

SCHOOL ASSOCIATION FOR SPECIAL  
EDUCATION IN DUPAGE COUNTY, ILLINOIS

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ANNUAL FINANCIAL REPORT

The logo for the School Association for Special Education in Dupage County, Illinois (SASED). It features the word "SASED" in a large, bold, black serif font. A red, stylized graphic element, resembling a pen nib or a brushstroke, is positioned behind the letters, starting from the bottom left and sweeping upwards and to the right, passing behind the letters. The logo is set against a light gray rectangular background.

**SASED**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

2900 Ogden Avenue  
Lisle, IL 60532  
Phone: 630.778.4500  
[www.sased.org](http://www.sased.org)

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

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**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

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## **FINANCIAL SECTION**

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

February 1, 2024

Board of Directors  
School Association for Special Education in DuPage County  
Lisle, Illinois

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

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Association for Special Education in DuPage County (the SASSED), Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SASSED's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the SASSED, as of June 30, 2023, and the respective changes in financial position, and, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SASSED, 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 SASSED's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SASSED'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 SASSED's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Association for Special Education in DuPage County, Illinois' basic financial statements. The other supplementary information (is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024, on our consideration of the SASSED's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SASSED'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 SASSED's internal control over financial reporting and compliance.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Management's Discussion and Analysis

June 30, 2023

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The discussion and analysis of School Association for Special Education in DuPage County (the SASSED) financial performance provides an overall review of SASSED's financial activities as of and for the year ended June 30, 2023. The management of SASSED encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of SASSED's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

### FINANCIAL HIGHLIGHTS

- In total, Government-wide net position increased by \$1,631,178, due to an increase in total revenues of \$3,355,377.
- Program specific revenues in the form of charges for services and fees and grants accounted for \$39,173,060, an increase of \$2,983,246 from FY22
- SASSED had \$37,570,821 in expenses related to government activities, an increase of \$5,091,966 from FY22.
- Revenues for fiscal year 2023 (FY23), as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$39,201,999, inclusive of on-behalf payments to the Teacher's Retirement System (TRS) and the Teacher's Health Insurance Security Fund (THIS). Expenditures for FY23 were \$39,904,495, also inclusive of State of Illinois payments to TRS and THIS.
- TRS and THIS receive on-behalf pension and post-retirement health insurance programs from the State of Illinois for SASSED certified staff. In 2023, \$6,004,836 was included in the total revenues and expenditures of SASSED representing the State of Illinois contributions.
- Actual revenues received in FY23 for the General Fund, exclusive of the State of Illinois on-behalf payment to TRS and THIS, was \$33,197,163. Actual expenditures exclusive of on-behalf contributions were \$33,899,659 in FY23.
- Beginning net position was restated due to the implementation of GASB Statement No. 87.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of SASSED as a whole and present a longer-term view of SASSED's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report SASSED's operations in more detail than the government-wide statements by providing information about SASSED's most significant funds. The remaining statements provide financial information about activities for which SASSED acts solely as a trustee or agent for the benefit of those outside of the government.

The government-wide financial statements provide readers with a broad overview of SASSED's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of SASSED's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SASSED is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the condition of the SASSED's infrastructure, is needed to assess the overall health of SASSED.

**Management's Discussion and Analysis**

**June 30, 2023**

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**USING THIS ANNUAL REPORT – Continued**

**Government-Wide Financial Statements**

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. 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 (e.g., earned but unused vacation leave).

**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. SASSED, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of SASSED can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds**

Governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 SASSED'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 the comparison between governmental funds and governmental activities.

SASSED maintains one individual governmental fund. 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, which is considered to be major funds.

SASSED adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

**Notes to the Financial Statements**

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

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Management's Discussion and Analysis

June 30, 2023

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USING THIS ANNUAL REPORT – Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning SASSED’s Post-Retirement Health Plan, Teacher’s Health Insurance Security Fund, Teacher’s Retirement and I.M.R.F employee pension obligations and budgetary comparison schedules for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of SASSED, liabilities/deferred inflows exceeded assets/deferred outflows by \$4,192,097.

	Net Position	
	2023	2022
Current and Other Assets	\$ 11,096,511	21,236,066
Capital Assets	5,709,712	3,760,474
Total Assets	16,806,223	24,996,540
Deferred Outflows	5,055,665	1,005,672
Total Assets/Deferred Outflows	21,861,888	26,002,212
Long-Term Debt	8,401,957	10,228,375
Other Liabilities	5,683,533	6,032,912
Total Liabilities	14,085,490	16,261,287
Deferred Inflows	11,968,495	15,770,594
Total Liabilities/Deferred	26,053,985	32,031,881
Net Position		
Investment in Capital Assets	3,683,726	3,760,474
Restricted	588,406	517,887
Unrestricted (Deficit)	(8,464,229)	(10,308,030)
Total Net Position	(4,192,097)	(6,029,669)

A large portion of SASSED’s net position, \$3,683,726, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. SASSED uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although SASSED’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$588,406, of SASSED’s net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$8,464,229, represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 26,971,479	24,894,218
Operating Grants/Contrib.	12,201,581	11,295,596
General Revenues		
Interest	23,167	(347,254)
Other General Revenues	5,772	4,062
Total Revenues	<u>39,201,999</u>	<u>35,846,622</u>
Expenses		
Special Education	31,565,985	26,876,463
State Retirement Contributions	6,004,836	5,602,392
Total Expenses	<u>37,570,821</u>	<u>32,478,855</u>
Change in Net Position	1,631,178	3,367,767
Net Position - Beginning as Restated	<u>(5,823,275)</u>	<u>(9,397,436)</u>
Net Position - Ending	<u>(4,192,097)</u>	<u>(6,029,669)</u>

Net position of SASSED's governmental activities increased by 28.0 percent (a restated deficit of \$5,823,275 in 2022 compared to a deficit of \$4,192,097 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$8,464,229 at June 30, 2023.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Management's Discussion and Analysis**

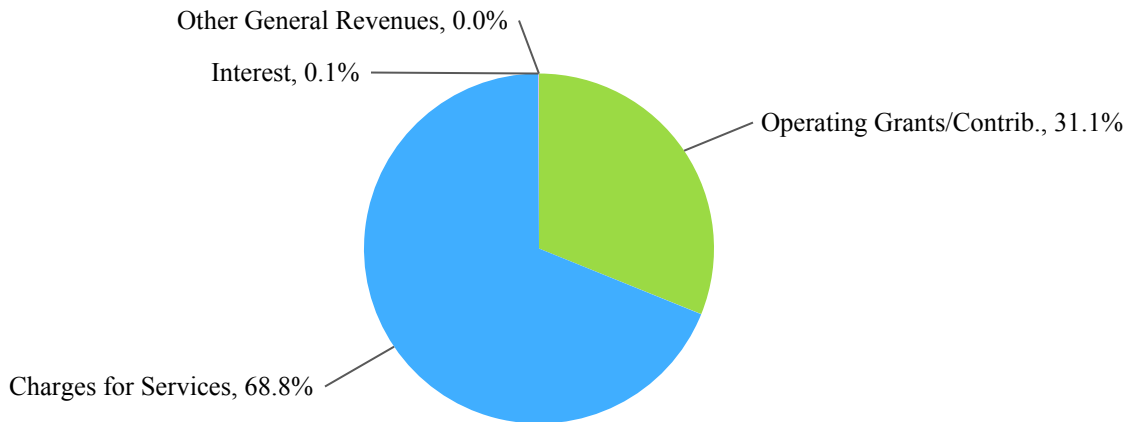
**June 30, 2023**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**SASED-Wide Revenues by Source**



Revenues for governmental activities totaled \$39,201,999, while the cost of all governmental functions totaled \$37,570,821. This results in a surplus of \$1,631,178. In 2022, revenues of \$35,846,622 exceeded expenses of \$32,478,855, resulting in a surplus of \$3,367,767. The surplus in FY23 resulted from an increase in total revenues for the fiscal year.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, SASED uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of SASED’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

SASED’s governmental funds reported combined ending fund balances of \$5,906,587, which is \$702,496, or 10.6%, lower than last year’s total of \$6,609,083. Of the \$5,906,587 total, \$5,318,181, or 90.0%, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY23 were \$33,197,163. Actual expenditures, excluding on-behalf payments, totaled \$33,899,659. The remainder of revenues came from other local, state, and federal grant sources.

The General Fund decreased \$702,496 for an ending fund balance of \$5,906,587.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Management's Discussion and Analysis**

**June 30, 2023**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund is SASSED’s largest budgeted fund and consists of the Educational and Operations and Maintenance accounts. The General Fund's budgeted revenues, exclusive of on behalf payments, were greater than actual revenues, exclusive of on behalf payments, of \$33,197,163 by \$40,452. Actual expenditures, exclusive of on behalf payments, of \$33,899,659, were more than budgeted expenditures, exclusive of on behalf payments, of \$33,375,768 by \$523,891.

**CAPITAL ASSETS**

SASSED’s investment in capital assets for its governmental activities as of June 30, 2023 was \$5,709,712 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements and equipment.

	Capital Assets - Net of Depreciation	
	2023	2022
Land	\$ 137,628	137,628
Land Improvements	181,110	193,327
Buildings and Building Improvements	2,865,388	3,021,470
Equipment	354,160	408,049
Leased Asset - Buildings	2,171,426	2,714,294
Total	<u>5,709,712</u>	<u>6,474,768</u>

This year’s major additions included:

Equipment	<u>\$ 56,488</u>
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Additional information on SASSED’s capital assets can be found in Note 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

At the time these financial statements were prepared and audited, SASSED was aware of the following circumstances that will significantly affect financial operations in the future.

SASSED finalized contract negotiations with classified staff for 2024-2026 and agreed upon a 5% salary increase for 2023-2024 and 2024-2025.

SASSED will be entering into contract negotiations with certified staff. The outcome of those negotiations, and the ensuing contract, could have a large effect on SASSED’s finances in the years ahead.

The long-term staffing shortage could also impact SASSED’s ability to provide programs and services.

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Management's Discussion and Analysis

June 30, 2023

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued**

The ESSER III grant expires on September 30, 2024. The available remaining ESSER III funds total \$274,212 to fund learning loss and expanded instructional strategies. There are many limitations on how these funds can be used; however, the usage can be applied throughout a large window ranging from March 13, 2020 through September 30, 2024.

In compliance with the current Health Life Safety Survey, SASSED will replace the plenum and rooftop HVAC systems located at Southeast Alternative School. Funding for the plenum and mechanical project will be sourced from SASSED's fund balance and require the cashing out of investments at maturity. Construction will begin summer 2025.

Inflation has been rising throughout FY23 and when coupled with supply chain disruptions, could have significant impact on the goods and services SASSED acquires to deliver its programs and services. SASSED does not levy real estate taxes, meaning inflation (CPI) will not impact its revenue estimates.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of SASSED's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Official at School Association for Special Education in DuPage County, 2900 Ogden Avenue, Lisle, IL 60532.



## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Statement of Net Position**

**June 30, 2023**

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**See Following Page**

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Statement of Net Position**

**June 30, 2023**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 9,828,008
Receivables - Net of Allowances	
Intergovernmental	1,213,419
Other Current Assets	55,084
Total Current Assets	<u>11,096,511</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable/Amortizable	137,628
Depreciable/Amortizable	12,520,201
Accumulated Depreciation	<u>(6,948,117)</u>
Total Noncurrent Assets	<u>5,709,712</u>
Total Assets	<u>16,806,223</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - RHP	42,769
Deferred Items - THIS	77,667
Deferred Items - TRS	112,076
Deferred Items - IMRF	4,823,153
Total Deferred Outflows of Resources	<u>5,055,665</u>
Total Assets and Deferred Outflows of Resources	<u>21,861,888</u>

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

	Governmental Activities
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 894,937
Accrued Payroll	1,510,595
Other Payables	2,054,230
Claims Payable	728,889
Current Portion of Long-Term Debt	494,882
Total Current Liabilities	<u>5,683,533</u>
Noncurrent Liabilities	
Compensated Absences	13,319
Total OPEB Liability - RHP	340,639
Total OPEB Liability - THIS	2,623,114
Net Pension Liability - TRS	866,635
Net Pension Liability - IMRF	3,023,816
Leases Payable	1,534,434
Total Noncurrent Liabilities	<u>8,401,957</u>
Total Liabilities	<u>14,085,490</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - Grant Revenues	1,273
Deferred Items - RHP	109,093
Deferred Items - THIS	10,997,892
Deferred Items - TRS	860,237
Total Deferred Inflows of Resources	<u>11,968,495</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,053,985</u>
<b>NET POSITION</b>	
Investment in Capital Assets	3,683,726
Restricted	
Operations and Maintenance	541,412
Student Activities	46,994
Unrestricted (Deficit)	<u>(8,464,229)</u>
Total Net Position	<u>(4,192,097)</u>

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Statement of Activities**

**For the Fiscal Year Ended June 30, 2023**

	Expenses	Program Revenues		(Expenses)/
		Charges for Services	Operating Grants/ Contributions	Revenues Governmental Activities
Governmental Activities				
Special Education	\$ 31,565,985	26,971,479	6,196,745	1,602,239
State Retirement Contributions	6,004,836	—	6,004,836	—
Total Governmental Activities	<u>37,570,821</u>	<u>26,971,479</u>	<u>12,201,581</u>	<u>1,602,239</u>
General Revenues				
Earnings on Investments				23,167
Other Revenues				<u>5,772</u>
				<u>28,939</u>
Change in Net Position				1,631,178
Net Position - Beginning as Restated				<u>(5,823,275)</u>
Net Position - Ending				<u><u>(4,192,097)</u></u>

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Balance Sheet - Governmental Fund**

**June 30, 2023**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 9,828,008
Receivables - Net of Allowances	
Intergovernmental	1,213,419
Other Current Assets	<u>55,084</u>
Total Assets	<u><u>11,096,511</u></u>
<b>LIABILITIES</b>	
Accounts Payable	894,937
Accrued Payroll	1,510,595
Other Payables	2,054,230
Claims Payable	<u>728,889</u>
Total Liabilities	5,188,651
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Grant Revenues	<u>1,273</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>5,189,924</u></u>
<b>FUND BALANCES</b>	
Restricted	588,406
Unassigned	<u>5,318,181</u>
Total Fund Balances	<u><u>5,906,587</u></u>
Total Liabilities and Fund Balances	<u><u>11,096,511</u></u>

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

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

**June 30, 2023**

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<b>Total Governmental Fund Balances</b>	<b>\$ 5,906,587</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	5,709,712
Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - RHP	(66,324)
Deferred Items - THIS	(10,920,225)
Deferred Items - TRS	(748,161)
Deferred Items - IMRF	4,823,153
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(16,649)
Total OPEB Liability - RHP	(340,639)
Total OPEB Liability - THIS	(2,623,114)
Net Pension Liability - TRS	(866,635)
Net Pension Liability - IMRF	(3,023,816)
Leases Payable	(2,025,986)
<b>Net Position of Governmental Activities</b>	<b><u>(4,192,097)</u></b>

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund  
For the Fiscal Year Ended June 30, 2023**

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	<u>General</u>
Revenues	
Local Sources	
Tuition	\$ 14,766,404
Earnings on Investments	23,167
School Activity Income	5,772
Other Revenue from Local Sources	12,205,075
State Sources	3,178,986
Federal Sources	3,017,759
On Behalf Payments	6,004,836
Total Revenues	<u>39,201,999</u>
Expenditures	
Instruction	19,711,742
Support Services	13,368,549
Non-Programmed Charges	287,296
On Behalf Payments	6,004,836
Debt Service	
Principal Retirement	481,914
Interest and Fiscal Charges	50,158
Total Expenditures	<u>39,904,495</u>
Net Change in Fund Balances	(702,496)
Fund Balances - Beginning	<u>6,609,083</u>
Fund Balances - Ending	<u><u>5,906,587</u></u>

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



**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended June 30, 2023**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (702,496)

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

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

Capital Outlays	56,488
Depreciation Expense	(821,544)
Disposals - Cost	(81,265)
Disposals - Accumulated Depreciation	81,265

Changes in Deferred Items Related to Pensions/Post-Employment Benefits

Deferred Items - RHP	16,498
Deferred Items - THIS	(4,554,670)
Deferred Items - TRS	1,414,770
Deferred Items - IMRF	10,976,767

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

Changes in Compensated Absences Payable	6,501
Changes in Total OPEB Liability - RHP	14,392
Changes in Total OPEB Liability - THIS	6,315,582
Changes in Net Pension Liability - TRS	49,493
Changes in Net Pension Liability/(Asset) - IMRF	(11,622,517)
Retirement of Long-Term Debt	481,914

**Changes in Net Position of Governmental Activities** 1,631,178

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

School Association for Special Education in DuPage County (the SASSED) is a joint agreement special education cooperative formed by 18 school districts in DuPage County. It was organized to provide special education for children residing in these districts. The accounting policies of SASSED conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of SASSED.

#### REPORTING ENTITY

In determining the financial reporting entity, SASSED complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34" and includes all component units that have a significant operational or financial relationship with SASSED. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### BASIS OF PRESENTATION

##### Government-Wide Statements

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

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

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

The net costs (by function) are normally covered by general revenue (tuition, member fees, interest income, etc.).

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

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements

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

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

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

##### Governmental Funds

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

*General Fund* is the general operating fund of SASSED. 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 SASSED's operations. Revenues consist largely of tuition and services payments from member districts and state government grants and aid. The General Fund is a major fund and is comprised of two subfunds, the Educational Account and the Operations and Maintenance Account.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

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

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Measurement Focus - Continued

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

##### Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” 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, SASSED considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of SASSED, such as payments made by the state to the Teachers’ Retirement System) have been recognized in the financial statements. Tuition, member fees, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by SASSED and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

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

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,500 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

Land Improvements	5 - 30 Years
Building and Building Improvements	7 - 50 Years
Equipment	5 - 15 Years
Leased Asset - Buildings	9 Years

**Compensated Absences**

All full-time 12-month employees will be entitled to ten (10) paid vacation days unless otherwise negotiated in an employment contract. After the 5th year of employment, one additional vacation day per year will be earned to a maximum of 20 days per year in the 15th year. 12-month employees who work part-time or are employed after July 1 of any fiscal year shall be granted vacation days on a pro-rata basis as a percentage of actual time worked. Vacation days earned during any fiscal year will be available for use by the employee until January 1 of the following fiscal year. Upon leaving employment, employees are paid for any unused vacation days. Current compensated absences have been reported within the individual fund as salary related payments.

**Deferred Outflows/Inflows of Resources**

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

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Long-Term Obligations

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

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

##### Net Position

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

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, if applicable.

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

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

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Annual budgets for all Governmental Funds are adopted on a modified accrual basis by the Governing Board. The Governing Board follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Administration submits to the Governing Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued**

**BUDGETARY INFORMATION - Continued**

- Prior to August 31st, the budget is legally adopted through passage of a resolution.
- Management can transfer up to 10 percent of the total budget between departments within any fund without the Governing Board approval. However, any revisions that alter the total expenditures of any fund must be approved by the Governing Board following the public hearing process mandated by law. The legal level of control remains at the fund level for each legally adopted operating budget since transfers are restricted entirely within each individual fund. The budget was adopted on August 17, 2022.
- Formal budgetary integration is employed as a management control device during the year for all its Governmental Funds.
- SASSED has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget lapses at the end of each fiscal year. (All appropriations lapse at year-end).

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND**

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

Fund	Excess
General	\$ 523,891

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

Under State law, limits are imposed as to investments in obligations of the U.S. treasury obligations, commercial paper, corporate bonds, and mutual funds in which SASSED may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the SASSED’s deposits for governmental totaled \$7,096,365 and the bank balances totaled \$7,748,806.

*Investments.* At year-end, the SASSED has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 2,710,442	1,559,332	1,151,110	—	—
ISDLAF+	21,201	21,201	—	—	—
	<u>2,731,643</u>	<u>1,580,533</u>	<u>1,151,110</u>	<u>—</u>	<u>—</u>

SASED has the following recurring fair value measurements as of June 30, 2023:

- U.S. Treasury Obligations of \$2,710,442 are valued using quoted market prices (Level 1 inputs)
- ISDLAF+ of \$21,201 are measured at the net asset value per share as determined by the pool

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. SASSED investment policy states interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, school district, the State of Illinois, any other state, or any political subdivision or agency of the State of Illinois or any other state, whether the interest earned is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality, county, or other governmental unit, or held under a custodial agreement at a bank, and rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.



# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The SASSED's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with collateral held by a third party in the Association's name. As of June 30, 2023, the entire bank balance of SASSED's deposits with financial institutions was insured through FDIC insurance.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, SASSED will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The SASSED's investment policy does not address custodial credit risk for investments. At year end, SASSED investments in ISDLAF+ were not subject to custodial credit risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The SASSED's investment policy does not limit credit risk outside of State statutes. At year-end, SASSED's investment in ISDLAF+ was rated AAAM by Standard & Poor's.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of SASSED's investment in a single issuer. SASSED's investment policy places no limit on the amount the SASSED may invest any one issuer. More than 5 percent of the SASSED's investments are concentrated in specific individual investments. The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the Association's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. At year-end, SASSED has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 137,628	—	—	137,628
<b>Depreciable/Amortizable Capital Assets</b>				
Land Improvements	308,583	—	—	308,583
Buildings and Building Improvements	5,752,426	—	—	5,752,426
Equipment	2,141,071	56,488	81,265	2,116,294
Leased Asset - Buildings	4,342,898	—	—	4,342,898
	<u>12,544,978</u>	<u>56,488</u>	<u>81,265</u>	<u>12,520,201</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	115,256	12,217	—	127,473
Buildings and Building Improvements	2,730,956	156,082	—	2,887,038
Equipment	1,733,022	110,377	81,265	1,762,134
Leased Asset - Buildings	1,628,604	542,868	—	2,171,472
	<u>6,207,838</u>	<u>821,544</u>	<u>81,265</u>	<u>6,948,117</u>
<b>Total Net Depreciable/Amortizable Capital Assets</b>	<u>6,337,140</u>	<u>(765,056)</u>	<u>—</u>	<u>5,572,084</u>
<b>Total Net Capital Assets</b>	<u>6,474,768</u>	<u>(765,056)</u>	<u>—</u>	<u>5,709,712</u>

Depreciation expense was charged to governmental activities as follows:

Instructional	<u>\$ 821,544</u>
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**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT**

**Leases Payable**

SASED has the following lease outstanding at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
Building	9 years	June 30, 2019	\$532,072 Annually	2.00%

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

Fiscal Year	Principal	Interest
2024	\$ 491,552	40,520
2025	501,383	30,689
2026	511,411	20,661
2027	521,640	10,433
	<u>2,025,986</u>	<u>102,303</u>

**Long-Term Liabilities Activity**

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 23,150	6,501	13,002	16,649	3,330
Total OPEB Liability - RHP	355,031	—	14,392	340,639	—
Total OPEB Liability - THIS	8,938,696	—	6,315,582	2,623,114	—
Net Pension Liability - TRS	916,128	—	49,493	866,635	—
Net Pension Liability/(Asset) - IMRF	(8,598,701)	11,622,517	—	3,023,816	—
Leases Payable	2,507,900	—	481,914	2,025,986	491,552
	<u>4,142,204</u>	<u>11,629,018</u>	<u>6,874,383</u>	<u>8,896,839</u>	<u>494,882</u>

**NET POSITION CLASSIFICATION**

Investment in capital assets was comprised of the following as of June 30, 2023:

Governmental Activities	
Investment in Capital Assets	\$ 5,709,712
Less Leases Payable:	<u>(2,025,986)</u>
Net Investment in Capital Assets	<u>3,683,726</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

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

*Minimum Fund Balance Policy.* SASSED’s policy manual states that the General Fund should maintain a minimum fund balance of no less than 20% of budgeted operating expenditures.

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

	<u>General</u>
Fund Balances	
Restricted	
Operations and Maintenance	\$ 541,412
Student Activities	46,994
	<u>588,406</u>
Unassigned	<u>5,318,181</u>
Total Fund Balances	<u><u>5,906,587</u></u>

**NET POSITION RESTATEMENT**

Beginning net position was restated due to the implementation of GASB Statement No. 87. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Governmental Activities	\$ (6,029,669)	(5,823,275)	206,394

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION**

**RISK MANAGEMENT**

SASED is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omission, injuries to employees and natural disasters. SASED has purchased commercial insurance to cover all risks of loss related to general liability, auto liability, property damage, theft and workers' compensation. Premiums have been displayed as expenditures in appropriate funds. No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows:

	2023	2022
Claims Payable - Beginning	\$ 1,602,220	2,123,859
Incurred Claims	3,255,650	4,196,706
Claims Paid	<u>(4,128,981)</u>	<u>(4,718,345)</u>
Claims Payable - Ending	<u>728,889</u>	<u>1,602,220</u>

**CONTINGENT LIABILITIES**

**Litigation**

SASED is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of SASED's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of SASED.

**State and Federal Aid Contingencies**

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

**OTHER POST-EMPLOYMENT BENEFITS**

The aggregate amounts recognized for the two plans are:

	OPEB Expense	Total OPEB Liability	Deferred Outflows	Deferred (Inflows)
OPEB - RBP	\$ 10,218	340,639	42,769	(109,093)
OPEB - THIS	1,686,654	2,623,114	77,667	(10,997,892)
	<u>1,696,872</u>	<u>2,963,753</u>	<u>120,436</u>	<u>(11,106,985)</u>

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan

General Information about the OPEB Plan

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

Benefits Provided. All plan funding is done on a pay-as-you go basis. Eligibility – Educational support employees who contribute to the Illinois Municipal Retirement Fund (IMRF) are eligible for post-employment medical coverage. For retirement benefits, the member must have worked at least 8 years and must be at least 55 years old. Certified employees who contribute to the Teachers’ Retirement Service (TRS) are eligible for a subsidized benefit once they retire with 15 years and have attained 55 years of age. Both teachers and support staff may elect COBRA coverage for dental benefits.

SASSED offers a flat reimbursement subsidy for certified employees who retire after age 55 with 15 years of service. The subsidy is that SASSED will pay up to \$200 per month for the cost of the retiree’s health insurance policy (presumably through TCHP). The subsidy for current retirees will extend up to five years, irrespective of the age at retirement. Staff workers may retire after age 55 with 8 years of service, but no subsidy is provided in such case. They are, however, eligible to participate in SASSED’s plan. For the dental plan, benefits for staff retirees continue as long as COBRA premiums are paid, even past age 65. Effective July 2008, Group Life Insurance is provided by SASSED after retirement, but retirees must pay the full premium. There is therefore no liability to SASSED for this benefit.

Plan Membership. As of June 30, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>340</u>
 Total	 <u><u>376</u></u>

Total OPEB Liability

The SASSED’s total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Retiree's Health Plan - Continued**

**Total OPEB Liability - Continued**

Inflation	2.00%
Salary Increases	2.00%
Discount Rate	3.65%
Healthcare Cost Trend Rates	Dental costs are assumed to increasing at 3% per annum. Increases for the PPO and HMO are based on the 2020 Getzen Model as released by the Society of Actuaries, using a 2.0% general inflation rate. Health Care The initial Health Care Trend Rate for 2021 is 4.9%. This rate decreases to an ultimate of 3.5% over the next 50 years.
Retirees' Share of Benefit-Related Costs	10% of projected health insurance premiums for retirees.

*Actuarial Assumptions and Other Inputs - Continued* The discount rate was based on the municipal bond rate based on the yield to maturity of the Bond Buyer 20-Bond GO Index as reported by WM Financial Strategies.

Mortality rates were based on the PUB-2010 Teachers' Headcount-weighted mortality base rates and projected with scale MP-2021 (Previously MP-2020).

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 355,031
Changes for the Year:	
Service Cost	12,706
Interest on the Total OPEB Liability	11,840
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	4,536
Changes of Assumptions or Other Inputs	(2,366)
Benefit Payments	(41,108)
Other Changes	—
Net Changes	<u>(14,392)</u>
Balance at June 30, 2023	<u>340,639</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Retiree's Health Plan - Continued**

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

The discount rate used to measure the total pension liability was 3.65%, while the prior valuation used 3.54%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

		Current Discount Rate (3.65%)	1% Increase (4.65%)
	1% Decrease (2.65%)		
Total OPEB Liability	\$ 362,980	340,639	320,140

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

The following presents the total OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 336,648	340,639	345,296



**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Retiree's Health Plan - Continued**

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

For the year ended June 30, 2023, SASSED recognized OPEB expense of \$10,218. At June 30, 2023, the SASSED reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 30,354	(82,760)	(52,406)
Change in Assumptions	12,415	(26,333)	(13,918)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>42,769</u>	<u>(109,093)</u>	<u>(66,324)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (14,328)
2025	(14,481)
2026	(13,397)
2027	(10,718)
2028	(13,400)
Thereafter	—
Total	<u>(66,324)</u>

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS - Continued

##### Teachers' Health Insurance Security Fund

###### Plan Description

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

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

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

*On-behalf Contributions to the THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2023. State of Illinois contributions were \$99,749, and the SASED recognized revenue and expenditures of this amount during the year.

*Employer Contributions to the THIS Fund.* The SASED also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023 SASED paid \$74,258 to the THIS Fund, which was 100 percent of the required contribution.

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Teachers' Health Insurance Security Fund - Continued**

**Plan Description - Continued**

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.25%
Salary Increases:	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Investment Rate of Return:	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

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 PubNS2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Teachers' Health Insurance Security Fund - Continued**

**Single Discount Rate**

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

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021.

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

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

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Employer's Proportionate Share of the OPEB Liability	\$ 2,915,215	2,623,114	2,322,945

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Teachers' Health Insurance Security Fund - Continued**

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

The following table shows the plan's net OPEB liability as of June 30, 2022, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 8.00% in plan year end 2024, decreasing to an ultimate trend rate of 4.25% in plan year end 2039.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 2,216,858	2,623,114	3,069,225

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

At June 30, 2023, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2022, SASSED's proportion was 0.000383 percent, which was a decrease of 0.000022 from its proportion in the prior year. The State's support and total are for disclosure purposes only. The amount recognized by SASSED 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 SASSED were as follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 2,623,114
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>3,568,504</u>
Total	<u><u>6,191,618</u></u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Teachers' Health Insurance Security Fund - Continued**

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

For the year ending June 30, 2023, SASSED recognized OPEB revenue and expense of \$99,749 for support provided by the State. For the year ending June 30, 2023, SASSED recognized OPEB revenue of \$1,686,654. At June 30, 2023, SASSED reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(1,715,646)	(1,715,646)
Net Difference Between Projected and Actual Earnings on Pension Investments	2,366	(6,470,525)	(6,468,159)
Changes of Assumptions	379	(60)	319
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	664	(2,811,661)	(2,810,997)
Total Pension Expense to be Recognized in Future Periods	3,409	(10,997,892)	(10,994,483)
Employer Contributions Subsequent to the Measurement Date	74,258	—	74,258
Totals	<u>77,667</u>	<u>(10,997,892)</u>	<u>(10,920,225)</u>

\$74,258 reported as deferred outflows of resources related to OPEB resulting from SASSED contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the SASSED's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (1,803,966)
2025	(1,683,620)
2026	(1,502,285)
2027	(1,454,542)
2028	(1,436,121)
Thereafter	<u>(3,113,949)</u>
Total	<u>(10,994,483)</u>

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### RETIREMENT SYSTEMS

The retirement plans of SASSED 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 SASSED. IMRF is funded through member district fees. Each retirement system is discussed below.

#### Teachers' Retirement System (TRS)

##### Plan Descriptions, Provisions and Funding Policies

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

The aggregate amounts recognized for the two pension plans are:

	Pension			
	Expense/ (Revenue)	Net Pension Liability	Deferred Outflows	Deferred (Inflows)
TRS	\$ (979,593)	866,635	112,076	(860,237)
IMRF	1,130,420	3,023,816	4,823,153	—
	<u>150,827</u>	<u>3,890,451</u>	<u>4,935,229</u>	<u>(860,237)</u>

#### Benefits Provided

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

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

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### RETIREMENT SYSTEMS - Continued

##### Teachers' Retirement System (TRS) - Continued

##### Benefits Provided - Continued

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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

*On Behalf Contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2023, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$5,905,087 in pension contributions from the State of Illinois. For the year ended June 30, 2023, the employer recognized revenue and expenditures of \$5,507,212 in pension contributions from the State.

*2.2 Formula Contributions.* Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$64,283, respectively. The June 30, 2023 contributions are deferred because they were paid after the June 30, 2023 measurement date.

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

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

For the fiscal year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from those funds. For the fiscal year ended June 30, 2023, salaries totaling \$393,345 were paid from federal and special trust funds that required employer contributions of \$41,262, which was equal to the SASSED's actual contributions. For the fiscal year ended June 30, 2023, required employer contributions of \$8,775, which was equal to SASSED's actual contributions. The June 30, 2023 contributions are deferred because they were paid after the June 30, 2023 measurement date.



**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Teachers' Retirement System (TRS) - Continued**

**Contributions - Continued**

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the employer paid \$412 to TRS for employer contributions due on salary increases in excess of 6 percent, \$1,252 for salary increases in excess of 3 percent and \$— for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2022, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the employer follows below:

Employer's Proportionate Share of the Net Pension Liability	\$ 866,635
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>75,174,886</u>
Total	<u><u>76,041,521</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was 0.001000%, which was a decrease of 0.000200% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the employer recognized pension expense of \$5,905,087 and revenue of \$5,905,087 for support provided by the State. At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Teachers' Retirement System (TRS) - Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 1,742	(4,778)	(3,036)
Net Difference Between Projected and Actual Earnings on Pension Investments	793	—	793
Changes of Assumptions	3,996	(1,655)	2,341
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	—	(853,804)	(853,804)
Total Pension Expense to be Recognized in Future Periods	6,531	(860,237)	(853,706)
Employer Contributions Subsequent to the Measurement Date	105,545	—	105,545
Totals	<u>112,076</u>	<u>(860,237)</u>	<u>(748,161)</u>

\$105,545 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (674,717)
2025	(80,781)
2026	(64,906)
2027	(23,962)
2028	(9,340)
Thereafter	<u>—</u>
Total	<u>(853,706)</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Teachers' Retirement System (TRS) - Continued**

**Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 Percent
Salary Increases:	Varies by Amount of Service Credit
Investment Rate of Return:	7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

In the June 30, 2022 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 MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	16.3%	5.7%
U.S. Small/Mid Cap	1.9%	6.8%
International Equities Developed	14.1%	6.6%
Emerging Market Equities	4.7%	8.6%
U.S. Bonds Core	6.9%	1.2%
Cash Equivalents	1.2%	(0.3%)
TIPS	0.5%	0.3%
International Debt Developed	1.2%	6.6%
Emerging International Debt	3.7%	3.8%
Real Estate	16.0%	5.4%
Private Debt	12.5%	5.3%
Hedge Funds	4.0%	3.5%
Private Equity	15.0%	10.0%
Infrastructure	2.0%	5.9%
Total	100.0%	

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Teachers' Retirement System (TRS) - Continued**

**Discount Rate**

At June 30, 2022, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the OPEB Liability	\$ 1,059,903	866,635	706,372

**TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2022 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2023

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### NOTE 4 - OTHER INFORMATION - Continued

#### RETIREMENT SYSTEMS - Continued

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

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

##### Plan Descriptions

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

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

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

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

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

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2023

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NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Plan Membership.* As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	326
Inactive Plan Members Entitled to but not yet Receiving Benefits	686
Active Plan Members	<u>186</u>
Total	<u><u>1,198</u></u>

*Contributions.* As set by statute, SASSED's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2023, SASSED's contribution was 5.68% of covered payroll.

*Net Pension Liability.* The SASSED's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

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

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate Sensitivity**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 9,549,012	3,023,816	(2,035,812)

**Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2021	\$ 55,192,342	63,791,043	(8,598,701)
Changes for the Year:			
Service Cost	895,494	—	895,494
Interest on the Total Pension Liability	3,942,677	—	3,942,677
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	181,778	—	181,778
Changes of Assumptions	—	—	—
Contributions - Employer	—	651,196	(651,196)
Contributions - Employees	—	418,706	(418,706)
Net Investment Income	—	(7,728,605)	7,728,605
Benefit Payments, Including Refunds of Employee Contributions	(2,516,662)	(2,516,662)	—
Other (Net Transfer)	—	56,135	(56,135)
Net Changes	2,503,287	(9,119,230)	11,622,517
Balances at December 31, 2022	57,695,629	54,671,813	3,023,816



**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

For the year ended June 30, 2023, SASSED recognized pension expense of \$1,130,420. At June 30, 2023, SASSED reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 76,228	—	76,228
Changes of Assumptions	—	—	—
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	4,495,897	—	4,495,897
Total Pension Expense to be Recognized in Future Periods	4,572,125	—	4,572,125
Pension Contributions Made Subsequent to the Measurement Date	251,028	—	251,028
Total Deferred Amounts Related to Pensions	<u>4,823,153</u>	<u>—</u>	<u>4,823,153</u>

\$251,028 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2024	\$ (88,951)
2025	768,799
2026	1,431,668
2027	2,460,609
2028	—
Thereafter	—
Total	<u>4,572,125</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree's Health Plan
- Schedule Employer Contributions  
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability  
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions  
Teachers' Retirement System
- Schedule Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules  
General Fund

Notes to the Required Supplementary Information

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Retiree's Health Plan**

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

**June 30, 2023**

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**See Following Page**

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Retiree's Health Plan**

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

**June 30, 2023**

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 15,766
Interest	24,366
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	3,999
Change of Assumptions or Other Inputs	—
Benefit Payments	(99,965)
Other Changes	—
Net Change in Total OPEB Liability	<u>(55,834)</u>
Total OPEB Liability - Beginning	<u>613,843</u>
Total OPEB Liability - Ending	<u><u>558,009</u></u>
Covered Payroll	\$ 16,510,688
Total OPEB Liability as a Percentage of Covered Payroll	3.38%

Notes:

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

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2018 through 2023.

2019	2020	2021	2022	2023
17,696	24,129	23,355	16,095	12,706
22,452	19,500	10,665	7,589	11,840
(56,677)	(47,309)	(93,378)	33,508	4,536
25,895	41,001	5,385	(31,903)	(2,366)
—	—	—	—	—
(32,751)	(63,570)	(74,921)	(49,739)	(41,108)
—	—	—	—	—
(23,385)	(26,249)	(128,894)	(24,450)	(14,392)
558,009	534,624	508,375	379,481	355,031
534,624	508,375	379,481	355,031	340,639
18,279,536	16,110,952	17,486,588	18,272,110	18,272,110
2.92%	3.16%	2.17%	1.94%	1.86%

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Teacher's Health Insurance Security Fund**

**Schedule of Employer Contributions**

**June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 103,875	\$ 103,875	\$ —	\$ 11,803,976	0.88%
2019	107,482	107,482	—	11,682,821	0.92%
2020	102,857	102,857	—	11,180,142	0.92%
2021	96,788	96,788	—	10,520,424	0.92%
2022	70,856	70,856	—	10,575,547	0.67%
2023	74,258	74,258	—	11,083,266	0.67%

Note:

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Teacher's Health Insurance Security Fund  
Schedule of Employer Contributions - Continued  
June 30, 2023**

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**Notes to the Schedule of Employer Contributions**

<b>Valuation Date</b>	June 30, 2021
<b>Measurement Date</b>	June 30, 2022
<b>Sponsor's Fiscal Year End</b>	June 30, 2023

**Methods and Assumptions Used to Determine Actuarial Liability and Contributions:**

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Fair Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. PreRetirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Teacher's Health Insurance Security Fund**

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

**June 30, 2023**

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	<u>2018</u>
Employer's Proportion of the Net OPEB Liability	0.052414%
Employer's Proportionate Share of the Net OPEB Liability	\$ 13,601,220
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>17,861,782</u>
Total	<u><u>31,463,002</u></u>
Employer's Covered Payroll	\$ 11,803,976
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	115.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.23%)

Notes:

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

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



2019	2020	2021	2022	2023
0.049761%	0.047530%	0.044193%	0.040528%	0.038323%
13,109,966	13,155,142	11,815,416	8,938,696	2,623,114
17,603,862	17,813,741	16,006,664	12,119,566	3,568,504
30,713,828	30,968,883	27,822,080	21,058,262	6,191,618
11,682,821	11,180,142	10,520,424	10,575,547	11,083,266
112.22%	117.67%	112.31%	84.52%	23.67%
(0.07%)	0.25%	0.70%	1.40%	5.24%

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Teachers' Retirement System**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions  
June 30, 2023**

	2015	2016
Employer's Proportion of the Net Pension Liability	0.018000%	0.016200%
Employer's Proportionate Share of the Net Pension Liability	\$ 10,967,357	10,618,170
State's Proportionate Share of the Net Pension Liability		
Associated with the Employer	75,910,849	81,540,092
Total	<u>86,878,206</u>	<u>92,158,262</u>
Employer's Covered Payroll	\$ N/A	12,345,423
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	N/A	86.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.00%	41.50%
Contractually-Required Contribution	\$ 567,940	616,753
Contributions in Relation to the Contractually Required Contribution	<u>567,940</u>	<u>616,753</u>
Contribution Deficiency (Excess)	<u>—</u>	<u>—</u>
Employer's Covered Payroll	\$ 12,345,423	12,592,331
Contributions as a % of Covered Payroll	4.60%	4.90%

Notes:

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

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

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

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

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

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

N/A - Not Available

2017	2018	2019	2020	2021	2022	2023
0.011200%	0.011200%	0.001600%	0.015000%	0.001300%	0.001200%	0.001000%
8,567,617	8,567,617	1,280,143	1,220,294	1,145,555	916,128	866,635
89,012,284	89,012,284	87,695,128	86,846,966	89,725,818	76,781,267	75,174,886
97,579,901	97,579,901	88,975,271	88,067,260	90,871,373	77,697,395	76,041,521
12,592,331	12,592,331	11,803,976	11,682,821	11,180,142	10,520,424	10,575,547
68.04%	68.04%	10.85%	10.45%	10.25%	8.71%	8.19%
36.40%	39.30%	40.00%	39.60%	37.80%	45.10%	42.80%
455,036	164,722	119,842	93,997	74,267	70,113	105,545
455,036	164,722	119,842	93,997	74,122	70,916	105,545
—	—	—	—	145	(803)	—
12,592,331	11,803,976	11,682,821	11,180,142	10,520,424	10,575,547	11,083,266
3.61%	1.40%	1.03%	0.84%	0.71%	0.66%	0.95%

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,340,441	\$ 1,340,441	\$ —	\$ 11,978,920	11.19%
2016	1,353,096	1,353,096	—	12,241,693	11.05%
2017	1,309,652	1,309,652	—	11,697,826	11.20%
2018	1,251,095	1,251,095	—	11,277,020	11.09%
2019	1,006,856	1,006,856	—	10,594,063	9.50%
2020	1,090,364	1,090,364	—	10,933,291	9.97%
2021	1,008,380	1,008,380	—	9,549,920	10.56%
2022	776,702	776,702	—	9,236,817	8.41%
2023	484,670	484,670	—	8,538,333	5.68%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

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

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Illinois Municipal Retirement Fund**

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

**June 30, 2023**

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**See Following Page**

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Illinois Municipal Retirement Fund**

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

**June 30, 2023**

	2014	2015
Total Pension Liability		
Service Cost	\$ 1,393,434	1,300,518
Interest	2,368,719	2,674,446
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(138,810)	213,406
Change of Assumptions	1,423,935	—
Benefit Payments, Including Refunds of Member Contributions	(884,398)	(964,505)
Net Change in Total Pension Liability	4,162,880	3,223,865
Total Pension Liability - Beginning	31,328,398	35,491,278
Total Pension Liability - Ending	35,491,278	38,715,143
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,340,525	1,303,492
Contributions - Members	549,289	543,624
Net Investment Income	1,908,335	170,748
Benefit Payments, Including Refunds of Member Contributions	(884,398)	(964,505)
Other (Net Transfer)	13,073	(889,706)
Net Change in Plan Fiduciary Net Position	2,926,824	163,653
Plan Net Position - Beginning	30,781,475	33,708,299
Plan Net Position - Ending	33,708,299	33,871,952
Employer's Net Pension Liability/(Asset)	\$ 1,782,979	4,843,191
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.98%	87.49%
Covered Payroll	\$ 11,628,516	12,080,555
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	15.33%	40.09%

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

2016	2017	2018	2019	2020	2021	2022
1,339,836	1,269,053	1,137,775	1,094,172	1,132,254	919,755	895,494
2,909,811	3,106,172	3,195,432	3,403,365	3,602,016	3,719,077	3,942,677
—	—	—	—	—	—	—
(347,976)	(469,428)	426,069	176,928	(488,487)	856,966	181,778
—	(1,152,801)	1,378,584	—	(372,409)	—	—
(1,175,165)	(1,321,091)	(1,673,356)	(1,884,363)	(2,022,609)	(2,282,381)	(2,516,662)
2,726,506	1,431,905	4,464,504	2,790,102	1,850,765	3,213,417	2,503,287
38,715,143	41,441,649	42,873,554	47,338,058	50,128,160	51,978,925	55,192,342
41,441,649	42,873,554	47,338,058	50,128,160	51,978,925	55,192,342	57,695,629
1,355,352	1,283,059	1,208,176	933,466	1,116,106	1,000,375	651,196
550,179	528,577	518,168	492,658	503,451	499,636	418,706
2,317,613	6,263,367	(2,089,922)	7,669,423	6,846,842	9,138,108	(7,728,605)
(1,175,165)	(1,321,091)	(1,673,356)	(1,884,363)	(2,022,609)	(2,282,381)	(2,516,662)
8,474	(872,292)	856,694	(55,580)	280,606	(74,480)	56,135
3,056,453	5,881,620	(1,180,240)	7,155,604	6,724,396	8,281,258	(9,119,230)
33,871,952	36,928,405	42,810,025	41,629,785	48,785,389	55,509,785	63,791,043
36,928,405	42,810,025	41,629,785	48,785,389	55,509,785	63,791,043	54,671,813
4,513,244	63,529	5,708,273	1,342,771	(3,530,860)	(8,598,701)	3,023,816
89.11%	99.85%	87.94%	97.32%	106.79%	115.58%	94.76%
12,079,571	11,476,369	10,943,624	10,659,800	10,309,848	9,609,749	8,980,925
37.36%	0.55%	52.16%	12.60%	(34.25%)	(89.48%)	33.67%

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 26,994,600	26,994,600	27,000,418	5,818
State Sources	3,175,857	3,175,857	3,178,986	3,129
Federal Sources	2,986,254	2,986,254	3,017,759	31,505
On-Behalf Payments	—	—	6,004,836	6,004,836
Total Revenues	<u>33,156,711</u>	<u>33,156,711</u>	<u>39,201,999</u>	<u>6,045,288</u>
Expenditures				
Instruction	18,548,771	18,676,996	19,711,742	(1,034,746)
Support Services	14,826,997	14,698,772	13,368,549	1,330,223
Debt Service				
Principal Retirement	—	—	481,914	(481,914)
Interest and Fiscal Charges	—	—	50,158	(50,158)
Non-programmed Charges	—	—	287,296	(287,296)
On-Behalf Payments	—	—	6,004,836	(6,004,836)
Total Expenditures	<u>33,375,768</u>	<u>33,375,768</u>	<u>39,904,495</u>	<u>(6,528,727)</u>
Net Change in Fund Balances	<u>(219,057)</u>	<u>(219,057)</u>	<u>(702,496)</u>	<u>(483,439)</u>
Fund Balances - Beginning			<u>6,609,083</u>	
Fund Balances - Ending			<u>5,906,587</u>	



## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Combining Statements - General Fund - by Accounts
- Budgetary Comparison Schedules - Major Governmental Funds
- Consolidated Year-End Financial Report

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**General Fund - by Accounts**

**Combining Balance Sheet**

**June 30, 2023**

	Educational Account	Operations and Maintenance Account	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 9,294,576	533,432	9,828,008
Receivables - Net of Allowances			
Intergovernmental	1,205,439	7,980	1,213,419
Other Current Assets	55,084	—	55,084
Total Assets	<u>10,555,099</u>	<u>541,412</u>	<u>11,096,511</u>
<b>LIABILITIES</b>			
Accounts Payable	894,937	—	894,937
Accrued Payroll	1,510,595	—	1,510,595
Other Payables	2,054,230	—	2,054,230
Claims Payable	728,889	—	728,889
Total Liabilities	<u>5,188,651</u>	<u>—</u>	<u>5,188,651</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Grant Revenues	1,273	—	1,273
Total Liabilities and Deferred Inflows of Resources	<u>5,189,924</u>	<u>—</u>	<u>5,189,924</u>
<b>FUND BALANCES</b>			
Restricted	46,994	541,412	588,406
Unassigned	5,318,181	—	5,318,181
Total Fund Balances	<u>5,365,175</u>	<u>541,412</u>	<u>5,906,587</u>
Total Liabilities and Fund Balances	<u>10,555,099</u>	<u>541,412</u>	<u>11,096,511</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**General Fund - by Accounts**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Fiscal Year Ended June 30, 2023**

	Educational Account	Operations and Maintenance Account	Totals
<b>Revenues</b>			
Local Sources			
Tuition	\$ 14,766,404	—	14,766,404
Earnings on Investments	23,167	—	23,167
School Activity Income	5,772	—	5,772
Other Local Revenues	12,037,515	167,560	12,205,075
State Sources	3,159,886	19,100	3,178,986
Federal Sources	3,017,759	—	3,017,759
On-Behalf Payments	6,004,836	—	6,004,836
Total Revenues	<u>39,015,339</u>	<u>186,660</u>	<u>39,201,999</u>
<b>Expenditures</b>			
Instruction	19,711,742	—	19,711,742
Support Services	13,249,619	118,930	13,368,549
Non-Programmed Charges	287,296	—	287,296
Debt Service			
Principal Retirement	481,914	—	481,914
Interest and Fiscal Charges	50,158	—	50,158
On-Behalf Payments	6,004,836	—	6,004,836
Total Expenditures	<u>39,785,565</u>	<u>118,930</u>	<u>39,904,495</u>
Net Change in Fund Balances	(770,226)	67,730	(702,496)
Fund Balances - Beginning	<u>6,135,401</u>	<u>473,682</u>	<u>6,609,083</u>
Fund Balances - Ending	<u><u>5,365,175</u></u>	<u><u>541,412</u></u>	<u><u>5,906,587</u></u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Tuition	\$ 15,337,876	15,337,876	14,766,404	(571,472)
Earnings on Investments	80,000	80,000	23,167	(56,833)
School Activity Income	—	—	5,772	5,772
Other Local Revenues	11,376,724	11,376,724	12,037,515	660,791
<b>Total Local Sources</b>	<b>26,794,600</b>	<b>26,794,600</b>	<b>26,832,858</b>	<b>38,258</b>
<b>State Sources</b>				
<b>Unrestricted Grants-In-Aid</b>				
Evidence Based Funding	2,799,607	2,799,607	2,799,607	—
State Free Lunch and Breakfast	1,250	1,250	877	(373)
Transportation - Special Education	375,000	375,000	359,402	(15,598)
<b>Total State Sources</b>	<b>3,175,857</b>	<b>3,175,857</b>	<b>3,159,886</b>	<b>(15,971)</b>
<b>Federal Sources</b>				
<b>Food Service</b>				
National School Lunch Program	140,000	140,000	112,230	(27,770)
School Breakfast Program	21,000	21,000	52,151	31,151
Preschool Flow-Through	189,829	189,829	148,051	(41,778)
<b>Medicaid Matching Funds</b>				
Administrative Outreach	1,115,254	1,115,254	322,704	(792,550)
Other Restricted Revenue from Federal Sources	390,000	390,000	1,131,582	741,582
Flow-Through Revenue from Federal Sources	840,000	840,000	862,211	22,211
Other Restricted Revenue from Federal Sources	290,171	290,171	388,830	98,659
<b>Total Federal Sources</b>	<b>2,986,254</b>	<b>2,986,254</b>	<b>3,017,759</b>	<b>31,505</b>
<b>Total Direct Revenues</b>	<b>32,956,711</b>	<b>32,956,711</b>	<b>33,010,503</b>	<b>53,792</b>
<b>On-Behalf Payments</b>	<b>—</b>	<b>—</b>	<b>6,004,836</b>	<b>6,004,836</b>
<b>Total Revenues</b>	<b>32,956,711</b>	<b>32,956,711</b>	<b>39,015,339</b>	<b>6,058,628</b>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>				
<b>Instruction</b>				
<b>Special Education Programs</b>				
Salaries	\$ 11,623,006	11,623,006	11,325,198	297,808
Employee Benefits	3,254,448	3,254,448	2,568,894	685,554
Purchased Services	2,681,341	2,742,671	4,295,683	(1,553,012)
Supplies and Materials	280,443	347,188	202,619	144,569
Other Objects	—	—	729,616	(729,616)
Capital Outlay	8,240	8,240	2,434	5,806
Non-Capitalized Equipment	44,000	44,000	43,203	797
	<u>17,891,478</u>	<u>18,019,553</u>	<u>19,167,647</u>	<u>(1,148,094)</u>
<b>CTE Programs</b>				
Salaries	79,249	79,249	70,252	8,997
Employee Benefits	22,191	22,191	22,792	(601)
Purchased Services	178,031	178,031	95,400	82,631
Supplies and Materials	—	150	—	150
	<u>279,471</u>	<u>279,621</u>	<u>188,444</u>	<u>91,177</u>
<b>Summer School</b>				
Salaries	257,881	257,881	181,688	76,193
Employee Benefits	43,931	43,931	41,884	2,047
Purchased Services	43,366	43,366	119,219	(75,853)
Supplies and Materials	32,644	32,644	9,877	22,767
	<u>377,822</u>	<u>377,822</u>	<u>352,668</u>	<u>25,154</u>
<b>Student Activity Fund</b>				
Other Objects	—	—	2,983	(2,983)
	<u>—</u>	<u>—</u>	<u>2,983</u>	<u>(2,983)</u>
<b>Total Instruction</b>	<u>18,548,771</u>	<u>18,676,996</u>	<u>19,711,742</u>	<u>(1,034,746)</u>
<b>Support Services</b>				
<b>Pupils</b>				
<b>Health Services</b>				
Salaries	4,593,124	4,593,124	4,272,751	320,373
Employee Benefits	1,286,076	1,286,076	1,131,228	154,848
Purchased Services	714,692	731,758	1,348,860	(617,102)
Supplies and Materials	26,008	26,804	20,906	5,898
Capital Outlay	25,600	25,600	9,261	16,339
	<u>6,645,500</u>	<u>6,663,362</u>	<u>6,783,006</u>	<u>(119,644)</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Speech Pathology and Audiology Services				
Salaries	\$ 155,657	155,657	149,950	5,707
Employee Benefits	43,115	43,115	38,062	5,053
Purchased Services	19,552	20,766	14,539	6,227
Supplies and Materials	27,959	35,267	19,455	15,812
Non-Capitalized Equipment	10,000	10,000	11,087	(1,087)
	<u>256,283</u>	<u>264,805</u>	<u>233,093</u>	<u>31,712</u>
 Total Pupils	 <u>6,901,783</u>	 <u>6,928,167</u>	 <u>7,016,099</u>	 <u>(87,932)</u>
 Instructional Staff				
Improvement of Instruction Services				
Salaries	1,468,432	1,468,432	1,558,115	(89,683)
Employee Benefits	411,158	411,158	315,030	96,128
Purchased Services	412,490	501,756	236,532	265,224
Supplies and Materials	97,992	115,555	31,097	84,458
Non-Capitalized Equipment	3,000	3,000	1,999	1,001
	<u>2,393,072</u>	<u>2,499,901</u>	<u>2,142,773</u>	<u>357,128</u>
 General Administration				
Board of Education Services				
Purchased Services	10,500	10,500	9,337	1,163
 Executive Administration Services				
Salaries	443,026	443,026	461,029	(18,003)
Employee Benefits	124,047	124,047	142,444	(18,397)
Purchased Services	387,574	198,066	151,713	46,353
Supplies and Materials	55,413	55,413	33,140	22,273
	<u>1,010,060</u>	<u>820,552</u>	<u>788,326</u>	<u>32,226</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration - Continued				
Special Area Administration Services				
Salaries	\$ 60,986	60,986	67,188	(6,202)
Employee Benefits	17,077	17,077	12,315	4,762
Purchased Services	2,161	2,161	1,374	787
	<u>80,224</u>	<u>80,224</u>	<u>80,877</u>	<u>(653)</u>
Total General Administration	<u>1,100,784</u>	<u>911,276</u>	<u>878,540</u>	<u>32,736</u>
Business				
Direction of Business				
Support Services				
Salaries	147,000	154,705	191,386	(36,681)
Employee Benefits	39,690	31,985	32,185	(200)
Purchased Services	7,724	7,724	4,346	3,378
Supplies and Materials	1,030.00	230.00	159	71
	<u>195,444</u>	<u>194,644</u>	<u>228,076</u>	<u>(33,432)</u>
Fiscal Services				
Salaries	199,934	199,934	213,629	(13,695)
Employee Benefits	55,981	55,981	77,188	(21,207)
Purchased Services	194,924	144,924	40,879	104,045
Supplies and Materials	2,678	2,678	3,917	(1,239)
	<u>453,517</u>	<u>403,517</u>	<u>335,613</u>	<u>67,904</u>
Facilities Acquisition and Construction Services				
Purchased Services	—	—	2,371	(2,371)
Operations and Maintenance of Plant Services				
Salaries	49,451	49,451	87,521	(38,070)
Employee Benefits	13,846	13,846	11,075	2,771
Purchased Services	607,061	607,061	18,258	588,803
Supplies and Materials	23,793	23,793	40,957	(17,164)
Capital Outlay	25,750	25,750	—	25,750
Non-Capitalized Equipment	1,000	1,000	4,484	(3,484)
	<u>720,901</u>	<u>720,901</u>	<u>162,295</u>	<u>558,606</u>

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Pupil Transportation Services				
Salaries	\$ 203,704	203,704	210,898	(7,194)
Employee Benefits	57,037	57,037	84,936	(27,899)
Purchased Services	235,354	186,354	127,051	59,303
Supplies and Materials	51,724	53,381	29,204	24,177
	<u>547,819</u>	<u>500,476</u>	<u>452,089</u>	<u>48,387</u>
Food Services				
Salaries	5,198	5,198	22,682	(17,484)
Employee Benefits	751	751	12,590	(11,839)
Purchased Services	135,365	135,365	202,939	(67,574)
Supplies and Materials	405	405	429	(24)
Non-Capitalized Equipment	110	110	3,861	(3,751)
	<u>141,829</u>	<u>141,829</u>	<u>242,501</u>	<u>(100,672)</u>
Total Business	<u>2,059,510</u>	<u>1,961,367</u>	<u>1,422,945</u>	<u>538,422</u>
Central				
Staff Services				
Salaries	348,803	348,803	318,434	30,369
Employee Benefits	97,666	97,666	85,434	12,232
Purchased Services	155,149	260,600	65,388	195,212
Supplies and Materials	20,600	20,600	5,502	15,098
Capital Outlay	4,635	4,635	—	4,635
	<u>626,853</u>	<u>732,304</u>	<u>474,758</u>	<u>257,546</u>
Data Processing Services				
Salaries	182,294	182,294	214,533	(32,239)
Employee Benefits	51,044	51,044	62,212	(11,168)
Purchased Services	1,001,212	921,974	825,840	96,134
Supplies and Materials	135,445	135,445	33,554	101,891
Non-Capitalized Equipment	175,000	175,000	178,365	(3,365)
	<u>1,544,995</u>	<u>1,465,757</u>	<u>1,314,504</u>	<u>151,253</u>
Total Central	<u>2,171,848</u>	<u>2,198,061</u>	<u>1,789,262</u>	<u>408,799</u>
Total Support Services	<u>14,626,997</u>	<u>14,498,772</u>	<u>13,249,619</u>	<u>1,249,153</u>



**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Educational Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Debt Service				
Principal Retirement	\$ —	—	481,914	(481,914)
Interest and Fiscal Charges	—	—	50,158	(50,158)
	—	—	532,072	(532,072)
Total Direct Expenditures	33,175,768	33,175,768	33,493,433	(317,665)
Non-programmed Charges	—	—	287,296	(287,296)
On Behalf Payments	—	—	6,004,836	(6,004,836)
Total Expenditures	33,175,768	33,175,768	39,785,565	(6,609,797)
Net Change in Fund Balance	<u>(219,057)</u>	<u>(219,057)</u>	(770,226)	<u>(551,169)</u>
Fund Balance - Beginning			<u>6,135,401</u>	
Fund Balance - Ending			<u>5,365,175</u>	

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Operations and Maintenance Account - General Fund**

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

**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Other Revenue from Local Sources	\$ 200,000	200,000	167,560	(32,440)
State Sources				
Other Revenue from State Sources	—	—	19,100	19,100
Total Revenues	<u>200,000</u>	<u>200,000</u>	186,660	(13,340)
Expenditures				
Facilities and Acquisition and Construction Services Capital Outlay	<u>200,000</u>	<u>200,000</u>	118,930	81,070
Net Change in Fund Balance	<u>—</u>	<u>—</u>	67,730	<u>67,730</u>
Fund Balance - Beginning			<u>473,682</u>	
Fund Balance - Ending			<u>541,412</u>	

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Consolidated Year-End Financial Report**

**June 30, 2023**

CSFA #	Program Name	State	Federal	Other	Totals
478-00-0251	Medical Assistance Program	\$ —	326,426	—	326,426
586-00-2111	Federal Programs - Preschool Development Grants Birth through Five	—	148,051	—	148,051
586-18-0406	School Breakfast Program	—	52,131	—	52,131
586-18-0407	National School Lunch Program	—	112,231	—	112,231
586-43-2427	Federal Programs - Emergency Relief	—	716,212	—	716,212
586-44-2302	Fed. Sp. Ed. - Pre-School Discretionary	—	428,420	—	428,420
444-30-0184	Rehabilitation Services to Vocational Rehab	—	415,370	—	415,370
	Other Grant Programs and Activities	—	10,607	—	10,607
	All Other Costs Not Allocated	—	—	35,361,373	35,361,373
	Totals	—	2,209,448	35,361,373	37,570,821



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

February 1, 2024

Board of Directors  
School Association for Special Education in DuPage County  
Lisle, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Association for Special Education in DuPage County, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SASSED’s basic financial statements, and have issued our report thereon dated February 1, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP