

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

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**ANNUAL FINANCIAL REPORT**



**SASED**

The logo features the acronym "SASED" in a bold, black, serif font. A vibrant red swoosh graphic starts from the bottom left, curves upwards and to the right, passing behind the letters "A", "S", and "E". Below the text is a light gray rectangular bar.

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

# 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**

December 1, 2021

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

We have audited the accompanying financial statements of the School Association for Special Education in DuPage County, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the School Association for Special Education in DuPage County, Illinois, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

*Other 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.

The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the 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 December 1, 2021, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

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

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



# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Management's Discussion and Analysis

June 30, 2021

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The discussion and analysis of School Association for Special Education in DuPage County (the "SASED") financial performance provides an overall review of SASED's financial activities as of and for the year ended June 30, 2021. The management of SASED encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of SASED'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 \$2,915,012, due to the decrease in total expenses of \$5,178,460.
- General revenues accounted for \$39,162 in revenue or 0.1% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$39,946,495 or 99.9% of total revenues of \$39,985,657.
- SASED had \$37,070,645 in expenses related to government activities. However, \$39,946,495 of these expenses were offset by program specific charges and grants.
- Revenues for fiscal year 2021 (FY21), as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$39,985,657, inclusive of on-behalf payments to the Teacher's Retirement System. Expenditures for FY21 were \$40,552,647, also inclusive of State of Illinois payments to the Teachers Retirement System.
- The Illinois Teacher's Retirement System receives on-behalf pension and post-retirement health insurance programs from the State of Illinois for SASED certified staff. In 2021, \$9,686,311 was included in the total revenues and expenditures of SASED representing the State of Illinois contributions.
- Actual revenues received in FY21 for the General Fund, exclusive of the State of Illinois on-behalf payment to the Teachers Retirement System, was \$30,299,346. Actual expenditures exclusive of on-behalf contributions were \$30,866,336 in FY21.

### 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 SASED as a whole and present a longer-term view of SASED'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 SASED's operations in more detail than the government-wide statements by providing information about SASED's most significant funds. The remaining statements provide financial information about activities for which the District 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 SASED's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of SASED'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 SASED is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in SASED's property tax base and the condition of the SASED's infrastructure, is needed to assess the overall health of SASED.

**Management's Discussion and Analysis**

**June 30, 2021**

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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., uncollected taxes and 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 funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 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.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support SASSED's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

**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, 2021

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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 \$8,848,288.

	Net Position	
	2021	2020
Current and Other Assets	\$ 18,602,701	17,319,230
Capital Assets	4,064,158	4,458,542
Total Assets	22,666,859	21,777,772
Deferred Outflows	894,742	1,407,354
Total Assets/Deferred Outflows	23,561,601	23,185,126
Long-Term Debt	13,364,184	16,286,504
Other Liabilities	6,273,499	7,963,055
Total Liabilities	19,637,683	24,249,559
Deferred Inflows	12,772,206	10,713,957
Total Liabilities/Deferred	32,409,889	34,963,516
Net Position		
Investment in Capital Assets	4,064,158	4,458,542
Restricted	460,231	304,610
Unrestricted (Deficit)	(13,372,677)	(16,541,542)
Total Net Position	(8,848,288)	(11,778,390)

A large portion of SASSED's net position, \$4,064,158, 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, \$460,231, of SASSED's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$13,372,677, 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, 2021

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GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 24,556,277	27,650,181
Operating Grants/Contrib.	15,390,218	16,621,355
General Revenues		
Interest	10,281	230,426
Other General Revenues	28,881	29,372
Total Revenues	<u>39,985,657</u>	<u>44,531,334</u>
Expenses		
Special Education	27,384,334	37,061,765
State Retirement Contributions	9,686,311	5,187,340
Total Expenses	<u>37,070,645</u>	<u>42,249,105</u>
Change in Net Position	2,915,012	2,282,229
Net Position - Beginning as Restated	<u>(11,763,300)</u>	<u>(14,060,619)</u>
Net Position - Ending	<u>(8,848,288)</u>	<u>(11,778,390)</u>

Net position of SASSED's governmental activities increased by 24.8 percent (a deficit of \$11,778,390 in 2020 compared to a deficit of \$8,848,288 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$13,372,677 at June 30, 2021

Management's Discussion and Analysis

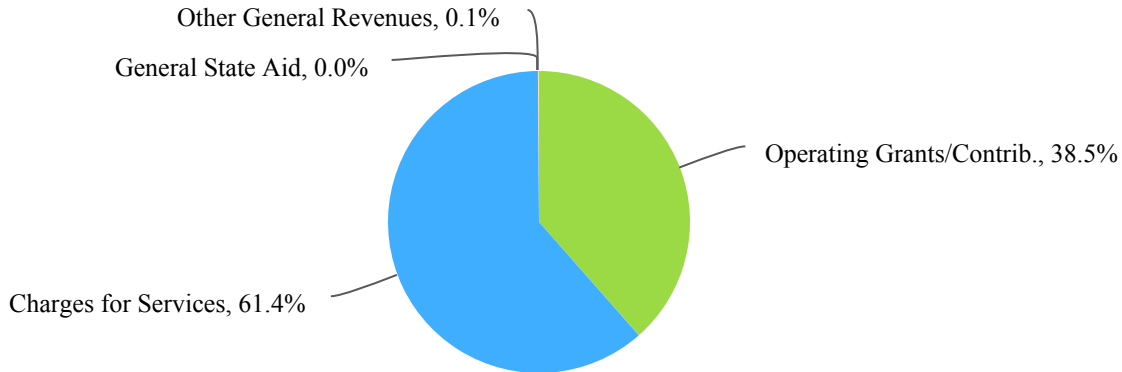
June 30, 2021

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GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

SASED-Wide Revenues by Source



Revenues for governmental activities totaled \$39,985,657, while the cost of all governmental functions totaled \$37,070,645. This results in a surplus of \$2,915,012. In 2020, revenues of \$44,531,334 exceeded expenses of \$42,249,105, resulting in a surplus of \$2,282,229. The surplus in FY21 is due primarily to a significant decrease in total expenses 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 \$8,804,275, which is \$566,990, or 6.1%, lower than last year's total of \$9,371,265. Of the \$8,804,275 total, \$8,344,044, or 94.8%, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY21 were \$30,299,346. Property taxes accounted for the largest portion of SASED's revenues, contributing 35.9% of total revenues. Actual expenditures, excluding on-behalf payments, totaled \$30,866,336. Expenditures were monitored closely during the year, which resulted in all the expenditures being below budget, except for the Operating and Maintenance Account. The remainder of revenues came from other local, state, and federal grant sources.

The General Fund decreased \$566,990 for an ending fund balance of \$8,804,275. This decrease is due to an increase in fund level expenditures the current fiscal year.

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

**Management's Discussion and Analysis**

**June 30, 2021**

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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 less than actual revenues, exclusive of on behalf payments, of \$30,299,346 by \$10,980,212. Actual expenditures, exclusive of on behalf payments, of \$30,866,336, were less than budgeted expenditures, exclusive of on behalf payments, of \$41,071,558 by \$10,205,222.

**CAPITAL ASSETS**

SASSED’s investment in capital assets for its governmental activities as of June 30, 2021 was \$4,064,158 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements and equipment.

	Capital Assets - Net of Depreciation	
	2021	2020
Land	\$ 137,628	137,628
Land Improvements	3,197,972	3,385,312
Buildings and Building Improvements	206,621	220,725
Equipment	521,937	714,877
Total	<u>4,064,158</u>	<u>4,458,542</u>

This year’s major additions included:

Equipment	<u>\$ 7,716</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 is currently in contract negotiations with certified and other professional staff. The outcome of those negotiations, and the ensuing contract, could have a large effect on SASSED’s finances in the years ahead.

In addition, COVID-19 has impacted SASSED enrollment for the past 15 months. The changes in infections and safety protocols will continue to influence enrollment and correlating revenues.

Finally, 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, 2021

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

The ESSER III grant will provide SASSED with approximately \$1.1 million 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.

Inflation has been rising throughout 2021 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 on 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, 2021**

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**See Following Page**

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Statement of Net Position

June 30, 2021

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 13,916,732
Receivables - Net of Allowances	
Intergovernmental	1,103,009
Other Current Assets	52,100
Total Current Assets	<u>15,071,841</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	137,628
Depreciable	8,151,678
Accumulated Depreciation	<u>(4,225,148)</u>
Total Capital Assets	4,064,158
Other Assets	
Net Pension Asset - IMRF	<u>3,530,860</u>
Total Noncurrent Assets	<u>7,595,018</u>
Total Assets	<u>22,666,859</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - RHP	22,396
Deferred Items - THIS	101,030
Deferred Items - TRS	124,268
Deferred Items - IMRF	<u>647,048</u>
Total Deferred Outflows of Resources	<u>894,742</u>
Total Assets and Deferred Outflows of Resources	<u>23,561,601</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accrued Payroll	\$ 1,806,620
Accrued Self Insurance Claims	4,460,946
Compensated Absences	5,933
Total Current Liabilities	<u>6,273,499</u>
Noncurrent Liabilities	
Compensated Absences	23,732
Total OPEB Liability - RHP	379,481
Total OPEB Liability - THIS	11,815,416
Net Pension Liability - TRS	1,145,555
Total Noncurrent Liabilities	<u>13,364,184</u>
Total Liabilities	<u>19,637,683</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - RHP	121,404
Deferred Items - THIS	4,246,789
Deferred Items - TRS	3,924,548
Deferred Items - IMRF	4,479,465
Total Deferred Inflows of Resources	<u>12,772,206</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,409,889</u>
<b>NET POSITION</b>	
Investment in Capital Assets	4,064,158
Restricted	
Operations and Maintenance	417,080
Student Activities	43,151
Unassigned	<u>(13,372,677)</u>
Total Net Position	<u><u>(8,848,288)</u></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, 2021**

	Expenses	Program Revenues		(Expenses)/
		Charges for Services	Operating Grants/ Contributions	Revenues Governmental Activities
Governmental Activities				
Special Education	\$ 27,384,334	24,556,277	5,703,907	2,875,850
State Retirement Contributions	9,686,311	—	9,686,311	—
Total Governmental Activities	<u>37,070,645</u>	<u>24,556,277</u>	<u>15,390,218</u>	<u>2,875,850</u>
General Revenues				
Earnings on Investments				10,281
Other Revenues				<u>28,881</u>
				<u>39,162</u>
Change in Net Position				2,915,012
Net Position - Beginning as Restated				<u>(11,763,300)</u>
Net Position - Ending				<u><u>(8,848,288)</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, 2021**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 13,916,732
Receivables - Net of Allowances	
Intergovernmental	1,103,009
Other Current Assets	<u>52,100</u>
Total Assets	<u><u>15,071,841</u></u>
<b>LIABILITIES</b>	
Accrued Payroll	1,806,620
Accrued self insurance claims	<u>4,460,946</u>
Total Liabilities	<u>6,267,566</u>
<b>FUND BALANCES</b>	
Restricted	460,231
Unassigned	<u>8,344,044</u>
Total Fund Balances	<u>8,804,275</u>
Total Liabilities and Fund Balances	<u><u>15,071,841</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, 2021**

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<b>Total Governmental Fund Balances</b>	\$ 8,804,275
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.	4,064,158
Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - RHP	(99,008)
Deferred Items - THIS	(4,145,759)
Deferred Items - TRS	(3,800,280)
Deferred Items - IMRF	(3,832,417)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(29,665)
Total OPEB Liability - RHP	(379,481)
Total OPEB Liability - THIS	(11,815,416)
Net Pension Liability - TRS	(1,145,555)
Net Pension (Asset) - IMRF	3,530,860
<b>Net Position of Governmental Activities</b>	<u><u>(8,848,288)</u></u>

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, 2021**

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	<u>General</u>
Revenues	
Local Sources	
Tuition	\$ 14,360,880
Earnings on Investments	10,281
School Activity Income	28,881
Other Revenue from Local Sources	10,195,397
State Sources	3,241,578
Federal Sources	2,462,329
On Behalf Payments	<u>9,686,311</u>
 Total Revenues	 <u>39,985,657</u>
 Expenditures	
Current	
Instruction	18,000,067
Support Services	12,832,533
Non-Programmed Charges	33,736
On Behalf Payments	<u>9,686,311</u>
 Total Expenditures	 <u>40,552,647</u>
 Net Change in Fund Balances	 (566,990)
 Fund Balances - Beginning as Restated	 <u>9,371,265</u>
 Fund Balances - Ending	 <u><u>8,804,275</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, 2021**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (566,990)

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	7,716
Depreciation Expense	(402,100)

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

RHP	(73,220)
THIS	(1,252,068)
TRS	1,833,319
IMRF	(3,078,892)

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	30,257
Changes in Total OPEB Liability - RHP	128,894
Changes in Total OPEB Liability - THIS	1,339,726
Changes in Net Pension Liability - TRS	74,739
Changes in Net Pension Liability/(Asset) - IMRF	4,873,631

**Changes in Net Position of Governmental Activities** 2,915,012



# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

School Association for Special Education in DuPage County (“SASED”) 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 SASED 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 SASED.

#### REPORTING ENTITY

In determining the financial reporting entity, SASED 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 SASED. 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 SASED’s basic financial statements include both government-wide (reporting SASED as a whole) and fund financial statements (reporting the SASED’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. SASED’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. SASED 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. SASED’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. SASED first utilizes restricted resources to finance qualifying activities.

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

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

This government-wide focus is more on the sustainability of SASED as an entity and the change in SASED’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, 2021

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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, 2021

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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. Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by 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. All of SASSED’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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

**Notes to the Financial Statements**

**June 30, 2021**

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

Buildings	45 Years
Improvements	10 - 20 Years
Vehicles	5 - 10 Years
Machinery and Equipment	5 - 15 Years

**Compensated Absences**

All full-time employees are provided vacation benefits in accordance with the employee handbook. Certified Employees receive 15 days of vacation per year for the first five years. In years six through ten, they earn an additional day for each year of service. After 10 years of service, 20 vacation days are received. Classified Employees receive 1 day of vacation per every month worked for the first year. In years two through five, they earn 10 days per year, and an additional day per year for years six through 15, at which time they receive the maximum of 20 days per year. All vacation must be used by January 1st 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 an acquisition/reduction of net position 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, 2021

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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:

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

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

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

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

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

- The Administration submits to the Board of Control 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.
- Prior to August 31st, the budget is legally adopted through passage of a resolution.

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

**Notes to the Financial Statements**

**June 30, 2021**

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

**BUDGETARY INFORMATION - Continued**

- Management can transfer up to 10 percent of the total budget between departments within any fund without the Board of Control approval. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Control 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 5, 2020.
- 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
Operations and Maintenance - General	\$ 9,150

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

**DEPOSITS AND INVESTMENTS**

Under State law, limits are imposed as to investments in 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.

**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 \$13,896,308 and the bank balances totaled \$14,657,599.

*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
ISDLAF+	\$ 20,424	20,424	—

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2021

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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

*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.

*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, 2021, 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 the District'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, 2021**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 137,628	—	—	137,628
<b>Depreciable Capital Assets</b>				
Land Improvements	5,752,426	—	—	5,752,426
Buildings and Building Improvements	308,583	—	—	308,583
Equipment	2,082,953	7,716	—	2,090,669
	<u>8,143,962</u>	<u>7,716</u>	<u>—</u>	<u>8,151,678</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	2,367,114	187,340	—	2,554,454
Buildings and Building Improvements	87,858	14,104	—	101,962
Equipment	1,368,076	200,656	—	1,568,732
	<u>3,823,048</u>	<u>402,100</u>	<u>—</u>	<u>4,225,148</u>
Total Net Depreciable Capital Assets	<u>4,320,914</u>	<u>(394,384)</u>	<u>—</u>	<u>3,926,530</u>
Total Net Capital Assets	<u>4,458,542</u>	<u>(394,384)</u>	<u>—</u>	<u>4,064,158</u>

Depreciation expense was charged to governmental activities as follows:

Instructional	<u>\$ 402,100</u>
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**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY**

**Notes to the Financial Statements**

**June 30, 2021**

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

**LONG-TERM DEBT**

**Long-Term Liabilities Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 59,922	30,397	60,654	29,665	5,933
Total OPEB Liability - RHP	508,375	—	128,894	379,481	—
Total OPEB Liability - THIS	13,155,142	—	1,339,726	11,815,416	—
Net Pension Liability - TRS	1,220,294	—	74,739	1,145,555	—
Net Pension Liability/(Asset) - IMRF	1,342,771	—	4,873,631	(3,530,860)	—
	<u>16,286,504</u>	<u>30,397</u>	<u>6,477,644</u>	<u>9,839,257</u>	<u>5,933</u>

**OPERATING LEASE**

During fiscal year 2017, SASSED entered into an operating lease for approximately 27,039 square feet of office space located at 2900 Ogden Avenue, Lisle, Illinois. The ten year lease commenced on November 1, 2016 through October 31, 2026. Annual rent payments for the fiscal year total \$553,412. The lease calls for annual rent increases of 1.95 percent.

**NET POSITION CLASSIFICATION**

Investment in capital assets was comprised of the following as of June 30, 2021:

Governmental Activities	
Investment in Capital Assets	<u>\$ 4,064,158</u>

**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.

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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

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

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

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Control's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Control itself or b) a body or official to which the Board of Control 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.

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	\$ 417,080
Student Activities	<u>43,151</u>
	460,231
Unassigned	<u>8,344,044</u>
Total Fund Balances	<u><u>8,804,275</u></u>

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

**Notes to the Financial Statements**

**June 30, 2021**

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

**NET POSITION RESTATEMENT**

Beginning net position/fund balance was restated due to the implementation of GASB Statement No. 84. The following is a summary of the net position as originally reported and as restated:

<u>Net Position/Fund Balance</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ (11,778,390)	(11,763,300)	15,090
General	9,356,175	9,371,265	15,090
Educational Account - General	9,051,565	9,066,655	15,090

**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.

**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.

**Financial Impact due to COVID-19**

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on SASED's operations and financial position cannot be determined.

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

**Notes to the Financial Statements**

**June 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**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 the District 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 postemployment 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.

SASED 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 for 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, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>323</u>
Total	<u><u>334</u></u>

**Total OPEB Liability**

The SASSED's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

**Notes to the Financial Statements**

**June 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Retiree's Health Plan - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary Increases	2.00%
Discount Rate	2.14%
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 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.

The discount rate was based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Mortality rates were based on the PUB-2010 Teachers' Headcount-weighted mortality base rates and projected with scale MP-2020 (Previously MP-2019).

**Change in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2020	\$ 508,375
Changes for the Year:	
Service Cost	23,355
Interest on the Total OPEB Liability	10,665
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(93,378)
Changes of Assumptions or Other Inputs	5,385
Benefit Payments	(74,921)
Other Changes	—
Net Changes	(128,894)
Balance at June 30, 2021	379,481

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

**Notes to the Financial Statements**

**June 30, 2021**

**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 2.14%, while the prior valuation used 2.21%. 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 (2.14%)	1% Increase (3.14%)
	1% Decrease (1.14%)		
Total OPEB Liability	\$ 405,445	379,481	355,613

**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	\$ 374,418	379,481	385,513

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

**Notes to the Financial Statements**

**June 30, 2021**

**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, 2021, SASSED recognized OPEB expense of \$19,247. At June 30, 2021, 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	\$ 1,923	(121,404)	(119,481)
Change in Assumptions	20,473	—	20,473
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>22,396</u>	<u>(121,404)</u>	<u>(99,008)</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
2022	\$ (14,774)
2023	(14,774)
2024	(14,774)
2025	(14,927)
2026	(39,759)
Thereafter	<u>—</u>
Total	<u>(99,008)</u>

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2021

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS - Continued

##### Teachers' Health Insurance Security Fund

###### Plan Description

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

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

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

*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 1.24 percent of pay during the year ended June 30, 2021. State of Illinois contributions were \$130,453, and the SASSED recognized revenue and expenditures of this amount during the year.

*Employer Contributions to the THIS Fund.* The SASSED also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021. For the year ended June 30, 2021 the District paid \$96,788 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, 2021**

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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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.50%
Salary Increases:	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return:	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitant, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

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 (3.45%)	Current Discount Rate (2.45%)	1% Increase (1.45%)
Employer's Proportionate Share of the OPEB Liability	\$ 14,200,440	11,815,416	9,925,851

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

**Notes to the Financial Statements**

**June 30, 2021**

**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 presents the District's proportionate share of the collective net OPEB liability, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	\$ 9,503,182	11,815,416	14,941,088

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

At June 30, 2021, 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, 2020, 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, 2020, SASSED's proportion was 0.044193 percent, which was a decrease of 0.003337 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	\$ 11,815,416
Shate's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>16,006,664</u>
Total	<u><u>27,822,080</u></u>

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

**Notes to the Financial Statements**

**June 30, 2021**

**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, 2021, SASSED recognized OPEB revenue and expense of \$130,453 for support provided by the State. For the year ending June 30, 2020, the District recognized OPEB expense of \$9,130. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(313,923)	(313,923)
Net Difference Between Projected and Actual Earnings on Pension Investments	4,001	(1,948,938)	(1,944,937)
Changes of Assumptions	—	(336)	(336)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	241	(1,983,592)	(1,983,351)
Total Pension Expense to be Recognized in Future Periods	4,242	(4,246,789)	(4,242,547)
Employer Contributions Subsequent to the Measurement Date	96,788	—	96,788
Totals	101,030	(4,246,789)	(4,145,759)

\$96,788 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, 2022. 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
2022	\$ (856,735)
2023	(856,676)
2024	(856,552)
2025	(662,576)
2026	(370,298)
Thereafter	(639,610)
Total	(4,242,447)

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2021

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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 property taxes and a perpetual lien of SASSED's corporate personal property replacement tax. Each retirement system is discussed below.

#### Teachers' Retirement System (TRS)

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

SASSED 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/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

##### Benefits Provided

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

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

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement beginning January 1 following the attainment of age 61 or on January 1 following the members' first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of 3 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 members' first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. 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 will begin in 2019 and will be funded by bonds issued by the State of Illinois.

# SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

## Notes to the Financial Statements

June 30, 2021

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### NOTE 4 - OTHER INFORMATION - Continued

#### RETIREMENT SYSTEMS - Continued

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

###### Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the 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 contributions rates are specified by the pension code. The active member contribution rate for the year ended June 30, 2020, 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, 2021, 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 \$9,555,858 in pension contributions from the State of Illinois. For the year ended June 30, 2020, the employer recognized revenue and expenditures of \$5,048,706 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, 2021 were \$61,018, respectively. The June 30, 2021 contributions are deferred because they were paid after the June 30, 2020 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, 2021, the employer pension contribution was 9.41 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from those funds. For the fiscal year ended June 30, 2021, salaries totaling \$127,268 were paid from federal and special trust funds that required employer contributions of \$13,249, which was equal to the SASSED's actual contributions. For the fiscal year ended June 30, 2020, required employer contributions of \$21,173, which was equal to SASSED's actual contributions. The June 30, 2021 contributions are deferred because they were paid after the June 30, 2020 measurement date.

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

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

**Notes to the Financial Statements**

**June 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

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

**Contributions - Continued**

*Employer Retirement Cost Contributions - Continued.* A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the employer paid \$— to TRS for employer contributions due on salary increases in excess of 6 percent, \$993 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's Proportionate Share of the Net Pension Liability	\$ 1,145,555
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>89,725,818</u>
Total	<u><u>90,871,373</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.001300%, which was a decrease of 0.000200% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the employer recognized pension expense of \$9,555,858 and revenue of \$9,555,858 for support provided by the State. At June 30, 2021, 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, 2021

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	\$ 11,102	(306)	10,796
Net Difference Between Projected and Actual Earnings on Pension Investments	34,205	—	34,205
Changes of Assumptions	4,694	(12,020)	(7,326)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	—	(3,912,222)	(3,912,222)
Total Pension Expense to be Recognized in Future Periods	50,001	(3,924,548)	(3,874,547)
Employer Contributions Subsequent to the Measurement Date	74,267	—	74,267
Totals	<u>124,268</u>	<u>(3,924,548)</u>	<u>(3,800,280)</u>

\$74,267 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, 2022. 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
2022	\$ (1,844,620)
2023	(1,376,677)
2024	(617,765)
2025	(24,639)
2026	(10,846)
Thereafter	—
Total	<u>(3,874,547)</u>



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

**Notes to the Financial Statements**

**June 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

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

**Actuarial Assumptions**

The total pension liability in the June 30, 2020 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, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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:

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

**Notes to the Financial Statements**

**June 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RETIREMENT SYSTEMS - Continued**

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

**Actuarial Assumptions - Continued**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	16.5%	6.1%
U.S. Small/Mid Cap	2.3%	7.2%
International Equities Developed	12.2%	7.0%
Emerging Market Equities	3.0%	9.4%
U.S. Bonds Core	7.0%	2.2%
U.S. Bonds High Yield	2.5%	4.1%
International Debt Developed	3.1%	1.5%
Emerging International Debt	3.2%	4.5%
Real Estate	16.0%	5.7%
Real Return	5.2%	6.3%
Absolute Return	10.0%	4.3%
Private Equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	<u>100.0%</u>	

**Discount Rate**

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 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, 2020 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.

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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	\$ 1,390,495	1,145,555	943,898

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

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.

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	298
Inactive Plan Members Entitled to but not yet Receiving Benefits	635
Active Plan Members	<u>230</u>
Total	<u><u>1,163</u></u>

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

**Notes to the Financial Statements**

**June 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

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

**Plan Descriptions - Continued**

*Contributions.* As set by statute, SASSED's Regular Plan Members are required to contribute 4.5% 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, 2021, SASSED's contribution was 10.56% of covered payroll.

*Net Pension Liability.* The SASSED's net pension liability was measured as of December 31, 2020. 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, 2020, 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	2.25%
Inflation	2.25%

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - 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	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY

Notes to the Financial Statements

June 30, 2021

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(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)	\$ 2,543,124	(3,530,860)	(8,240,965)

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

**Notes to the Financial Statements**

**June 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

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

**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, 2019	\$ 50,128,160	48,785,389	1,342,771
Changes for the Year:			
Service Cost	1,132,254	—	1,132,254
Interest on the Total Pension Liability	3,602,016	—	3,602,016
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(488,487)	—	(488,487)
Changes of Assumptions	(372,409)	—	(372,409)
Contributions - Employer	—	1,116,106	(1,116,106)
Contributions - Employees	—	503,451	(503,451)
Net Investment Income	—	6,846,842	(6,846,842)
Benefit Payments, Including Refunds of Employee Contributions	(2,022,609)	(2,022,609)	—
Other (Net Transfer)	—	280,606	(280,606)
Net Changes	1,850,765	6,724,396	(4,873,631)
Balances at December 31, 2020	51,978,925	55,509,785	(3,530,860)

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

For the year ended June 30, 2021, SASSED recognized pension revenue of \$786,359. At June 30, 2021, SASSED reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:



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

**Notes to the Financial Statements**

**June 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

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

**Pension Expense, 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	\$ 14,310	(260,083)	(245,773)
Changes of Assumptions	—	(198,280)	(198,280)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,021,102)	(4,021,102)
Total Pension Expense to be Recognized in Future Periods	14,310	(4,479,465)	(4,465,155)
Pension Contributions Made Subsequent to the Measurement Date	632,738	—	632,738
Total Deferred Amounts Related to Pensions	<u>647,048</u>	<u>(4,479,465)</u>	<u>(3,832,417)</u>

\$632,738 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, 2022. 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
2022	\$ (1,619,724)
2023	(585,717)
2024	(1,596,846)
2025	(662,868)
2026	—
Thereafter	—
Total	<u>(4,465,155)</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  
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, 2021**

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 15,766	17,696	24,129	23,355
Interest	24,366	22,452	19,500	10,665
Changes in Benefit Terms	—	(56,677)	(47,309)	(93,378)
Differences Between Expected and Actual				
Experience	3,999	25,895	41,001	5,385
Change of Assumptions or Other Inputs	—	—	—	—
Benefit Payments	(99,965)	(32,751)	(63,570)	(74,921)
Other Changes	—	—	—	—
Net Change in Total OPEB Liability	(55,834)	(23,385)	(26,249)	(128,894)
Total OPEB Liability - Beginning	613,843	558,009	534,624	508,375
Total OPEB Liability - Ending	558,009	534,624	508,375	379,481
Covered Payroll	\$ 16,510,688	18,279,536	16,110,952	17,486,588
Covered Payroll	3.38 %	2.92%	3.16%	2.17%

Notes:

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2018 through 2021.

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

**Teacher's Health Insurance Security Fund**

**Schedule of Employer Contributions**

**June 30, 2021**

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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%

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, 2021**

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**Notes to the Schedule of Employer Contributions**

<b>Valuation Date</b>	June 30, 2019
<b>Measurement Date</b>	June 30, 2020
<b>Sponsor's Fiscal Year End</b>	June 30, 2021

**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, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
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, 2021**

	6/30/18	6/30/19	6/30/20	6/30/21
Employer's Proportion of the Net OPEB Liability	0.052414%	0.049761%	0.047530%	0.044193%
Employer's Proportionate Share of the Net OPEB Liability	\$ 13,601,220	13,109,966	13,155,142	11,815,416
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	17,861,782	17,603,862	17,813,741	16,006,664
Total	31,463,002	30,713,828	30,968,883	27,822,080
Employer's Covered Payroll	\$ 12,050,115	11,803,976	11,682,821	10,520,424
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	112.87%	111.06%	112.60%	112.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.23%)	(0.07%)	0.25%	0.70%

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.

**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, 2021**

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**See Following Page**

**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, 2021**

	6/30/15	6/30/16
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
<b>Total</b>	<b>86,878,206</b>	<b>92,158,262</b>
Employer's Covered Payroll	\$ 12,345,423	12,592,331
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	88.84%	84.32%
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	567,940	616,753
Contribution Deficiency (Excess)	—	—
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 2020 - 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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.



6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
0.011200%	0.011200%	0.001600%	0.015000%	0.001300%
8,567,617	8,567,617	1,280,143	1,220,294	1,145,555
89,012,284	89,012,284	87,695,128	86,846,966	89,725,818
97,579,901	97,579,901	88,975,271	88,067,260	90,871,373
12,050,115	12,050,115	11,803,976	11,682,821	10,520,424
71.10%	71.10%	10.85%	10.45%	10.89%
36.40%	39.30%	40.00%	39.60%	37.80%
455,036	164,722	119,842	93,997	74,267
455,036	164,722	119,842	93,997	74,122
—	—	—	—	145
12,050,115	12,050,115	11,803,976	11,682,821	10,520,424
3.78%	1.37%	1.02%	0.80%	0.71%

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

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
June 30, 2021**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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**

**June 30, 2021**

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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  
June 30, 2021**

	12/31/14	12/31/15
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	\$ 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 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.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
1,339,836	1,269,053	1,137,775	1,094,172	1,132,254
2,909,811	3,106,172	3,195,432	3,403,365	3,602,016
—	—	—	—	—
(347,976)	(469,428)	426,069	176,928	(488,487)
—	(1,152,801)	1,378,584	—	(372,409)
(1,175,165)	(1,321,091)	(1,673,356)	(1,884,363)	(2,022,609)
2,726,506	1,431,905	4,464,504	2,790,102	1,850,765
38,715,143	41,441,649	42,873,554	47,338,058	50,128,160
41,441,649	42,873,554	47,338,058	50,128,160	51,978,925
1,355,352	1,283,059	1,208,176	933,466	1,116,106
550,179	528,577	518,168	492,658	503,451
2,317,613	6,263,367	(2,089,922)	7,669,423	6,846,842
(1,175,165)	(1,321,091)	(1,673,356)	(1,884,363)	(2,022,609)
8,474	(872,292)	856,694	(55,580)	280,606
3,056,453	5,881,620	(1,180,240)	7,155,604	6,724,396
33,871,952	36,928,405	42,810,025	41,629,785	48,785,389
36,928,405	42,810,025	41,629,785	48,785,389	55,509,785
4,513,244	63,529	5,708,273	1,342,771	(3,530,860)
89.11%	99.85%	87.94%	97.32%	106.79%
12,079,571	11,476,369	10,943,624	10,659,800	10,309,848
37.36%	0.55%	52.16%	12.60%	(34.25%)

**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, 2021**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 33,132,871	33,132,871	24,595,439	(8,537,432)
State Sources	2,806,780	2,806,780	3,241,578	434,798
Federal Sources	5,339,907	5,339,907	2,462,329	(2,877,578)
On-Behalf Payments	—	—	9,686,311	9,686,311
Total Revenues	41,279,558	41,279,558	39,985,657	(1,293,901)
Expenditures				
Current				
Instruction	24,319,248	24,319,248	18,000,067	6,319,181
Support Services	16,752,310	16,752,310	12,832,533	3,919,777
Non-programmed Charges	—	—	33,736	(33,736)
On-Behalf Payments	—	—	9,686,311	(9,686,311)
Total Expenditures	41,071,558	41,071,558	40,552,647	518,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	208,000	208,000	(566,990)	(774,990)
Other Financing (Uses)				
Transfers Out	(2,000)	(2,000)	—	2,000
Net Change in Fund Balances	206,000	206,000	(566,990)	(772,990)
Find Balances - Beginning as Restated			9,371,265	
Fund Balances - Ending			8,804,275	

## **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, 2021**

	Educational Account	Operations and Maintenance	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 13,461,912	454,820	13,916,732
Receivables - Net of Allowances			
Intergovernmental	1,102,749	260	1,103,009
Other Current Assets	52,100	—	52,100
Total Assets	<u>14,616,761</u>	<u>455,080</u>	<u>15,071,841</u>
<b>LIABILITIES</b>			
Accrued Payroll	1,806,620	—	1,806,620
Other Payables	4,422,946	38,000	4,460,946
Total Liabilities	<u>6,229,566</u>	<u>38,000</u>	<u>6,267,566</u>
<b>FUND BALANCES</b>			
Restricted	43,151	417,080	460,231
Unassigned	8,344,044	—	8,344,044
Total Fund Balances	<u>8,387,195</u>	<u>417,080</u>	<u>8,804,275</u>
Total Liabilities and Fund Balances	<u>14,616,761</u>	<u>455,080</u>	<u>15,071,841</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, 2021**

	Educational Account	Operations and Maintenance	Totals
<b>Revenues</b>			
<b>Local Sources</b>			
Tuition	\$ 14,360,880	—	14,360,880
Earnings on Investments	10,281	—	10,281
School Activity Income	28,881	—	28,881
Other Local Revenues	10,043,777	151,620	10,195,397
<b>State Sources</b>	<b>3,241,578</b>	<b>—</b>	<b>3,241,578</b>
<b>Federal Sources</b>	<b>2,462,329</b>	<b>—</b>	<b>2,462,329</b>
<b>On-Behalf Payments</b>	<b>9,686,311</b>	<b>—</b>	<b>9,686,311</b>
<b>Total Revenues</b>	<b>39,834,037</b>	<b>151,620</b>	<b>39,985,657</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	18,000,067	—	18,000,067
Support Services	12,793,383	39,150	12,832,533
Community Services	33,736	—	33,736
<b>On-Behalf Payments</b>	<b>9,686,311</b>	<b>—</b>	<b>9,686,311</b>
<b>Total Expenditures</b>	<b>40,513,497</b>	<b>39,150</b>	<b>40,552,647</b>
<b>Net Change in Fund Balances</b>	<b>(679,460)</b>	<b>112,470</b>	<b>(566,990)</b>
<b>Fund Balances - Beginning as Restated</b>	<b>9,066,655</b>	<b>304,610</b>	<b>9,371,265</b>
<b>Fund Balances - Ending</b>	<b>8,387,195</b>	<b>417,080</b>	<b>8,804,275</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**

**For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Tuition	\$ 17,331,098	17,331,098	14,360,880	(2,970,218)
Earnings on Investments	264,000	264,000	10,281	(253,719)
School Activity Income	—	—	28,881	28,881
Other Local Revenues	15,301,773	15,301,773	10,043,777	(5,257,996)
<b>Total Local Sources</b>	<b>32,896,871</b>	<b>32,896,871</b>	<b>24,443,819</b>	<b>(8,453,052)</b>
<b>State Sources</b>				
<b>Unrestricted Grants-In-Aid</b>				
Evidence Based Funding	2,799,605	2,799,605	2,799,607	2
State Free Lunch and Breakfast	7,175	7,175	778	(6,397)
Transportation - Special Education	—	—	441,193	441,193
<b>Total State Sources</b>	<b>2,806,780</b>	<b>2,806,780</b>	<b>3,241,578</b>	<b>434,798</b>
<b>Federal Sources</b>				
<b>Food Service</b>				
National School Lunch Program	—	—	1,030	1,030
School Breakfast Program	20,500	20,500	646	(19,854)
Summer Food Services Program	—	—	22,413	22,413
Preschool Flow-Through	536,690	536,690	297,899	(238,791)
<b>Medicaid Matching Funds</b>				
Administrative Outreach	1,455,254	1,455,254	951,417	(503,837)
Flow-through Revenue from Federal Sources	814,161	814,161	824,716	10,555
Other Restricted Revenue from Federal Sources	2,513,302	2,513,302	364,208	(2,149,094)
<b>Total Federal Sources</b>	<b>5,339,907</b>	<b>5,339,907</b>	<b>2,462,329</b>	<b>(2,877,578)</b>
<b>Total Direct Revenues</b>	<b>41,043,558</b>	<b>41,043,558</b>	<b>30,147,726</b>	<b>(10,895,832)</b>
<b>On-Behalf Payments</b>	<b>—</b>	<b>—</b>	<b>9,686,311</b>	<b>9,686,311</b>
<b>Total Revenues</b>	<b>41,043,558</b>	<b>41,043,558</b>	<b>39,834,037</b>	<b>(1,209,521)</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**

**For the Fiscal Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Special Education Programs				
Salaries	\$ 13,729,079	13,729,079	12,505,306	1,223,773
Employee Benefits	3,699,950	3,699,950	3,223,689	476,261
Purchased Services	3,986,786	3,986,786	1,506,985	2,479,801
Supplies and Materials	1,249,508	1,249,508	168,476	1,081,032
Capital Outlay	3,500	3,500	3,400	100
Non-Capitalized Equipment	43,000	43,000	320,045	(277,045)
	<u>22,711,823</u>	<u>22,711,823</u>	<u>17,727,901</u>	<u>4,983,922</u>
CTE Programs				
Salaries	67,425	67,425	66,038	1,387
Employee Benefits	49,229	49,229	26,403	22,826
Purchased Services	192,881	192,881	99,948	92,933
Supplies and Materials	338	338	326	12
	<u>309,873</u>	<u>309,873</u>	<u>192,715</u>	<u>117,158</u>
Summer School				
Salaries	921,212	921,212	69,870	851,342
Employee Benefits	217,661	217,661	5,753	211,908
Purchased Services	119,724	119,724	—	119,724
Supplies and Materials	22,000	22,000	3,009	18,991
Non-Capitalized Equipment	16,955	16,955	—	16,955
	<u>1,297,552</u>	<u>1,297,552</u>	<u>78,632</u>	<u>1,218,920</u>
Student Activity Fund				
Other Objects	—	—	819	(819)
Total Instruction	<u>24,319,248</u>	<u>24,319,248</u>	<u>18,000,067</u>	<u>6,319,181</u>
Support Services				
Pupils				
Health Services				
Salaries	4,662,636	4,662,636	4,531,220	131,416
Employee Benefits	1,597,214	1,597,214	1,505,915	91,299
Purchased Services	1,742,218	1,742,218	305,592	1,436,626
Supplies and Materials	24,500	24,500	15,876	8,624
Capital Outlay	30,000	30,000	4,316	25,684
	<u>8,056,568</u>	<u>8,056,568</u>	<u>6,362,919</u>	<u>1,693,649</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Pupils - Continued				
Psychological Services				
Salaries	\$ 57,671	57,671	41,850	15,821
Employee Benefits	8,778	8,778	10,337	(1,559)
Purchased Services	1,000	1,000	—	1,000
	<u>67,449</u>	<u>67,449</u>	<u>52,187</u>	<u>15,262</u>
Speech Pathology and Audiology Services				
Salaries	152,491	152,491	157,958	(5,467)
Employee Benefits	50,153	50,153	48,263	1,890
Purchased Services	105,445	105,445	14,495	90,950
Supplies and Materials	4,987	4,987	6,125	(1,138)
Non-Capitalized Equipment	10,000	10,000	6,601	3,399
	<u>323,076</u>	<u>323,076</u>	<u>233,442</u>	<u>89,634</u>
Total Pupils	<u>8,447,093</u>	<u>8,447,093</u>	<u>6,648,548</u>	<u>1,798,545</u>
Instructional Staff				
Improvement of Instruction Services				
Salaries	1,749,850	1,749,850	1,358,337	391,513
Employee Benefits	372,394	372,394	286,615	85,779
Purchased Services	1,004,511	1,004,511	252,521	751,990
Supplies and Materials	255,173	255,173	134,250	120,923
Non-Capitalized Equipment	2,554	2,554	3,490	(936)
Total Instructional Staff	<u>3,384,482</u>	<u>3,384,482</u>	<u>2,035,213</u>	<u>1,349,269</u>
General Administration				
Board of Education Services				
Purchased Services	11,000	11,000	127	10,873
Executive Administration Services				
Salaries	437,000	437,000	463,297	(26,297)
Employee Benefits	160,169	160,169	153,752	6,417
Purchased Services	81,374	81,374	66,844	14,530
Supplies and Materials	37,279	37,279	19,237	18,042
	<u>715,822</u>	<u>715,822</u>	<u>703,130</u>	<u>12,692</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration - Continued				
Special Area Administration Services				
Salaries	\$ 76,110	76,110	103,375	(27,265)
Employee Benefits	42,943	42,943	36,923	6,020
Purchased Services	51,423	51,423	1,261	50,162
	<u>170,476</u>	<u>170,476</u>	<u>141,559</u>	<u>28,917</u>
Total General Administration	<u>897,298</u>	<u>897,298</u>	<u>844,816</u>	<u>52,482</u>
Business				
Direction of Business				
Support Services				
Salaries	125,000	125,000	93,584	31,416
Employee Benefits	48,557	48,557	6,868	41,689
Purchased Services	10,275	10,275	(3,106)	13,381
	<u>183,832</u>	<u>183,832</u>	<u>97,346</u>	<u>86,486</u>
Fiscal Services				
Salaries	213,335	213,335	306,567	(93,232)
Employee Benefits	72,074	72,074	105,885	(33,811)
Purchased Services	28,643	28,643	281,578	(252,935)
Supplies and Materials	—	—	6,451	(6,451)
	<u>314,052</u>	<u>314,052</u>	<u>700,481</u>	<u>(386,429)</u>
Operations and Maintenance of Plant Services				
Salaries	67,423	67,423	40,373	27,050
Employee Benefits	12,453	12,453	9,674	2,779
Purchased Services	437,350	437,350	430,881	6,469
Supplies and Materials	5,000	5,000	53,850	(48,850)
	<u>522,226</u>	<u>522,226</u>	<u>534,778</u>	<u>(12,552)</u>
Pupil Transportation Services				
Salaries	638,243	638,243	213,942	424,301
Employee Benefits	164,312	164,312	98,196	66,116
Purchased Services	195,720	195,720	131,774	63,946
Supplies and Materials	136,000	136,000	10,818	125,182
	<u>1,134,275</u>	<u>1,134,275</u>	<u>454,730</u>	<u>679,545</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Food Services				
Salaries	\$ 26,705	26,705	5,869	20,836
Employee Benefits	10,731	10,731	2,591	8,140
Purchased Services	350,535	350,535	292,740	57,795
	<u>387,971</u>	<u>387,971</u>	<u>301,200</u>	<u>86,771</u>
Total Business	<u>2,542,356</u>	<u>2,542,356</u>	<u>2,088,535</u>	<u>453,821</u>
Central				
Staff Services				
Salaries	279,501	279,501	314,966	(35,465)
Employee Benefits	97,509	97,509	85,756	11,753
Purchased Services	51,255	51,255	36,899	14,356
Supplies and Materials	2,000	2,000	1,586	414
	<u>430,265</u>	<u>430,265</u>	<u>439,207</u>	<u>(8,942)</u>
Data Processing Services				
Salaries	272,002	272,002	108,364	163,638
Employee Benefits	94,734	94,734	29,269	65,465
Purchased Services	431,080	431,080	467,341	(36,261)
Supplies and Materials	48,000	48,000	37,646	10,354
Non-Capitalized Equipment	175,000	175,000	94,444	80,556
	<u>1,020,816</u>	<u>1,020,816</u>	<u>737,064</u>	<u>283,752</u>
Total Central	<u>1,451,081</u>	<u>1,451,081</u>	<u>1,176,271</u>	<u>274,810</u>
Total Support Services	<u>16,722,310</u>	<u>16,722,310</u>	<u>12,793,383</u>	<u>3,928,927</u>
Total Direct Expenditures	<u>41,041,558</u>	<u>41,041,558</u>	<u>30,793,450</u>	<u>10,248,108</u>
Non-programmed charges	<u>—</u>	<u>—</u>	<u>33,736</u>	<u>(33,736)</u>
On Behalf Payments	<u>—</u>	<u>—</u>	<u>9,686,311</u>	<u>(9,686,311)</u>
Total Expenditures	<u>41,041,558</u>	<u>41,041,558</u>	<u>40,513,497</u>	<u>528,061</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,000	2,000	(679,460)	(681,460)
Other Financing (Uses) Transfers Out	(2,000)	(2,000)	—	2,000
Net Change in Fund Balance	<u>—</u>	<u>—</u>	(679,460)	<u>(679,460)</u>
Fund Balance - Beginning as Restated			<u>9,066,655</u>	
Fund Balance - Ending			<u>8,387,195</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Other Revenue from Local Sources	\$ 236,000	236,000	151,620	(84,380)
Expenditures				
Facilities and Acquisition and Construction Services				
Capital Outlay	30,000	30,000	39,150	(9,150)
Net Change in Fund Balance	<u>206,000</u>	<u>206,000</u>	112,470	<u>(93,530)</u>
Fund Balance - Beginning			<u>304,610</u>	
Fund Balance - Ending			<u>417,080</u>	



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

**Consolidated Year-End Financial Report  
June 30, 2021**

CSFA #	Program Name	State	Federal	Other	Totals
478-00-0251	Medical Assistance Program	\$ —	481,707	—	481,707
586-00-2111	Federal Programs - Preschool Development Grants Birth through Five	—	297,899	—	297,899
586-18-0406	School Breakfast Program	—	646	—	646
586-18-0407	National School Lunch Program	—	1,030	—	1,030
586-18-0410	Summer Food Service Program	—	22,414	—	22,414
586-43-2427	Federal Programs - Emergency Relief	—	7,864	—	7,864
586-44-2305	Fed. Sp. Ed. - Pre-School Discretionary	—	364,208	—	364,208
444-30-0184	Rehabilitation Services to Vocational Rehab Other Grant Programs and Activities	—	481,114	—	481,114
	All Other Costs Not Allocated		10,181	—	10,181
				35,403,582	35,403,582
	Totals	—	1,667,063	35,403,582	37,070,645