	PERCENT OF TOTAL EMPLOYMENT
Northwest Community Hospital	4,000	(1)	15.6%
Northrop Grumman Corp.	1,900	(1)	7.4%
Arlington Heights High School District 214	1,670	(4)	6.5%
Arlington International Race Track	845	(3)	3.3%
School District 25	842	(4)	3.3%
Luther Village	800	(4)	3.1%
Clearbrook (4 locations)	700	(4)	2.7%
Robert Bosch Tool Corp. (HQ)	600	(2)	2.3%
Paylocity Holding Corp.	500	(1)	2.0%
Paddock Publications, Inc. (HQ) Daily Herald	500	(1)	2.0%
CVS Caremark	850	(2)	3.3%
Amita Health, Division of Ascension Health	500	(2)	2.0%
Level 3 Communications, LLC	500	(2)	2.0%
elso-Burnett Co. (HQ)	500	(2)	2.0%
Cummins-Allison Corp. (HQ)	500	(1)	2.0%

From the Illinois Department of Employment the Employed in the District in 2015 is: 25,640

(1) 2016 Illinois Manufacturers Directory
(2) 2016 Illinois Services Directory
(3) ReferenceUSA.com database
(4) Official Employer Website / Financial Records

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017	2015 - 2016
Administration:										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	4	4	4	4	4	4	4	4	4	4
District Administrators	14	14	15	14	13	12	12	12	12	12
Principals and assistants	21	21	21	20	20	20	20	20	20	20
Total administration	40	40	41	39	38	37	37	37	37	37
Teachers:										
Elementary	221	186	186	184	185	188	190	191	184	182
Middle school	115	117	117	114	116	114	111	115	116	113
District Instruction Support	106	115	115	115	109	96	107	97	96	88
Special education and bilingual	90	89	89	90	83	81	80	77	72	77
Total teachers	532	507	507	503	493	479	488	480	468	460
Other supporting staff:										
Cafeteria	38	40	40	52	52	61	67	68	63	58
Clerical and Aides, Playground Supervisor	216	213	213	208	205	186	192	186	197	197
Maintenance, custodians and warehouse and crossing guards	58	58	58	62	64	67	69	71	69	71
Total support staff	312	311	311	322	321	314	328	325	329	326
Total staff	884	858	859	864	852	830	853	842	834	823

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR	PK - 8 ENROLLMENT	AVERAGE DAILY ATTENDANCE	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE
2025	5,366	5,008	$ 89,010,022	$ 17,774	-1.2%
2024	5,270	4,559	82,001,979	17,987	1.7%
2023	5,252	4,347	76,892,537	17,689	7.7%
2022	5,269	4,597	75,521,095	16,428	8.7%
2021	5,320	4,796	72,517,106	15,120	16.7%
2020	5,541	5,253	68,060,123	12,958	-6.5%
2019	5,567	4,941	68,457,858	13,855	1.3%
2018	5,558	5,015	68,591,423	13,677	-1.4%
2017	5,564	5,006	69,417,758	13,866	-0.5%
2016	5,356	4,859	67,695,756	13,933	10.5%

EXPENSES	PER CAPITA TUITION CHARGE	PERCENTAGE CHANGE	TEACHING STAFF	PERCENTAGE OF STUDENTS RECEIVING FREE OR REDUCED PRICE-MEALS
$ 99,745,672	19,917	-0.8%	532	16%
91,540,559	20,079	-1.3%	507	14%
88,420,364	20,341	14.1%	507	13%
81,951,173	17,827	3.7%	493	11%
82,440,569	17,189	12.4%	493	10%
80,329,006	15,293	-4.9%	479	6%
79,414,696	16,072	-1.0%	488	12%
81,448,927	16,241	0.2%	468	14%
81,147,676	16,209	1.5%	468	14%
77,594,591	15,970	38.7%	460	14%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Elementary					
Buildings	7	7	7	7	7
Square Feet	559,645	497,603	497,603	497,603	497,603
Capacity (Students)	5,600	4,950	4,950	4,950	4,950
Enrollment	3,552	3,451	3,457	3,466	3,755
Middle					
Buildings	2	2	2	2	2
Square Feet	290,283	290,283	290,283	290,283	290,283
Capacity (Students)	2,100	2,100	2,100	2,100	2,100
Enrollment	1,814	1,819	1,795	1,803	1,786
Other					
Buildings	3	3	3	3	3
Enrollment	N/A	N/A	N/A	N/A	N/A
Athletics					
Play grounds	8	7	7	7	7

2020	2019	2018	2017	2016
7	7	7	7	7
497,603	497,603	489,225	476,969	446,817
4,950	4,950	4,950	4,829	4,454
3,755	3,750	3,663	3,670	3,620
2	2	2	2	2
290,283	290,283	290,283	270,013	270,013
2,100	2,100	2,100	1,892	1,892
1,786	1,812	1,876	1,854	1,778
3	3	3	3	3
N/A	N/A	N/A	N/A	N/A
7	7	7	7	7

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 25
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of School District Number 25, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*), to the amount of $__________, dated ____________, 2026, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2026	$	%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Law"*). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by School District Number 25, Cook County, Illinois (the *"District"*), in connection with the issuance of $__________ General Obligation Limited Tax Refunding School Bonds, Series 2026 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 18th day of August, 2026 (as supplemented by a notification of sale, the *"Resolution"*).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following exhibits to, the Official Statement:

THE BONDS—Debt Service Extension Base Availability after Issuance of the Bonds
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT
—Direct General Obligation Bonds (Principal Only)
—Direct General Obligation Bonds (Principal and Interest)
—Selected Financial Information (only as it relates to direct debt)
—Composition of EAV
—Trend of EAV
—Taxes Extended and Collected
—School District Tax Rates by Purpose
WORKING CASH FUND—Working Cash Fund Summary
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit B—Budget
Exhibit C—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _________, 2026, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds; provided, however, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to

comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

SCHOOL DISTRICT NUMBER 25, COOK COUNTY, ILLINOIS

By: ________________________________
President, Board of Education

Date: ________________, 2026

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (213327)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	