SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
SEJA DISTRICT NO. 825
STATE OF ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
SEJA DISTRICT NO. 825

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SEJA DISTRICT NO. 825

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INDEPENDENT AUDITOR'S OPINION

To the Executive Board
Special Education District of Lake County
SEJA District No. 825
Gages Lake, Illinois

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of

Special Education District of Lake County
SEDA District No. 825 (SEDOL)

as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SEDOL's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SEDOL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 16 to the financial statements, SEDOL implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SEDOL's ability to continue as a going concern for one year after the date that the financial statement date, including ay currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Special Education District of Lake County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Education District of Lake County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to

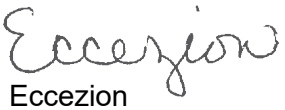
the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SEDOL's basic financial statements. The supplemental information as listed in the table of contents and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated May 29, 2025 on our consideration of SEDOL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 SEDOL's internal control over financial reporting and compliance.



Eccezion
Strategic Business Solutions

McHenry, Illinois
May 29, 2025

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

To the Executive Board
Special Education District of Lake County
SEJA District No. 825
Gages Lake, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of

Special Education District of Lake County
SEJA District No. 825 (SEDOL)

as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SEDOL's basic financial statements, and have issued our report thereon dated May 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may

exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SEDOL's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 and 2023-005.

Special Education District of Lake County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the SEDOL's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. SEDOL's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Eccezion

Eccezion
Strategic Business Solutions

McHenry, Illinois
May 29, 2025

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

As management of Special Education District of Lake County, SEJA District No. 825 (SEDOL), we offer readers of SEDOL's statements this narrative overview and analysis of the financial activities of SEDOL for the fiscal year ended June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to SEDOL's basic financial statements. SEDOL's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

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

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

The Statement of Activities presents information showing how SEDOL'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows during future fiscal periods.

Both of the government-wide financial statements distinguish functions of SEDOL that are principally supported by tuition and intergovernmental revenues (governmental activities). The governmental activities of SEDOL include instruction, supporting services, operation and maintenance of facilities, transportation services, and certain other activities and expenses such as payments to other districts and governmental units, interest and fees, and unallocated depreciation.

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. SEDOL, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of SEDOL are governmental funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 SEDOL's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SEDOL maintains five individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Operations and Maintenance Fund, Debt Services Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund, all of which are considered to be major funds.

SEDOL adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is Required Supplementary Information, has been provided for the General Fund and each major Special Revenue Fund to demonstrate compliance with this budget.

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

Other information - In addition to the basic financial statements, accompanying notes, and Required Supplementary Information this report also presents certain supplemental information concerning SEDOL's progress in meeting its obligation to provide as fully adequate as possible services to its students.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of SEDOL, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $39,042,486 at June 30, 2023.

A large portion of SEDOL's net position ($37,132,796) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements other than buildings, vehicles, and equipment other than transportation/food service). SEDOL uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although SEDOL'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 of SEDOL's net position ($2,269,575) represents resources that are subject to external restrictions on how they may be used.

Special Education District of Lake County's Net Position

	Governmental Activities	
	6/30/2023	6/30/2022
Assets		
Current and Other Assets	$ 31,190,177	$ 27,294,333
Long-Term Assets Outstanding	2,011,776	15,033,043
Capital Assets	37,315,032	38,379,073
Total Assets	$ 70,516,985	$ 80,706,449
Deferred Outflows of Resources		
Defeasance Asset, net of amortization	$ 195,829	$ 231,435
Pension and OPEB Expense	8,102,421	1,453,401
Total Deferred Outflows of Resources	$ 8,298,250	$ 1,684,836
Liabilities		
Other Liabilities	$ 6,851,711	$ 6,923,001
Long-Term Liabilities Outstanding	14,059,683	19,149,334
Total Liabilities	$ 20,911,394	$ 26,072,335
Deferred Inflows of Resources		
Pension and OPEB Revenue	$ 18,861,355	$ 22,917,725
Total Deferred Inflows of Resources	$ 18,861,355	$ 22,917,725
Net Position		
Invested in Capital Assets, net of related debt	$ 37,132,796	$ 38,163,704
Restricted	2,269,575	2,223,642
Unrestricted	(359,885)	(6,986,121)
Total Net Position	$ 39,042,486	$ 33,401,225

Governmental activities - Governmental activities in the current year increased net position by $5,146,254. Key elements of this increase are as follows:

Special Education District of Lake County's Change in Net Position

	Governmental Activities	
	FY 2023	FY 2022
Revenues:		
Program Revenues		
Charges for Services	$ 45,406,703	$ 43,836,663
Operating Grants and Contributions	17,150,364	16,176,478
General Revenues:		
Unrestricted Investment Earnings	614,624	25,718
Gain/(Loss) on Sale of Capital Assets	900	-
Total Revenues	$ 63,172,591	$ 60,038,859
Expenses:		
Instruction	$ 32,796,215	$ 30,671,449
Support Services	22,291,292	19,601,998
Community Services	279,003	269,929
Intergovernmental Payments	1,161,107	1,085,064
Interest and Fees on Long-Term Debt	75,222	90,621
Depreciation - Unallocated	1,423,498	1,393,646
Total Expenses	$ 58,026,337	$ 53,112,707
Increase/(Decrease) in Net Position	$ 5,146,254	$ 6,899,152
Net Position - Beginning	33,401,225	26,472,885
Net Position Adjustment	495,007	29,188
Net Position - Ending	$ 39,042,486	$ 33,401,225

- The increase in Charges for Services is related to increased level of services provided. Operating Grants and Contributions increased due to additional COVID-related federal funding. The increase in Investment Earnings is consistent with improved investment performance and higher cash and investment balances due to timing of cash flows.

- The total expenses increased due to overall increases in services across most functions as well as spending related to the additional federal funding.

FINANCIAL ANALYSIS OF SEDOL'S FUNDS

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

Governmental funds - The focus of SEDOL's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing SEDOL's financing requirements. In particular, unassigned fund balance may serve as a useful measure of SEDOL's net resources available for spending at the end of the fiscal year.

The General Fund's fund balance increased $751,291. This was primarily due to an increase in Tuition and Federal aid, and proportional increases in expenditures across most functions, as well as a fund transfer.

The Operations and Maintenance Fund's fund balance increased by $2,659,837. This was mainly due to an approved fund transfer from the General Fund for an anticipated capital purchase in the next fiscal year. Both revenues and expenditures remained consistent in comparison with the previous year.

The Debt Services Fund experienced net revenues and expenditures that remained relatively consistent with the prior year.

The Transportation Fund's fund balance decreased by $94,994 . This is primarily due to slightly lower transportation claim revenues offset by an increase in purchased services based on need. The deficiency was partially covered by an interfund transfer.

The Illinois Municipal Retirement/Social Security Fund's fund balance increased by $692,080 due to a 60% decrease in the IMRF rate over the last two calendar years.

GENERAL FUND BUDGETARY HIGHLIGHTS

SEDOL's budget was not amended in fiscal year 2023. Significant differences between the budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was ($7,894,821) (unfavorable). This difference was primarily due to on-behalf state retirement contributions being overestimated as well as lower than expected federal grant reimbursements.
- The difference between the estimated expenditures and the actual expenditures was $10,920,545 (favorable) . More than half of this favorable difference is due to the district overestimating on-behalf state retirement contributions. Another significant portion of the difference relates to budgeting for additional salaries and benefits for unfilled positions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - SEDOL's investment in capital assets for its governmental activities as of June 30, 2023 amounts to $37,315,032 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, vehicles, and equipment other than transportation/food service. The total decrease in SEDOL's investment in capital assets for the year ended June 30, 2023 was (0.02)%.

Special Education District of Lake County's Capital Assets
(net of depreciation)

	Governmental Activities	
	6/30/2023	6/30/2022
Land	$ 1,260,625	$ 1,260,625
Construction in Progress	314,656	80,611
Buildings	30,717,900	32,032,173
Improvements Other than Buildings	4,111,283	4,312,216
Vehicles	69,322	79,518
Equipment Other than Transportation/Food Service	841,246	613,930
Total	$ 37,315,032	$ 38,379,073

Long-term debt - At June 30, 2023, SEDOL had total debt outstanding of $1,472,236.

Special Education District of Lake County's Outstanding Debt

	Governmental Activities	
	6/30/2023	6/30/2022
Special Education Bonds	$ 1,290,000	$ 1,685,000
Unamortized Bond Premium	182,236	215,369
Total	$ 1,472,236	$ 1,900,369

Significant debt activity for the year ended June 30, 2023 was as follows:

- Principal payments on all debt totaled $395,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Education Fund – SEDOL continued to utilize the funds from the American Rescue Plan (ESSER III) to offset learning loss and to fund summer school programs for our students. A small allocation ($49,708) of the ESSER III funds were extended for a grant period of 7-1-23 through 9-30-24 and were used to offset the summer school program.

All other funds – all other revenues and expenses are expected to remain fairly constant in comparison with fiscal year 2022-2023.

Fiscal Year 2023-2024 – Tuition rates were increased by 5% in response to increased staffing and operating expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of SEDOL's finances for all those with an interest in SEDOL's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Special Education District of Lake County, 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

BASIC FINANCIAL STATEMENTS

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 16,881,713
Investments, at Fair Value	11,320,937
Tuition Billing Receivable, net of allowance of $0	2,553,776
Miscellaneous Billings Receivable, net of allowance of $0	58,512
Due from Other Governments, net of allowance of $0	359,114
Interest Receivable	16,125
Notes Receivable (Note 4)	2,011,776
Capital Assets (Note 5):	
Land	1,260,625
Construction in Progress	314,656
Depreciable Buildings, Property, and Equipment, net of depreciation	35,739,751
Total Assets	$ 70,516,985
DEFERRED OUTFLOWS OF RESOURCES	
Defeasance Asset, net of amortization	$ 195,829
Pension Expense - IMRF	7,706,928
Pension Expense - TRS	112,737
OPEB Expense - THIS	160,564
OPEB Expense - IMRF/TRS	122,192
Total Deferred Outflows of Resources	$ 8,298,250
LIABILITIES	
Accounts Payable and Accrued Expenditures	$ 357,819
Payroll Liabilities	4,312,491
Employee Health Insurance Account Liability	2,103,278
Flexible Spending Account Liability	78,123
Non-Current Liabilities	
Due Within One Year	549,642
Due in More Than One Year	1,029,102
Net Pension Liability - IMRF	6,278,298
Net Pension Liability - TRS	1,443,547
OPEB Liability - THIS	4,395,855
OPEB Liability - IMRF/TRS	363,239
Total Liabilities	$ 20,911,394
DEFERRED INFLOWS OF RESOURCES	
Pension Revenue - TRS	$ 491,232
OPEB Revenue - THIS	18,148,888
OPEB Revenue - IMRF/TRS	221,235
Total Deferred Inflows of Resources	$ 18,861,355
NET POSITION	
Net Investment in Capital Assets	$ 37,132,796
Restricted for:	
Grants and Contributions	2,269,575
Unrestricted/(Deficit)	(359,885)
Total Net Position	$ 39,042,486

The Notes to Financial Statements are an integral part of this statement.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction				
Special Education Programs	$ 19,134,872	$ 18,298,733	$ 2,133,027	$ 1,296,888
Other Instructional Programs	3,663,730	3,145,920	528,211	10,401
State Retirement Contributions	9,997,613	-	9,997,613	-
Support Services				
Pupils	11,728,591	12,020,779	1,445,285	1,737,473
Instructional Staff	1,532,880	1,152,891	826,368	446,379
General Administration	2,034,984	1,532,056	213,878	(289,050)
School Administration	2,470,459	1,866,364	204,231	(399,864)
Business	703,881	557,280	58,189	(88,412)
Operations and Maintenance	2,793,914	5,372,796	492,457	3,071,339
Transportation	663,313	495,125	379,710	211,522
Food Services	283,810	229,941	276,190	222,321
Central	79,460	62,119	6,569	(10,772)
Community Services	279,003	205,299	26,788	(46,916)
Intergovernmental Payments				
Payments to Other Districts and Governmental Units	1,161,107	-	561,848	(599,259)
Interest and Fees on Long-Term Debt	75,222	467,400	-	392,178
Depreciation - Unallocated	1,423,498	-	-	(1,423,498)
Total Governmental Activities	$ 58,026,337	$ 45,406,703	$ 17,150,364	$ 4,530,730
General Revenues				
Unrestricted Investment Earnings				$ 614,624
Gain/(Loss) on Sale of Capital Assets				900
Total General Revenues				$ 615,524
Change in Net Position				$ 5,146,254
Net Position - July 1, 2022				33,401,225
Net Position Adjustment (Note 15)				495,007
Net Position - June 30, 2023				$ 39,042,486

The Notes to Financial Statements are an integral part of this statement.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 7,640,363	$ 5,665,717	$ 181,040	$ 862,970	$ 2,531,623	$ 16,881,713
Investments, at Fair Value	11,320,937	-	-	-	-	11,320,937
Tuition Billing Receivable, net of allowance of $0	2,553,776	-	-	-	-	2,553,776
Miscellaneous Billings Receivable, net of allowance of $0	-	-	-	57,917	595	58,512
Due from Other Governments, net of allowance of $0	287,048	-	-	72,066	-	359,114
Total Assets	$ 21,802,124	$ 5,665,717	$ 181,040	$ 992,953	$ 2,532,218	$ 31,174,052
LIABILITIES						
Current Liabilities						
Accounts Payable and Accrued Expenditures	$ 241,766	$ 99,605	$ -	$ 323	$ -	$ 341,694
Payroll Liabilities	4,234,914	-	-	16,439	61,138	4,312,491
Employee Health Insurance Account Liability	2,103,278	-	-	-	-	2,103,278
Flexible Spending Account Liability	78,123	-	-	-	-	78,123
Total Current Liabilities	$ 6,658,081	$ 99,605	$ -	$ 16,762	$ 61,138	$ 6,835,586
FUND BALANCE						
Restricted						
Grants and Contributions	$ 2,219,575	$ 50,000	$ -	$ -	$ -	$ 2,269,575
Assigned						
Operations and Maintenance	-	5,516,112	-	-	-	5,516,112
Debt Service	-	-	181,040	-	-	181,040
Transportation	-	-	-	976,191	-	976,191
Illinois Municipal Retirement	-	-	-	-	2,471,080	2,471,080
Unassigned	12,924,468	-	-	-	-	12,924,468
Total Fund Balance	$ 15,144,043	$ 5,566,112	$ 181,040	$ 976,191	$ 2,471,080	$ 24,338,466
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 21,802,124	$ 5,665,717	$ 181,040	$ 992,953	$ 2,532,218	$ 31,174,052

The Notes to Financial Statements are an integral part of this statement.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds		$ 24,338,466
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.		
Capital Assets	$ 59,877,595	
Accumulated Depreciation on Capital Assets	(22,562,563)	
		37,315,032
Deferred pension/OPEB amounts in governmental activities are not financial resources and therefore are not reported in the funds.		
Deferred Outflows - IMRF	$ 7,706,928	
Deferred Outflows - TRS	112,737	
Deferred Inflows - TRS	(491,232)	
Deferred Outflows - OPEB THIS	160,564	
Deferred Inflows - OPEB THIS	(18,148,888)	
Deferred Outflows - OPEB IMRF/TRS	122,192	
Deferred Inflows - OPEB IMRF/TRS	(221,235)	
		(10,758,934)
Other assets/liabilities are not available to pay for current period expenditures and therefore are deferred inflows/outflows of resources in the funds.		
Interest Receivable	$ 16,125	
Notes Receivable	1,290,000	
Lease Termination Agreement Receivable	721,776	
		2,027,901
Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.		
Defeasance Asset, net of related amortization	$ 195,829	
Bond Premiums, net of related amortization	(182,236)	
		13,593
Some assets/liabilities are not available/due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	$ (1,290,000)	
Accrued Interest	(16,125)	
Compensated Absences Payable	(106,508)	
Net Pension (Liability)/Asset - IMRF	(6,278,298)	
Net Pension Liability - TRS	(1,443,547)	
Net OPEB Liability - THIS	(4,395,855)	
Total OPEB Liability - IMRF/TRS	(363,239)	
		(13,893,572)
Net Position of Governmental Activities		$ 39,042,486

The Notes to Financial Statements are an integral part of this statement.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Total Governmental Funds
REVENUES						
Tuition	$ 33,730,702	$ -	$ -	$ -	$ -	$ 33,730,702
Earnings on Investments	471,955	69,007	4,313	17,242	52,107	614,624
Food Service	21,105	-	-	-	-	21,105
Other Local Sources	6,785,327	3,195,682	467,400	-	1,404,561	11,852,970
State Aid	3,977,391	50,000	-	292,001	-	4,319,392
Federal Aid	2,680,329	-	-	-	-	2,680,329
State Retirement Contributions	9,997,613	-	-	-	-	9,997,613
	$ 57,664,422	$ 3,314,689	$ 471,713	$ 309,243	$ 1,456,668	$ 63,216,735
EXPENDITURES						
Current						
Instruction						
Special Education Programs	$ 20,125,454	$ -	$ -	$ -	$ 313,228	$ 20,438,682
Other Instructional Programs	3,637,306	-	-	-	41,819	3,679,125
State Retirement Contributions	9,997,613	-	-	-	-	9,997,613
Support Services						
Pupils	11,839,065	-	-	-	257,440	12,096,505
Instructional Staff	1,547,251	-	-	-	13,581	1,560,832
General Administration	2,173,412	-	-	-	18,862	2,192,274
School Administration	2,637,949	-	-	-	26,413	2,664,362
Business	732,178	-	-	-	21,415	753,593
Operations and Maintenance	1,315	2,633,682	-	-	66,011	2,701,008
Transportation	-	-	-	654,237	3,832	658,069
Food Services	284,151	-	-	-	-	284,151
Central	78,171	-	-	-	1,987	80,158
Community Services	279,003	-	-	-	-	279,003
Intergovernmental Payments	666,803	-	-	-	-	666,803
Debt Service						
Principal	-	-	395,000	-	-	395,000
Interest and Fees	-	-	72,749	-	-	72,749
Capital Outlay	513,460	172,070	-	-	-	685,530
	$ 54,513,131	$ 2,805,752	$ 467,749	$ 654,237	$ 764,588	$ 59,205,457
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 3,151,291	$ 508,937	$ 3,964	$ (344,994)	$ 692,080	$ 4,011,278
OTHER FINANCING SOURCES (USES)						
Interfund Transfers	$ (2,400,000)	$ 2,150,000	$ -	$ 250,000	$ -	$ -
Sale or Compensation for Fixed Assets	-	900	-	-	-	900
	$ (2,400,000)	$ 2,150,900	$ -	$ 250,000	$ -	$ 900
NET CHANGE IN FUND BALANCES	$ 751,291	$ 2,659,837	$ 3,964	$ (94,994)	$ 692,080	$ 4,012,178
FUND BALANCES - JULY 1, 2022	14,392,752	2,906,275	177,076	1,071,185	1,779,000	20,326,288
FUND BALANCES - JUNE 30, 2023	$ 15,144,043	$ 5,566,112	$ 181,040	$ 976,191	$ 2,471,080	$ 24,338,466

The Notes to Financial Statements are an integral part of this statement.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 4,012,178
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. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Depreciation Expense	$ (1,423,498)	
Capital Outlays	685,530	
		(737,968)
Some revenues/expenses reported in the Statement of Activities do not provide/use current financial resources and therefore are deferred in the governmental funds.		
State and Federal Aid		(45,044)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of Bond Premiums/Debt Defeasance	$ (2,473)	
Pension Expense - IMRF	(1,921,253)	
Pension Expense - TRS	60,930	
OPEB Expense - IMRF/TRS	(38,440)	
OPEB Expense - THIS	2,732,543	
Compensated Absences	3,243	
		834,550
Receipt of long-term receivables increases current financial resources in the governmental funds and is therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balance, but the receipt reduces long-term receivables in the Statement of Net Position and is therefore not reported in the Statement of Activities.		
Notes Receivable	$ (395,000)	
Lease Termination Agreement Receivable	(99,304)	
		(494,304)
Employer contributions are expensed in the fund financial statements but are treated as a reduction in the Net Position Liability on the government-wide financial statements.		
Employer Pension Contributions - IMRF	$ 874,896	
Employer Pension Contributions - TRS	101,241	
OPEB Contributions - IMRF/TRS	88,039	
OPEB Contributions - THIS	117,666	
		1,181,842
Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.		
Repayment of Long-Term Debt		395,000
Change in Net Position of Governmental Activities		$ 5,146,254

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - DESCRIPTION OF JOINT AGREEMENT

The Special Education District of Lake County, SEJA District No. 825 (SEDOL) is a joint agreement district organized under Section 10-22.31 of the Illinois School Code for the purpose of providing education and services for children with disabilities of its member school districts as defined and mandated by the provisions of the Illinois School Code. SEDOL is governed by provisions of the Illinois Code and the Articles of Joint Agreement of the Special Education District of Lake County.

Membership in SEDOL may be obtained upon application and must demonstrate the ability to comply with these Articles and the policies and procedures of the Governing Board and Executive Board. Membership is continuous except as provided in the Articles of Joint Agreement for removal or withdrawal.

The following Districts are members of SEDOL at June 30, 2023:

DISTRICT NO.
Winthrop Harbor District #1
Beach Park Community Consolidated School District #3
Zion School District #6
Millburn Community Consolidated School District #24
Emmons School District #33
Antioch Community Consolidated School District #34
Grass Lake School District #36
Gavin School District #37
Big Hollow School District #38
Lake Villa Community Consolidated School District #41
Grayslake Community Consolidated School District #46
Woodland Community Consolidated School District #50
Gurnee School District #56
Oak Grove School District #68
Libertyville School District #70
Rondout School District #72
Hawthorn Community Consolidated School District #73
Mundelein School District #75
Diamond Lake School District #76
Fremont School District #79
Aptakisic-Tripp Community Consolidated School District #102
Round Lake Community Unit School District #116
Community High School District #117
Wauconda Community Unit School District #118
Mundelein Consolidated High School District #120
Warren Township High School District #121
Grant Community High School District #124
Zion-Benton Township High School District #126
Grayslake Community High School District #127
Community High School District #128
North Chicago Community Unit School District #187

The purpose of SEDOL is to provide for the administration to oversee the Special Education programs described in Article 14 of the School Code as programs for:

Orthopedic Impairment
Specific Learning Disability
Visual Impairment including Blindness
Deafness
Deaf/Blindness
Other Health Impairment
Developmental Delay
Autism
Traumatic Brain Injury
Multiple Disabilities
Emotional Disability
Hearing Impairment
Intellectual Disability

Excluded, however, are programs for the hospitalized, the homebound, and the speech/language disability which each district shall provide at its own expense. If additional mandatory categories are added to Article 14, SEDOL's Governing Board shall determine whether they shall be included in the programs operated by SEDOL. Member districts may employ services of support staff and itinerant teachers on a contractual basis through SEDOL.

SEDOL is under the direction of a governing board composed of one Board of Education member from each member district selected by the local Board of Education. Under the Articles of Joint Agreement, the Governing Board is responsible for the following:

1. Amendments to the Articles of Joint Agreement
2. Appointment of the Executive Board
3. Setting overall policies
4. Holding an annual budget hearing, approval of which shall be a majority vote of the entire Governing Board reflecting the decision of member school districts
5. Purchase or sale of property
6. Approval of bond issues

The Governing Board shall appoint an Executive Board consisting of nine members: four superintendents of SEDOL District Members, four members of the Governing Board, and the Lake County Regional Superintendent of Schools. The primary responsibilities of the Executive Board are as follows:

1. Preparation of the annual budget for submission to the Governing Board
2. Establishing policies of operation
3. Entering into agreements with other community or state agencies for the benefit of students in SEDOL programs
4. To let contracts for new construction
5. Employment of personnel

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SEDOL's accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

SEDOL's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established by GAAP and used by SEDOL are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statements, in that the financial statements include all organizations, activities, and functions that comprise SEDOL. Component units are legally separate entities for which SEDOL (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) SEDOL's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, SEDOL. Using these criteria, SEDOL has no component units. In addition, SEDOL is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

SEDOL's basic financial statements include both government-wide (reporting SEDOL as a whole) and fund (reporting SEDOL's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of SEDOL as governmental activities. SEDOL does not have any business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of SEDOL's functions. The functions are also supported by general government revenues (unrestricted investment earnings). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (special education programs, non-programmed services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (unrestricted investment earnings).

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation

SEDOL does not allocate indirect costs.

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

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of SEDOL 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, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of all governmental funds) for the determination of major funds. SEDOL electively made all governmental funds major funds.

The following fund types are used by SEDOL:

Governmental Fund Types - 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 SEDOL:

General Fund – The General Fund (Educational Fund) is the general operating fund of SEDOL. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and related fees on general long-term debt.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to the general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all of SEDOL's funds. Instead, the funds maintain their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other SEDOL funds and are, therefore, interfund loans that have not been authorized by SEDOL Board action.

No SEDOL fund had a cash overdraft at June 30, 2023.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Prepaid items are for payments made by SEDOL in the current year for goods and services received in the subsequent fiscal year, and the reserve for prepaid items in the governmental funds has been recorded to signify that a portion of fund balance is not available for subsequent expenditures.

H. *Inventories*

It is SEDOL's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of $2,500 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Improvements Other than Buildings	20 years
Vehicles	5 years
Equipment Other than Transportation/Food Service	3-10 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts up to specified maximums depending on tenure with SEDOL.

M. *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 amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year they occur.

In the fund financial statements, governmental funds 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.

N. *Lease and Subscription Based Information Technology Arrangements*

SEDOL recognizes right-to-use liabilities and assets for various leases and subscription-based information technology (IT) arrangements in the government-wide financial statements.

At the commencement of a lease or subscription-based IT agreement, SEDOL initially measures the right-to-use liability at the present value of the payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion of the payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgements related to leases or subscription-based IT agreements include how SEDOL determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

SEDOL uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, SEDOL uses its estimated incremental borrowing rate as the discount rate for leases and subscription-based IT agreements.

The term includes the noncancellable period of the lease or subscription-based IT agreement. Payments included in the measurement of the right-to-use liability are composed of the fixed payments and purchase option prices that SEDOL is reasonably certain to exercise.

SEDOL monitors changes in circumstances that would require a remeasurement of its lease or subscription-based IT agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position.

SEDOL currently has no material leases or subscription-based IT agreements that fall under this type of arrangement.

O. *Government-Wide Fund Net Position*

Government-wide fund net position is divided into three components:

- Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted Net Position – consists of net position that is restricted by SEDOL's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – all other net position is reported in this category.

P. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Executive Board. Committed amounts cannot be used for any other purpose unless the Executive Board removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by SEDOL's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Executive Board has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Pursuant to a resolution by the Executive Board, the Assistance Superintendent of Business, CSBO has been delegated this authority.

  Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt

  services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of SEDOL itself.
- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

SEDOL permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT

Deposits with financial institutions are fully insured or collateralized by securities held in SEDOL's name.

SEDOL is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

As of June 30, 2023, SEDOL had the following investments, maturities, and fair value measurements:

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		
				Level 1	Level 2	NAV
U.S. Treasury Securities	Not Rated	less than 1 year	$ 7,659,820	$ 7,659,820	$ -	$ -
Certificate of Deposits	N/A	less than 1 year	3,817,650	-	3,817,650	-
State Investment Pool	AAAm	less than 1 year	7,057,853	-	-	7,057,853
Total Investments			$ 18,535,323	$ 7,659,820	$ 3,817,650	$ 7,057,853

The fair value of investments in the State Investment Pool and U.S. Treasury Securities is the same as cost. The State Investment Pool and Term Series securities are not SEC-registered but do have regulatory oversight through the State of Illinois.

SEDOL 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.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. SEDOL's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. SEDOL's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided.

NOTE 4 - NOTES RECEIVABLE

SEDOL has notes receivable from its member districts reflecting the principal due on the 2015B Special Education Refunding Bond issued as described in Note 7. The member districts are liable for the repayment of the debt regardless of continued membership in SEDOL and are billed annually according to the debt repayment schedule. At June 30, 2023, the balance due on these notes was $1,290,000.

SEDOL has a note receivable representing an amount due from a lease termination agreement with a former member district. The agreement provides for SEDOL to receive semi-annual payments through August 1, 2029 as reimbursement for capital expenditures made while the property was being used. Payments received during the fiscal year totaled $99,304 and the balance due as of June 30, 2023 was $721,776.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities				
Capital Assets not being depreciated				
Land	$ 1,260,625	$ -	$ -	$ 1,260,625
Construction in Progress	80,611	314,656	80,611	314,656
Total Capital Assets not being depreciated	$ 1,341,236	$ 314,656	$ 80,611	$ 1,575,281
Other Capital Assets				
Buildings	$ 48,799,241	$ -	$ 560,250	$ 48,238,991
Improvements Other than Buildings	6,650,007	90,107	-	6,740,114
Vehicles	471,200	-	33,978	437,222
Equipment Other than Transportation/Food Service	2,524,609	361,378	-	2,885,987
Total Other Capital Assets at Historical Cost	$ 58,445,057	$ 451,485	$ 594,228	$ 58,302,314
Less Accumulated Depreciation				
Buildings	$ 16,767,068	$ 988,200	$ 234,177	$ 17,521,091
Improvements Other than Buildings	2,337,791	291,040	-	2,628,831
Vehicles	391,682	10,196	33,978	367,900
Equipment Other than Transportation/Food Service	1,910,679	134,062	-	2,044,741
Total Accumulated Depreciation	$ 21,407,220	$ 1,423,498	$ 268,155	$ 22,562,563
Other Capital Assets, Net	$ 37,037,837	$ (972,013)	$ 326,073	$ 35,739,751
Governmental Activities Capital Assets, Net	$ 38,379,073	$ (657,357)	$ 406,684	$ 37,315,032

All depreciation expense is unallocated.

NOTE 6 - NET INVESTMENT IN CAPITAL ASSET CALCULATION

Net investment in capital asset calculation as of June 30, 2023 was as follows:

Governmental Activities	
Capital Assets, Net of Accumulated Depreciation	$ 37,315,032
Less:	
Capital Related Debt	(182,236)
Investment in Capital Assets	$ 37,132,796

NOTE 7 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
Special Education Refunding Bonds Series 2015B	$ 1,685,000	$ -	$ 395,000	$ 1,290,000	$ 410,000
Unamortized Bond Premium	215,369	-	33,133	182,236	33,134
Total Bonds and Notes Payable	$ 1,900,369	$ -	$ 428,133	$ 1,472,236	$ 443,134
Other Long -Term Liabilities					
Compensated Absences	$ 109,751	$ 106,508	$ 109,751	$ 106,508	$ 106,508
Total Other Long-Term Liabilities	$ 109,751	$ 106,508	$ 109,751	$ 106,508	$ 106,508
Governmental Activities Long-Term Obligations	$ 2,010,120	$ 106,508	$ 537,884	$ 1,578,744	$ 549,642

Bonds and notes payable consisted of the following at June 30, 2023:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities				
Refunding Bonds 2015B, Dated 4/23/15	10/1/2028	2.00% - 5.00%	$ 4,845,000	$ 1,290,000

At June 30, 2023 the annual debt service requirements to service all long-term debt are:

Year Ending June 30	Principal	Interest	Total
2024	$ 410,000.0	$ 54,250.0	$ 464,250.0
2025	240,000	38,000	278,000
2026	150,000	28,250	178,250
2027	155,000	20,625	175,625
2028	165,000	12,625	177,625
2029	170,000	4,250	174,250
	$ 1,290,000	$ 158,000	$ 1,448,000

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
Refunding Bonds	Debt Services Fund
Compensated Absences	General Fund and Operations and Maintenance Fund

NOTE 8 - DEFICIT FUND BALANCE

No SEDOL fund had a deficit fund balance at June 30, 2023.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

SEDOL 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 be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at http://www.trsil.org/financial/acfrs/fy2022; 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 I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with twenty years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service.

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III 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 program that expire on June 30, 2026. Once program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and were funded by bonds issued by the state of Illinois.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022 was 9.0% 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 SEDOL. For the year ended June 30, 2023, State of Illinois contributions recognized by SEDOL were based on the State's proportionate share of the collective net pension liability associated with SEDOL, and SEDOL recognized revenue and expenditures of $9,836,052 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023, were $101,859 and are deferred because they were paid after the June 30, 2022 measurement date.

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

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

For the year ended June 30, 2023, SEDOL pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling $17,375 were paid from federal and special trust funds that required SEDOL contributions of $1,823.

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% if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, SEDOL paid $0 to TRS for employer contributions due on salary increases in excess of 6% 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, 2023, SEDOL 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 SEDOL. The State's support and total are for disclosure purposes only. The amount recognized by SEDOL 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 SEDOL follows below:

SEDOL's proportionate share of the net pension liability	$ 1,443,547
State's proportionate share of the net pension liability associated with SEDOL	125,218,155
Total Net Pension Liability	$ 126,661,702

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on SEDOL's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2022, SEDOL's proportion was 0.0017217813%, which was a decrease of 0.0002602037% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, SEDOL recognized pension expense of $9,836,052 and revenue of $9,836,052 for support provided by the State. At June 30, 2023, SEDOL reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ 2,902	$ 7,959	$ (5,057)
Net difference between projected and actual earnings on pension plan investments	1,321	-	1,321
Changes of assumptions	6,656	2,756	3,900
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	480,517	(480,517)
Employer contributions subsequent to the measurement date	101,859	-	101,859
	$ 112,738	$ 491,232	$ (378,494)

$101,859 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ending June 30	
2024	$ (145,115)
2025	(139,306)
2026	(125,727)
2027	(52,901)
2028	(17,304)
	$ (480,353)

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.3%	5.73%
U.S. equities small/mid cap	1.9%	6.78%
International equities developed	14.1%	6.56%
Emerging market equities	4.7%	8.55%
U.S. bonds core	6.9%	1.15%
Cash equivalents	1.2%	-0.32%
TIPS	0.5%	0.33%
International debt developed	1.2%	6.56%
Emerging international debt	3.7%	3.76%
Real estate	16.0%	5.42%
Private Debt	12.5%	5.29%
Hedge Funds	4.0%	3.48%
Private Equity	15.0%	10.04%
Infrastructure	2.0%	5.86%
Total	100.0%	

Discount Rate

At June 30, 2022, the discount rate used to measure total pension liability was 7.00%, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	$ 1,765,471	$ 1,443,547	$ 1,176,597

TRS Fiduciary Net Position

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

B. *Illinois Municipal Retirement Fund*

Plan Description

SEDOL's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. SEDOL's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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 ten 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 ten 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.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	378
Inactive plan members entitled to but not yet receiving benefits	769
Active plan members	344
Total	1,491

Contributions

As set by statute, SEDOL'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. SEDOL's annual contribution rates for calendar years 2022 and 2023 were 8.37% and 4.66%, respectively. For the fiscal year ended June 30, 2023, SEDOL contributed $874,897 to the plan. SEDOL also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2022, and a measurement date as of December 31, 2022, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	$	88,920,569
IMRF Fiduciary Net Position		82,642,271
SEDOL's Net Pension Liability/(Asset)		6,278,298
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		92.94%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

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

Assumptions	
Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. 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 were used. 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 were used.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Asset Class	Target Allocation	Projected Return
Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternatives	9.50%	
Private Equity		9.90%
Hedge Funds		N/A
Commodities		6.25%
Cash	1.00%	4.00%
	100.0%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A)-(B)
Balances at December 31, 2021	$ 85,801,252	$ 99,149,295	$ (13,348,043)
Changes for the year:			
Service Cost	$ 1,171,485	$ -	$ 1,171,485
Interest on the Total Pension Liability	6,092,974	-	6,092,974
Differences Between Expected and Actual Experience of the Total Pension Liability	546,792	-	546,792
Contributions - Employer	-	1,051,094	(1,051,094)
Contributions - Employee	-	557,480	(557,480)
Net Investment Income	-	(12,981,639)	12,981,639
Benefit Payments, including Refunds of Employee Contributions	(4,691,934)	(4,691,934)	-
Other (Net Transfer)	-	(442,025)	442,025
Net Changes	$ 3,119,317	$ (16,507,024)	$ 19,626,341
Balances at December 31, 2022	$ 88,920,569	$ 82,642,271	$ 6,278,298

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	$ 15,848,084	$ 6,278,298	$ (1,586,932)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, SEDOL recognized pension expense/(income) of $1,921,253. At June 30, 2023, SEDOL reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	$ 421,735	$ -	$ 421,735
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	6,929,571	-	6,929,571
Total deferred amounts to be recognized in pension expense in future periods	$ 7,351,306	$ -	$ 7,351,306
Pension contributions made subsequent to the measurement date	355,622	-	355,622
Total deferred amounts related to pensions	$ 7,706,928	$ -	$ 7,706,928

$355,622 reported as deferred outflows of resources related to pensions resulting from SEDOL's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of of Resources
2023	$ (58,450)
2024	1,138,779
2025	2,262,545
2026	4,008,432
	$ 7,351,306

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. SEDOL paid the total required contribution for the current fiscal year.

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (THIS)

General Information About the OPEB Plan

Plan Description

SEDOL 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. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp). The current reports are listed under "Central Management Services" (http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp). Prior reports are available under "Healthcare and Family Services" (http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp).

Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.

- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
  - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
  - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
  - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2023, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. For the fiscal year ended June 30, 2022, the employee contribution was 0.90% of salary and the employer contribution was 0.67% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of SEDOL. For the year ended June 30, 2023, State of Illinois contributions recognized by SEDOL were based on the State's proportionate share of the collective net OPEB liability associated with SEDOL, and SEDOL recognized revenue and expenditures of $161,561 in benefit contributions from the State of Illinois.

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

At June 30, 2023, SEDOL reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to SEDOL. The State's support and total are for disclosure purposes only. The amount recognized by SEDOL 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 SEDOL were as follows:

SEDOL's proportionate share of the net pension liability	$ 4,395,855
State's proportionate share of the net pension liability associated with SEDOL	5,980,142
Total Net Pension Liability	$ 10,375,997

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. SEDOL's proportion of the net OPEB liability was based on SEDOL's share of contributions to THIS for the measurement year ended June 30, 2022, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2022, SEDOL's proportion was 0.064223%, which was an decrease of 0.004078% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, SEDOL recognized benefit expense/(income) of ($2,732,543) and on-behalf revenue/expense of $161,561 for support provided by the State. At June 30, 2023, SEDOL 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	Net Outflows of Resources
Differences between expected and actual experience	$ -	$ 2,875,106	$ (2,875,106)
Net difference between projected and actual earnings on pension plan investments	634	100	534
Changes of assumptions	3,966	10,843,407	(10,839,441)
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,336	4,430,275	(4,391,939)
Employer contributions subsequent to the measurement date	117,628	-	117,628
	$ 160,564	$ 18,148,888	$ (17,988,324)

$117,628 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	
2024	$ (5,469,822)
2025	(5,250,863)
2026	(4,739,029)
2027	(1,993,998)
2028	(652,240)
	$ (18,105,952)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Costs	Trend for fiscal year 2023 based on expected increases used to develop average costs. For fiscal years ending on or after 2023, trend starts at 8.00% for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.81% in 2024, declining gradually to an ultimate rate of 4.25% in 2039.

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

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

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.33%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. 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, THIS's fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. 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 THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2022, the discount rate used to measure the total OPEB liability was 3.69%.

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

The following presents SEDOL's proportionate share of the net OPEB liability calculated using the discount rate of 3.69%, as well as what SEDOL's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.69%) or 1 percentage-point higher (4.69%) than the current rate.

	1% Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Employer's proportionate share of the net OPEB liability	$ 4,885,417	$ 4,395,855	$ 3,892,872

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

The following presents the total OPEB liability of SEDOL, as well as what SEDOL's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 6.00% in 2023, 8.00% in 2024 decreasing to an ultimate trend rate of 4.25% in 2039. The Aetna MAPD plan (Medicare retirees) has a trend rate of 0% from 2024 to 2028, 19.42% for 2029 to 2033, 5.81% in 2034 and then decreasing to the same ultimate trend rate of 4.25% in 2039.

	1% Decrease (a)	Healthcare Cost Valuation Rate	1% Increase (b)
Employer's proportionate share of the net OPEB liability	$ 3,714,629	$ 4,395,855	$ 5,143,512

(a) One percentage point decreases in healthcare trend rates are 5.00% in 2023, 7.00% in 2024, decreasing to an ultimate trend rate of 3.25% in 2039 for Pre-Medicare per capita costs. One percentage point decreases in healthcare trend rates are 2.22% in 2023, 0% in 2024 to 2028, 18.42% from 2029 to 2033, 4.81% in 2034, decreasing to an ultimate trend rate of 3.25% in 2039 for Post-Medicare per capita costs.

(b) One percentage point increases in healthcare trend rates are 7.00% in 2023, 9.00% in 2024, decreasing to an ultimate trend rate of 5.25% in 2039 for Pre-Medicare per capita costs. One percentage point decreases in healthcare trend rates are 4.22% in 2023, 1% in 2024 to 2028, 20.42% from 2029 to 2033, 6.81% in 2034, decreasing to an ultimate trend rate of 5.25% in 2039 for Post-Medicare per capita costs.

NOTE 11 - POST - EMPLOYMENT BENEFIT COMMITMENTS - RETIREE INSURANCE PLAN

Plan Overview

In addition to providing the pension benefits described in Note 9, SEDOL provides post-employment benefits other than pensions ("OPEB") for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by SEDOL and can be amended by SEDOL through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the SEDOL's governmental activities.

Benefits Provided

Special Education District of Lake County provides pre- and post-Medicare postretirement healthcare benefits to employees who work for the District and receive a pension from the Teachers' Retirement System of Illinois (TRS) or the Illinois Municipal Retirement Fund (IMRF).

Certified teachers may continue healthcare coverage after retirement through the Teachers Retirement Insurance Program (TRIP) healthcare plan.

Administrators who became an administrator before July 1, 2005, receiving pension benefits under TRS and healthcare benefits under the Teacher Retirement Insurance Program (TRIP) are eligible for a premium reimbursement from the District. The District provides a premium supplement equal to the lesser

of the employee's premium rate through the District at time of retirement or 100% of the member's share of the TRIP premium to age 65. Administrators who became an administrator on or after July 1, 2005, may continue healthcare coverage after retirement through the Teachers Retirement Insurance Program (TRIP) healthcare plan.

Support staff eligible for pension benefits under IMRF receives access to healthcare coverage under the District's programs provided they pay the full portion of the healthcare premium.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of SEDOL are eligible for retiree health benefits as listed below:

a) IMRF participants are eligible at age 55 with 8 years of service for reduced benefits and at age 60 with 8 years of service or age 55 with 35 years of service for unreduced benefits if hired before January 1, 2011; age 62 with 8 years of service for reduced benefits and at age 67 with 10 years of service or age 62 with 35 years of service for unreduced benefits if hired on or after January 1, 2011.

b) TRS participants are eligible for normal retirement at age 60 with 10 years of service or age 62 with 5 years of service if hired before January 1, 2011; age 67 with 10 years of service if hired on or after January 1, 2011. TRS participants are eligible for early retirement at age 55 with 20 years of service if hired before January 1, 2011; age 62 with 10 years of service if hired on or after January 1, 2011.

c) IMRF participants are eligible for a disability benefit after becoming disabled prior to age 70 with at least 1 year of service, provided that the member is permanently disabled and unable to engage in any gainful occupation and the temporary disability benefit period has expired.

Membership

Membership in the plan consisted of the following at July 1, 2023, the date of the latest actuarial valuation:

Retirees and Beneficiaries	18
Active Members	325
Total	343

Total OPEB Liability

SEDOL's total OPEB liability was measured as of June 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The District's total OPEB liability was measured as of June 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Method:	Entry Age Normal
Discount Rate:	3.65%
Inflation	2.25%
Salary Rate Increase	3.25%
Health Care Trend	
Initial Trend	PPO Plan 4.30%; HMO Plans 8.70%; TRIP Plans 5.00%
Ultimate Trend	PPO Plan 5.00%; HMO Plans 4.75%; TRIP Plans 5.00%
FY the Ultimate Rate is Reached	Fiscal Year 2028

Mortality	**IMRF:** PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020. **TRS:** PubT-2010 Improved Generationally using MP-2020, weighted per TRS Experience Study Report dated September 30, 2021.
Election at Retirement	30% of all employees are assumed to elect coverage at retirement
Marital Status	Of those employees assumed to elect coverage in retirement, 25% are assumed to elect spousal coverage.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience studies performed by both IMRF and TRS in 2020 and 2021, respectively. Assumption changes reflect a change in the discount rate of 0.11% from 3.54% for the beginning of the year values and 3.65% for the disclosure date.

There is no long-term expected rate of return on OPEB plan investments because SEDOL does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

SEDOL does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 3.65% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2023.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2022	$ 528,998	$ -	$ 528,998
Changes for the Year:			
Service Cost	$ 25,909	$ -	$ 25,909
Interest on Total OPEB Liability	17,168	-	17,168
Difference between expected and actual experience	(122,482)	-	(122,482)
Changes in assumptions	1,685	-	1,685
Benefit payments, including refunds of employee contributions	(88,039)	-	(88,039)
Net Changes	$ (165,759)	$ -	$ (165,759)
Balances at June 30, 2023	$ 363,239	$ -	$ 363,239

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

The following presents the total OPEB liability of SEDOL, as well as what SEDOL's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Decrease 2.65%	Current Discount Rate Assumption 3.65%	1% Increase 4.65%
$ 376,403	$ 363,239	$ 350,031

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

The following presents the total OPEB liability of SEDOL, as well as what SEDOL's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ 336,354	$ 363,239	$ 394,065

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

For the fiscal year ended June 30, 2023, SEDOL recognized OPEB expense of $38,440. At June 30, 2023, SEDOL 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	Net Outflows of Resources
Differences between expected and actual experience	$ 39,094	$ (153,427)	$ (114,333)
Changes of assumptions	83,098	(67,808)	15,290
	$ 122,192	$ (221,235)	$ (99,043)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (11.27 years, active and retired) in the postretirement plan.

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

Year Ending June 30	
2024	$ (4,637)
2025	(4,637)
2026	(2,838)
2027	(3,005)
2028	(11,133)
Thereafter	(72,793)
Total	$ (99,043)

NOTE 12 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2023, no funds had expenditures that were over budget.

NOTE 13 - RISK MANAGEMENT

SEDOL is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

SEDOL is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The relationship between SEDOL and CLIC is governed

by a contract and by-laws that have been adopted by resolution of each unit's governing body. SEDOL is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended June 30, 2023, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in any of the past three fiscal years. SEDOL is insured under a retrospectively-rated policy for worker's compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2023, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - SELF INSURANCE

SEDOL is self-insured for medical coverage that is provided to SEDOL personnel. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded as insurance benefits paid on behalf of each employee based on their level of coverage. Amounts are then held by SEDOL for purposes of paying employee health claims received on a monthly basis through the third-party administrator. The total amount of claims to be paid from these funds, or SEDOL if necessary, will not exceed $185,000 per employee due to stop-loss provisions incorporated in the plan. Additionally, SEDOL has purchased aggregate stop-loss coverage. Total cost to SEDOL for the year ended June 30, 2023 was $5,669,827.

NOTE 15 - NET POSITION ADJUSTMENT

An adjustment was made to SEDOL's net position to reflect the previously unreported receivable for reimbursement for capital expenditures under a lease termination agreement along with the disposal of related capital assets.

	Net Position	
Net Position Adjustment		
Adjustment for Note Receivable beginning balance	$ 821,080	
Book value of disposed assets	(326,073)	
Net Prior Period Adjustment		$ 495,007

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE

SEDOL has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes financial reporting standards related to subscription-based information technology arrangements. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements that were required on a retrospective basis.

NOTE 17 - CONSTRUCTION COMMITMENTS

SEDOL has an HVAC construction project in progress at June 30, 2023. The original contract amount was $510,800, with $47,050 being incurred before year-end. Expected remaining payments total $468,455.

NOTE 18 - SUBSEQUENT EVENTS

On March 1, 2023, SEDOL's Governing Board approved a real estate purchase agreement resolution to purchase Fairhaven School which was previously being rented from School District No. 76. On May 25, 2023 the Executive Board approved a transfer of $2,150,000 from the Educational Fund to the Operations and Maintenance Fund for the purchase. The transaction closed on July 7, 2023 at a total purchase price of $2,152,445.

On March 6, 2024, SEDOL's Governing Board approved a real estate sale agreement for the sale of South School to Mundelein School District No. 75 for $630,000. The transaction closed on June 20, 2024 and the proceeds were deposited in the Operations and Maintenance Fund.

REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY/(ASSET) AND RELATED RATIOS
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY									
Service Cost	$ 1,171,485	$ 1,220,317	$ 1,329,391	$ 1,364,959	$ 1,342,123	$ 1,454,312	$ 1,419,881	$ 1,447,896	$ 1,574,820
Interest	6,092,974	5,845,966	5,712,105	5,433,596	5,219,571	5,067,408	4,771,376	4,466,581	4,004,483
Differences Between Expected and Actual Experience	546,792	858,249	(389,885)	998,893	236,723	581,687	385,523	410,338	131,259
Changes in Assumptions	-	-	(522,653)	-	2,056,359	(1,935,269)	-	-	2,392,852
Benefit Payments, Including Refunds of Member Contributions	(4,691,934)	(4,294,262)	(4,161,872)	(3,714,445)	(3,314,210)	(2,852,190)	(2,441,619)	(2,052,129)	(1,705,156)
Net Change in Total Pension Liability	$ 3,119,317	$ 3,630,270	$ 1,967,086	$ 4,083,003	$ 5,540,566	$ 2,315,948	$ 4,135,161	$ 4,272,686	$ 6,398,258
Total Pension Liability - Beginning	85,801,252	82,170,982	80,203,896	76,120,893	70,580,327	68,264,379	64,129,218	59,856,532	53,458,274
Total Pension Liability - Ending	$ 88,920,569	$ 85,801,252	$ 82,170,982	$ 80,203,896	$ 76,120,893	$ 70,580,327	$ 68,264,379	$ 64,129,218	$ 59,856,532
PLAN FIDUCIARY NET POSITION									
Contributions - Employer	$ 1,051,094	$ 1,508,640	$ 1,530,321	$ 1,235,938	$ 1,687,310	$ 1,727,011	$ 1,705,294	$ 1,614,439	$ 1,773,043
Contributions - Member	557,480	571,058	575,499	594,688	610,768	686,411	589,461	596,005	687,849
Net Investment Income	(12,981,639)	14,925,488	11,305,357	12,654,900	(3,935,155)	10,718,296	3,951,796	288,310	3,277,285
Benefit Payments, Including Refunds of Member Contributions	(4,691,934)	(4,294,262)	(4,161,872)	(3,714,445)	(3,314,210)	(2,852,190)	(2,441,619)	(2,052,129)	(1,705,156)
Other	(442,025)	(263,040)	(625,831)	142,864	1,130,644	(765,098)	454,103	(818,229)	201,634
Net Change in Plan Fiduciary Net Position	$ (16,507,024)	$ 12,447,884	$ 8,623,474	$ 10,913,945	$ (3,820,643)	$ 9,514,430	$ 4,259,035	$ (371,604)	$ 4,234,655
Plan Net Position - Beginning	99,149,295	86,701,411	78,077,937	67,163,992	70,984,635	61,470,205	57,211,170	57,582,774	53,348,119
Plan Net Position - Ending	$ 82,642,271	$ 99,149,295	$ 86,701,411	$ 78,077,937	$ 67,163,992	$ 70,984,635	$ 61,470,205	$ 57,211,170	$ 57,582,774
District's Net Pension Liability/(Asset)	$ 6,278,298	$ (13,348,043)	$ (4,530,429)	$ 2,125,959	$ 8,956,901	$ (404,308)	$ 6,794,174	$ 6,918,048	$ 2,273,758
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	92.94%	115.56%	105.51%	97.35%	88.23%	100.57%	90.05%	89.21%	96.20%
Covered Payroll	$ 12,379,579	$ 12,645,765	$ 12,707,721	$ 13,215,721	$ 13,306,864	$ 13,283,766	$ 13,039,329	$ 12,848,332	$ 13,046,683
Employer's Net Pension Liability/(Asset) as a percentage of Covered-Valuation Payroll	50.71%	-105.55%	-35.65%	16.09%	67.31%	-3.04%	52.11%	53.84%	17.43%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	$ 1,036,171	$ 1,508,640	$ 1,514,760	$ 1,214,473	$ 1,666,672	$ 1,724,378	$ 1,697,721	$ 1,591,908	$ 1,714,298
Contributions in relation to Actuarially-Determined Contribution	1,051,094	1,508,640	1,530,321	1,235,938	1,687,310	1,727,011	1,705,294	1,614,439	1,773,043
Contribution deficiency/(excess)	$ (14,923)	$ -	$ (15,561)	$ (21,465)	$ (20,638)	$ (2,633)	$ (7,573)	$ (22,531)	$ (58,745)
Covered Payroll	$ 13,657,078	$ 12,448,009	$ 12,693,505	$ 13,355,628	$ 13,156,672	$ 13,281,847	$ 13,039,329	$ 12,848,332	$ 12,614,406
Contributions as a percentage of Covered-Valuation Payroll	7.70%	12.12%	12.06%	9.25%	12.82%	13.00%	13.08%	12.57%	14.06%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2022 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 21-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 2.75%

Price Inflation: 2.25%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 2.85% to 13.75%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

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

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0017218%	0.0019820%	0.0023465%	0.0025994%	0.0026704%	0.0027506%	0.0036590%	0.0053431%	0.0051317%
Employer's proportionate share of the Net Pension Liability	$ 1,443,547	$ 1,546,172	$ 2,023,012	$ 2,108,322	$ 2,081,423	$ 2,101,418	$ 2,888,294	$ 3,500,293	$ 3,123,083
State's proportionate share of the Net Pension Liability associated with the employer	125,218,155	129,585,659	158,452,837	150,046,996	142,586,223	136,779,955	165,119,243	156,086,583	156,829,474
Total	$ 126,661,702	$ 131,131,831	$ 160,475,849	$ 152,155,318	$ 144,667,646	$ 138,881,373	$ 168,007,537	$ 159,586,876	$ 159,952,557
Employer's Covered-Employee Payroll	$ 17,719,700	$ 17,670,914	$ 19,726,474	$ 19,252,129	$ 18,890,547	$ 19,715,403	$ 20,024,587	$ 24,772,230	$ 25,077,002
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	8.15%	8.75%	10.26%	10.95%	11.02%	10.66%	14.42%	14.13%	12.45%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	42.80%	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

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

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Changes of Assumptions:

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

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

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. 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.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Statutorily-Required Contribution	$ 102,796	$ 103,103	$ 114,388	$ 117,721	$ 110,952	$ 113,324	$ 141,704	$ 182,484	$ 191,119
Contributions in relation to the Statutorily-Required Contribution	102,178	103,103	114,414	111,662	109,565	113,324	141,704	187,223	191,119
Contribution deficiency/(excess)	$ 618	$ -	$ (26)	$ 6,059	$ 1,387	$ -	$ -	$ (4,739)	$ -
Employer's Covered-Employee Payroll	$ 17,556,437	$ 17,719,700	$ 17,670,914	$ 19,726,474	$ 19,252,129	$ 18,890,547	$ 20,024,587	$ 24,772,230	$ 25,077,002
Contributions as a percentage of Covered-Employee Payroll	0.58%	0.58%	0.65%	0.57%	0.57%	0.60%	0.71%	0.76%	0.76%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.0642230%	0.0683010%	0.0779860%	0.0777997%	0.0803450%	0.0857290%
Employer's proportionate share of the Net OPEB Liability	$ 4,395,855	$ 15,064,044	$ 20,850,297	$ 21,532,997	$ 21,167,687	$ 22,246,202
State's proportionate share of the Net OPEB Liability associated with the employer	5,980,142	20,424,640	28,246,468	29,158,402	28,423,510	29,215,031
Total	$ 10,375,997	$ 35,488,684	$ 49,096,765	$ 50,691,399	$ 49,591,197	$ 51,461,233
Covered Payroll	$ 17,719,700	$ 17,670,914	$ 19,726,474	$ 19,252,129	$ 18,905,653	$ 19,730,517
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	24.81%	85.25%	105.70%	111.85%	111.96%	112.75%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	5.24%	1.40%	0.70%	0.25%	-0.07%	-0.17%

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

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Changes of Assumptions:

For the 2022 measurement year, projected per capita costs were adjusted to reflect the newly established zero premium MAPD plan and the discount rate was changed from 1.92% to 3.69%.

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *
Statutorily-Required Contribution	$ 118,722	$ 163,103	$ 181,498	$ 175,921	$ 167,610	$ 165,661
Contributions in relation to the Statutorily-Required Contribution	118,760	162,572	181,484	177,120	166,237	165,609
Contribution deficiency/(excess)	$ (38)	$ 531	$ 14	$ (1,199)	$ 1,373	$ 52
Employer's Covered Payroll	$ 17,556,437	$ 17,719,700	$ 17,670,914	$ 19,726,474	$ 19,263,828	$ 18,905,653
Contributions as a percentage of Covered Payroll	0.68%	0.92%	1.03%	0.90%	0.86%	0.88%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2023

	6/30/2023 *	6/30/2022 *	6/30/2021 *	6/30/2020 *	6/30/2019 *	6/30/2018 *
TOTAL OPEB LIABILITY						
Service Cost	$ 25,909	$ 29,544	$ 36,553	$ 33,247	$ 28,448	$ 30,778
Interest	17,168	12,960	18,659	24,267	23,807	22,277
Changes in Benefit Terms	-	-	35,772	-	-	-
Differences Between Expected and Actual Experience	(122,482)	-	(56,417)	18,913	65,763	(4,209)
Changes in Assumptions (a)	1,685	(73,317)	86,289	15,570	24,757	(28,219)
Benefit Payments, including refunds of employee contributions (b)	(88,039)	(80,374)	(153,661)	(144,475)	(142,649)	(122,427)
Net Change in Total OPEB Liability	$ (165,759)	$ (111,187)	$ (32,805)	$ (52,478)	$ 126	$ (101,800)
Total OPEB Liability - Beginning	528,998	640,185	672,990	725,468	725,342	827,142
Total OPEB Liability - Ending	$ 363,239	$ 528,998	$ 640,185	$ 672,990	$ 725,468	$ 725,342
Covered-Employee Payroll	$ 11,812,967	$ 12,500,883	$ 12,255,507	$ 12,126,558	$ 11,744,850	$ 13,360,528
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	3.07%	4.23%	5.22%	5.55%	6.18%	5.43%

Notes to Schedule:

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

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period:	3.65%	3.54%	2.16%	3.13%	3.62%	3.56%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Tuition	$ 35,085,603	$ 33,730,702
Earnings on Investments	110,961	471,955
Food Service	20,000	21,105
Other Local Sources	6,946,785	6,785,327
State Aid		
General State Aid	3,751,500	3,751,446
State Free Lunch and Breakfast	3,000	2,582
Other Restricted Revenue from State Sources	-	223,363
Federal Aid		
Flow-Through Revenue	824,000	561,848
Food Service	205,000	249,823
Medicaid Matching Funds - Administrative Outreach	176,000	180,757
Medicaid Matching Funds - Fee-for-Service Program	46,130	-
Other Federal Aid	2,890,264	1,687,901
State Retirement Contributions	15,500,000	9,997,613
Total Revenues	$ 65,559,243	$ 57,664,422
EXPENDITURES		
Current		
Instruction		
Special Education Programs		
Salaries	$ 15,666,090	$ 13,935,484
Employee Benefits	5,172,196	3,743,140
Purchased Services	1,271,599	1,101,499
Supplies and Materials	980,715	178,729
Other Objects	-	6,120
Non-Capitalized Equipment	43,500	76,099
	$ 23,134,100	$ 19,041,071
Special Education Programs Pre-K		
Salaries	$ 668,688	$ 857,845
Employee Benefits	214,299	225,815
Purchased Services	715	-
Supplies and Materials	1,597	723
	$ 885,299	$ 1,084,383
CTE Programs		
Salaries	$ 805,080	$ 555,048
Employee Benefits	324,574	207,622
Purchased Services	17,173	26,780
Supplies and Materials	2,490	2,588
	$ 1,149,317	$ 792,038
Summer School Programs		
Salaries	$ 486,603	$ 578,078
Employee Benefits	32,695	31,725
Purchased Services	38,583	293,118
Supplies and Materials	1,534	21,540
Non-Capitalized Equipment	-	169,375
	$ 559,415	$ 1,093,836
Truant Alternative and Optional Programs		
Salaries	$ 266,079	$ 602,223
Employee Benefits	75,346	115,279
Purchased Services	-	5,579
	$ 341,425	$ 723,081

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Current (Continued)		
Instruction (Continued)		
Private Tuition - Other Objects		
Special Education Programs K-12	$ 1,000,000	$ 1,028,351
	$ 1,000,000	$ 1,028,351
State Retirement Contributions	$ 15,500,000	$ 9,997,613
Total Instruction	$ 42,569,556	$ 33,760,373
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	$ 2,490,781	$ 2,278,215
Employee Benefits	523,049	395,338
Purchased Services	80,680	111,536
Supplies and Materials	134,545	1,059
Other Objects	-	35
	$ 3,229,055	$ 2,786,183
Guidance Services		
Purchased Services	$ -	$ 22,500
	$ -	$ 22,500
Health Services		
Salaries	$ 4,067,044	$ 3,968,393
Employee Benefits	1,065,300	843,514
Purchased Services	173,310	617,115
Supplies and Materials	67,176	27,649
Other Objects	-	381
Non-Capitalized Equipment	3,000	3,259
	$ 5,375,830	$ 5,460,311
Psychological Services		
Salaries	$ 884,636	$ 625,091
Employee Benefits	189,495	89,803
Purchased Services	87,524	9,144
Supplies and Materials	6,219	4,780
	$ 1,167,874	$ 728,818
Speech Pathology and Audiology Services		
Salaries	$ 2,555,898	$ 2,117,825
Employee Benefits	558,199	391,793
Purchased Services	50,931	301,872
Supplies and Materials	23,089	17,881
Other Objects	-	4,475
Non-Capitalized Equipment	3,000	7,407
	$ 3,191,117	$ 2,841,253
Other Support Services - Pupils		
Purchased Services	$ 68,525	$ -
	$ 68,525	$ -
Total Support Services - Pupils	$ 13,032,401	$ 11,839,065

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Current (Continued)		
Support Services (Continued)		
Instructional Staff		
Improvement of Instruction Services		
Salaries	$ 476,727	$ 369,873
Employee Benefits	169,047	96,143
Purchased Services	477,893	404,193
Supplies and Materials	7,194	31,930
Non-Capitalized Equipment	10,000	1,220
	$ 1,140,861	$ 903,359
Educational Media Services		
Salaries	$ 122,584	$ 20,676
Employee Benefits	36,609	6,920
Purchased Services	573,915	529,955
Supplies and Materials	139,252	48,765
Non-Capitalized Equipment	-	37,576
	$ 872,360	$ 643,892
Total Support Services - Instructional Staff	$ 2,013,221	$ 1,547,251
General Administration		
Board of Education Services		
Salaries	$ 20,277	$ 6,500
Employee Benefits	131,581	89,341
Purchased Services	271,717	621,270
Supplies and Materials	9,081	7,334
	$ 432,656	$ 724,445
Executive Administration Services		
Salaries	$ 860,357	$ 990,047
Employee Benefits	364,187	326,385
Purchased Services	47,487	96,973
Supplies and Materials	19,530	22,228
Other Objects	-	8,329
Non-Capitalized Equipment	-	5,005
	$ 1,291,561	$ 1,448,967
Total Support Services - General Administration	$ 1,724,217	$ 2,173,412
School Administration		
Office of the Principal Services		
Salaries	$ 1,941,295	$ 1,791,929
Employee Benefits	763,926	572,301
Purchased Services	2,274	8,533
Supplies and Materials	1,832	2,764
Other Objects	-	2,574
	$ 2,709,327	$ 2,378,101
Other Support Services - School Administration		
Purchased Services	$ 200,000	$ -
Supplies and Materials	7,390	105,383
Non-Capitalized Equipment	-	154,465
	$ 207,390	$ 259,848
Total Support Services - School Administration	$ 2,916,717	$ 2,637,949

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Current (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	$ 129,375	$ 160,132
Employee Benefits	32,058	55,346
Purchased Services	50,903	68,928
Supplies and Materials	200	3,490
	$ 212,536	$ 287,896
Fiscal Services		
Salaries	$ 339,855	$ 323,130
Employee Benefits	153,150	101,423
Purchased Services	25,000	15,914
Supplies and Materials	7,453	3,815
	$ 525,458	$ 444,282
Total Support Services - Business	$ 737,994	$ 732,178
Operations and Maintenance		
Supplies and Materials	$ -	$ 1,315
Total Support Services - Operations and Maintenance	$ -	$ 1,315
Food Services		
Salaries	$ -	$ 9,027
Employee Benefits	-	725
Purchased Services	235,727	264,559
Supplies and Materials	-	3,360
Non-Capitalized Equipment	-	6,480
Total Support Services - Food Services	$ 235,727	$ 284,151
Central		
Data Processing Services		
Salaries	$ 31,520	$ 30,495
Employee Benefits	9,004	7,278
Purchased Services	239,617	39,624
Supplies and Materials	38,397	173
Non-Capitalized Equipment	340,500	601
	$ 659,038	$ 78,171
Total Support Services - Central	$ 659,038	$ 78,171
Total Support Services	$ 21,319,315	$ 19,293,492
Community Services		
Purchased Services	$ 95,483	$ 225,420
Supplies and Materials	167,708	52,433
Non-Capitalized Equipment	-	1,150
Total Community Services	$ 263,191	$ 279,003

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	$ 263,614	$ 104,955
Other Objects	818,000	561,848
	$ 1,081,614	$ 666,803
Total Payments to Other Districts and Governmental Units (In-State)	$ 1,081,614	$ 666,803
Total Intergovernmental Payments	$ 1,081,614	$ 666,803
Capital Outlay		
Instruction		
Special Education Programs	$ 22,600	$ 144,841
Support Services		
Instructional Staff	177,400	58,949
General Administration	-	5,718
School Administration	-	27,830
Central	-	276,122
Total Capital Outlay	$ 200,000	$ 513,460
Total Expenditures	$ 65,433,676	$ 54,513,131
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 125,567	$ 3,151,291
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(250,000)	(2,400,000)
NET CHANGE IN FUND BALANCE	$ (124,433)	$ 751,291
FUND BALANCE - JULY 1, 2022		14,392,752
FUND BALANCE - JUNE 30, 2023		$ 15,144,043

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	$ 9,873	$ 69,007
Other Local Sources	3,284,872	3,195,682
State Aid		
School Infrastructure - Maintenance	-	50,000
Federal Aid		
Other Federal Aid	100,000	-
Total Revenues	$ 3,394,745	$ 3,314,689
EXPENDITURES		
Current		
Support Services		
Operations and Maintenance		
Salaries	$ 1,052,145	$ 1,022,804
Employee Benefits	324,966	302,435
Purchased Services	705,500	856,748
Supplies and Materials	536,036	438,287
Other Objects	-	110
Non-Capitalized Equipment	91,000	13,298
Total Support Services - Operations and Maintenance	$ 2,709,647	$ 2,633,682
Total Support Services	$ 2,709,647	$ 2,633,682
Capital Outlay		
Support Services		
Operations and Maintenance	$ 594,112	$ 172,070
Total Capital Outlay	$ 594,112	$ 172,070
Total Expenditures	$ 3,303,759	$ 2,805,752
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 90,986	$ 508,937
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	$ -	$ 2,150,000
Sale or Compensation for Fixed Assets	-	900
Total Other Financing Sources (Uses)	$ -	$ 2,150,900
NET CHANGE IN FUND BALANCE	$ 90,986	$ 2,659,837
FUND BALANCE - JULY 1, 2022		2,906,275
FUND BALANCE - JUNE 30, 2023		$ 5,566,112

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	$ 2,600	$ 17,242
State Aid		
Transportation	333,478	292,001
Total Revenues	$ 336,078	$ 309,243
EXPENDITURES		
Current		
Support Services		
Transportation		
Salaries	$ 59,087	$ 68,466
Employee Benefits	41,458	26,599
Purchased Services	958,201	555,874
Supplies and Materials	5,000	3,298
Total Support Services - Transportation	$ 1,063,746	$ 654,237
Total Support Services	$ 1,063,746	$ 654,237
Total Expenditures	$ 1,063,746	$ 654,237
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (727,668)	$ (344,994)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	250,000	250,000
NET CHANGE IN FUND BALANCE	$ (477,668)	$ (94,994)
FUND BALANCE - JULY 1, 2022		1,071,185
FUND BALANCE - JUNE 30, 2023		$ 976,191

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	$ 666	$ 52,107
Other Local Sources	1,405,500	1,404,561
Total Revenues	$ 1,406,166	$ 1,456,668
EXPENDITURES		
Current		
Instruction		
Special Education Programs		
Employee Benefits	$ 559,700	$ 295,873
Special Education Programs - Pre-K		
Employee Benefits	35,000	17,355
CTE Programs		
Employee Benefits	71,500	29,731
Interscholastic Programs		
Employee Benefits	1,300	-
Summer School Programs		
Employee Benefits	21,884	12,088
Total Instruction	$ 689,384	$ 355,047
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	$ 13,600	$ 6,161
Health Services		
Employee Benefits	396,000	216,394
Speech Pathology and Audiology Services		
Employee Benefits	67,625	34,885
Total Supports Services - Pupils	$ 477,225	$ 257,440
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	$ 5,500	$ 12,298
Educational Media Services		
Employee Benefits	13,959	1,283
Total Support Services - Instructional Staff	$ 19,459	$ 13,581
General Administration		
Executive Administration Services		
Employee Benefits	$ 29,873	$ 18,862
Total Support Services - General Administration	$ 29,873	$ 18,862

See Accompanying Independent Auditor's Opinion

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Current (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	$ 38,919	$ 26,413
Other Support Services - School Administration		
Employee Benefits	6,101	-
Total Support Services - School Administration	$ 45,020	$ 26,413
Business		
Fiscal Services		
Employee Benefits	$ 31,030	$ 21,415
Total Support Services - Business	$ 31,030	$ 21,415
Operations and Maintenance		
Employee Benefits	$ 111,496	$ 66,011
Total Support Services - Operations and Maintenance	$ 111,496	$ 66,011
Transportation		
Employee Benefits	$ 9,256	$ 3,832
Total Support Services - Transportation	$ 9,256	$ 3,832
Central		
Data Processing Services		
Employee Benefits	$ 7,257	$ 1,987
Total Support Services - Central	$ 7,257	$ 1,987
Total Support Services	$ 730,616	$ 409,541
Total Expenditures	$ 1,420,000	$ 764,588
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (13,834)	$ 692,080
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	$ (13,834)	$ 692,080
FUND BALANCE - JULY 1, 2022		1,779,000
FUND BALANCE - JUNE 30, 2023		$ 2,471,080

See Accompanying Independent Auditor's Opinion

NOTE 1 - BUDGETARY PROCESS

SEDOL follows procedures mandated by Illinois State law and Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on August 24, 2022 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

SEDOL follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Director of Business Services submits to the Governing Board a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally adopted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year.

5. The Governing Board may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.

6. The Governing Board may amend the budget by the same procedures required of its original adoption.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2023, no funds had expenditures that were over budget.

SUPPLEMENTAL FINANCIAL INFORMATION

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY, SEJA DISTRICT NO. 825
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Earnings on Investments	$ 900	$ 4,313
Other Local Sources	467,400	467,400
Total Revenues	$ 468,300	$ 471,713
EXPENDITURES		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	$ 72,400	$ 72,400
Total Debt Services - Interest	$ 72,400	$ 72,400
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	$ 395,000	$ 395,000
Total Debt Services - Payment of Principal on Long-Term Debt	$ 395,000	$ 395,000
Debt Services - Other		
Other Objects	$ 350	$ 349
Total Debt Services - Other	$ 350	$ 349
Total Debt Services	$ 467,750	$ 467,749
Total Expenditures	$ 467,750	$ 467,749
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 550	$ 3,964
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	$ 550	$ 3,964
FUND BALANCE - JULY 1, 2022		177,076
FUND BALANCE - JUNE 30, 2023		$ 181,040

See Accompanying Independent Auditor's Opinion

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Executive Board
Special Education District of Lake County
SEJA District No. 825
Gages Lake, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited

Special Education District of Lake County's

compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Special Education District of Lake County's major federal programs for the year ended June 30, 2023. Special Education District of Lake County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Special Education District of Lake County (SEDOL) complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SEDOL and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SEDOL's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SEDOL's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SEDOL's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SEDOL's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SEDOL's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SEDOL's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SEDOL's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on SEDOL's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. SEDOL's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

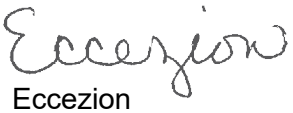
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires that auditor to perform limited procedures on SEDOL's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. SEDOL's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The 2023 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures by us in our report dated May 29, 2025 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2023 financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Eccezion
Strategic Business Solutions

McHenry, Illinois
May 29, 2025

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/21-6/30/22 (C)	Receipts/Revenues Year 7/1/22-6/30/23 (D)	Expenditure/Disbursements[4] Year 7/1/21-6/30/22 (E)	Expenditure/Disbursements[4] Year 7/1/21-6/30/22 Pass through to Subrecipients	Expenditure/Disbursements[4] Year 7/1/22-6/30/23 (F)	Expenditure/Disbursements[4] Year 7/1/22-6/30/23 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
CHILD NUTRITION CLUSTER											
U.S. Department of Agriculture											
Passed through Department of Defense											
Food Donation Program (Non-Cash Commodities)	10.555	23-4299-00		1,751			1,751			1,751	N/A
Passed through Illinois State Board of Education											
Food Donation Program (Non-Cash Commodities)	10.555	23-4299-00		11,732			11,732			11,732	N/A
National School Lunch Program	10.555	22-4210-00	171,696	26,407	171,696		26,407			198,103	N/A
COVID-19 ARP - National School Lunch Program	10.555	22-4210-BT		628			628			628	N/A
National School Lunch Program	10.555	23-4210-00		131,360			131,360			131,360	
COVID-19 ARP - National School Lunch Program	10.555	23-4210-SC		20,233			20,233			20,233	N/A
Subtotal CFDA 10.555			171,696	192,111	171,696		192,111			363,807	
School Breakfast Program	10.553	22-4220-00	97,803	13,416	97,803		13,416			111,219	N/A
School Breakfast Program	10.553	23-4220-00		57,779			57,779			57,779	N/A
Subtotal CFDA 10.553			97,803	71,195	97,803		71,195			168,998	
Total Child Nutrition Cluster			269,499	263,306	269,499		263,306			532,805	
Total CFDA "10"			269,499	263,306	269,499		263,306			532,805	
U.S. Department of Education											
Passed through Illinois State Board of Education											
COVID-19 -ARP- LEA and COOP American Rescue Plan (M)	84.425U	22-4998-CO	762,776	1,349,490	807,515		1,698,949			2,506,464	2,556,172
COVID-19 - ARP - Community Partnership Grant (M)	84.425	22-4998-CP	28,491	126,925	28,796		279,733			308,529	323,529
Subtotal CFDA 84.425			791,267	1,476,415	836,311		1,978,682			2,814,993	
Subtotal CFDA "84"			791,267	1,476,415	836,311		1,978,682			2,814,993	

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number[2] (A)	ISBE Project # (1st 8 digits) or Contract #[3] (B)	Receipts/Revenues Year 7/1/21-6/30/22 (C)	Receipts/Revenues Year 7/1/22-6/30/23 (D)	Expenditure/Disbursements[4] Year 7/1/21-6/30/22 (E)	Expenditure/Disbursements[4] Year 7/1/21-6/30/22 Pass through to Subrecipients	Expenditure/Disbursements[4] Year 7/1/22-6/30/23 (F)	Expenditure/Disbursements[4] Year 7/1/22-6/30/23 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
MEDICAID CLUSTER											
US Department of Health and Human Services											
Passed Through Illinois Department of Healthcare and Family Services											
Medicaid Matching Funds - Admin Outreach	93.778	23-4991-00		188,289			188,289			188,289	n/a
Subtotal CFDS 93.778				188,289			188,289			188,289	
Total Medicaid Cluster				188,289			188,289			188,289	
Total CFDA "93				188,289			188,289			188,289	
US Department of Homeland Security											
Passed Through Illinois Emergency Management Agency											
COVID-19 - Disaster Grants - Public Assistance	97.036	21-4998-00		211,486	211,486		0			211,486	n/a
Subtotal CFDA 97.036											
Total CFDA "97"				211,486	211,486	0	0	0	0	211,486	
Total Federal Assistance			1,060,766	2,139,496	1,317,296		2,430,277			3,747,573	

• **(M)** Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

---

[1] To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

[2] When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

[3] When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

[4] The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
SEJA DISTRICT NO. 825
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Special Education District of Lake County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may offer from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

SEDOL has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

SEDOL did not provide federal awards to subrecipients during the year ended June 30, 2023.

NOTE 5 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

NOTE 6 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

SEDOL was not the recipient of federally donated PPE.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
SEJA DISTRICT NO. 825
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

1) Summary of auditor's results:

   a) The auditor's report expresses an unmodified opinion on whether the financial statements of Special Education District of Lake County were prepared in accordance with GAAP.

   b) Significant deficiencies and material weaknesses were reported during the audit of the financial statements.

   c) Instances of noncompliance material to the financial statements of Special Education District of Lake County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

   d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. However, material weaknesses in internal control over major federal award programs are reported.

   e) The auditor's report on compliance for the major federal award programs for Special Education District of Lake County expresses an unmodified opinion on all major federal programs.

   f) Audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a) are included in this schedule.

   g) The program tested as a major program was: COVID-19 – ARP – LEA and COOP American Rescue Plan/ARP Community Partnership Grant – CFDA #84.425U and #84.425.

   h) The threshold used for distinguishing between Type A and B programs was $750,000.

   i) Special Education District of Lake County was determined to not be a low-risk auditee.

2) Findings relating to the financial statements which are required to be reported are detailed in finding numbers 2023-001 and 2023-002.

3) Findings relating to federal awards which are required to be reported are detailed in finding numbers 2023-003, 2023-004, and 2023-005.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:[11] **2023 - 001** **2. THIS FINDING IS:** [X] New [ ] **Repeat from Prior Year?**
Year originally reported?

3. Criteria or specific requirement
The District is responsible for maintaining effective internal controls to prevent material misstatements to the financial statements due to fraud or error.

4. Condition
The District could not provide documentation that their established control procedures were being followed.

5. Context[12]
During the audit, District staff was unable to provide support demonstrating the implementation of controls in the following areas: review of payroll disbursements, review of and underlying documents for journal entries, preparation and review of bank reconciliations, recording interfund transfers, oversight related to grant budgeting and expenditure reporting.

6. Effect
Financial statements were materially misstated.

7. Cause
Turnover of staff and management in the business office contributed to control procedures not being followed.

8. Recommendation
We recommend the District review and update their control policies and procedures, inform appropriate staff about required controls, and implement monitoring to ensure controls are implemented and working.

9. Management's response[13]
Management will review the policies and procedures and establish monitoring steps to ensure proper oversight.

[11] A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year **2021** would be assigned a reference number of **2021-001, 2021-002**, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

[12] Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

[13] See §200.521 *Management decision* for additional guidance on reporting management's response.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:[11] **2023 - 002** **2. THIS FINDING IS:** [X] New [ ] **Repeat from Prior Year?**
Year originally reported?

3. Criteria or specific requirement
The District is responsible for maintaining sufficient documentation for the organization's internal control policies and procedures.

4. Condition
The District does not have appropriate documentation to support finance-related activities.

5. Context[12]
The District does not maintain documentation for internal control policies and procedures sufficient necessary for existing and new staff to consistently process, record and review financial transactions.

6. Effect
Management and staff were not familiar with certain processes and were not able to provide evidence that controls were implemented and effective.

7. Cause
Turnover of staff and management in the business office contributed to the lack of knowledge related to District policies and procedures.

8. Recommendation
We recommend developing formal documentation to provide detailed structure for staff and management and to maintain continuity during employee transitions.

9. Management's response[13]
Management will work to develop detailed procedure documentation to provide appropriate support

[11] A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year **2021** would be assigned a reference number of **2021-001, 2021-002**, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

[12] Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

[13] See §200.521 *Management decision* for additional guidance on reporting management's response.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:[14] **2023 - 003** **2. THIS FINDING IS:** [X] New [ ] Repeat from Prior year?
Year originally reported?

3. Federal Program Name and Year: COVID-19 -ARP- LEA and COOP American Rescue Plan and COVID-19 - ARP - Community Partnership Grant

4. Project No.: **22-4998-CO and 22-4998-CP** **5. CFDA No.:** **84.425**

6. Passed Through: **Illinois State Board of Education**

7. Federal Agency: **U.S. Department of Education**

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District is required to maintain detailed documentation that reconciles to expenditure amounts charged to grants.

9. Condition[15]
The District submitted grant expenditure reports for reimbursement without having sufficient support for expenditures claimed, resulting in reimbursements greater than allowable costs.

10. Questioned Costs[16]
$547,311

11. Context[17]
The District was unable to provide adequate documentation for expenditure reports. No reconciliation was done between expenditures charged and general ledger expenditure accounts, and in some cases, budgeted amounts were claimed when expenditures did not occur as budgeted.

12. Effect
The District received reimbursements in excess of allowable costs.

13. Cause
Business office management lacked an understanding of grant requirements and it did not appear there was oversight from a higher level of management.

14. Recommendation
We recommend the District implement a process for proper budgeting, tracking and monitoring of grant expenditures, including multiple layers of review and approval, to ensure only appropriate amounts are budgeted and allowable costs are claimed.

15. Management's response[18]
Management will implement a process to properly budget, track and monitor grant expenditures and also create an improved review and oversight process.

[14] See footnote 11.
[15] Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
[16] Identify questioned costs as required by §200.516 (a)(3 - 4).
[17] See footnote 12.
[18] To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:[14] **2023 - 004** **2. THIS FINDING IS:** [X] New [ ] Repeat from Prior year?
Year originally reported?

3. Federal Program Name and Year: COVID-19 -ARP- LEA and COOP American Rescue Plan and COVID-19 - ARP - Community Partnership Grant

4. Project No.: **22-4998-CO and 22-4998-CP** **5. CFDA No.:** **84.425**

6. Passed Through: **Illinois State Board of Education**

7. Federal Agency: **U.S. Department of Education**

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District is required to maintain detailed inventory information for property purchased with federal funds.

9. Condition[15]
The District was unable to provide sufficient support for inventory of equipment purchased with federal funds.

10. Questioned Costs[16]
n/a

11. Context[17]
The District was unable to provide adequate documentation in accordance with board policy and the compliance requirement under the federal program.

12. Effect
The District is not in compliance with the requirement to maintain complete detail inventory listing including identifying the funding source for equipment purchased and other information such as disposal of items and procedures used to ensure safeguarding of the inventory.

13. Cause
There appears to be a lack of coordination between the business office and the technology department to effectively document compliance with the board policy and the grant requirements.

14. Recommendation
We recommend the District implement a interdepartmental process for tracking equipment purchased with grant funds and maintaining required documentation to ensure compliance with board policy and grant requirements.

15. Management's response[18]
Management will implement a process to properly track and monitor equipment expenditures.

[14] See footnote 11.
[15] Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
[16] Identify questioned costs as required by §200.516 (a)(3 - 4).
[17] See footnote 12.
[18] To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:[14] **2023 - 005** **2. THIS FINDING IS:** [X] New [ ] Repeat from Prior year?
Year originally reported?

3. Federal Program Name and Year: COVID-19 -ARP- LEA and COOP American Rescue Plan and COVID-19 - ARP - Community Partnership Grant

4. Project No.: **22-4998-CO and 22-4998-CP** **5. CFDA No.:** **84.425**

6. Passed Through: **Illinois State Board of Education**

7. Federal Agency: **U.S. Department of Education**

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District is required to maintain detailed documentation showing allocation of personnel costs charged to federally funded programs.

9. Condition[15]
The District did not have sufficient support showing approved allocations for salary and benefits for individuals whose payroll costs were partially claimed under federal grants.

10. Questioned Costs[16]
n/a

11. Context[17]
The District was unable to provide adequate documentation showing an allocation of payroll costs between grant funded programs and non-grant funding.

12. Effect
The District could not provide evidence of having a process place to ensure allocated salary and benefit amounts were properly calculated with no overlap of payroll costs being charged to multiple grants. In addition it was not clear that payroll cost allocations were reviewed by management.

13. Cause
The lack of documented payroll procedures and business office turnover led to business office staff not having a clear understanding of how payroll costs were allocated and whether they were reviewed by management.

14. Recommendation
We recommend the District establish a formal process for documenting allocation of personnel costs, allowing for appropriate reconciliation, review, and monitoring of those allocations.

15. Management's response[18]
Management will implement a process to properly document, review and monitor allocation of personnel costs.

[14] See footnote 11.
[15] Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
[16] Identify questioned costs as required by §200.516 (a)(3 - 4).
[17] See footnote 12.
[18] To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
34-094-8250-60
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS[19]
Year Ending June 30, 2023

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

Finding Number	Condition	Current Status[20]
NONE		

When possible, all prior findings should be on the same page

[19] Explanation of this schedule - §200.511 (b)

[20] Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
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847-548-8470 Fax 847-548-8472 www.sedol.us

Becky Allard
Dr. Stephen Johns
Co-Interim Assistant Superintendents

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2023

Corrective Action Plan

Finding No.: 2023-001

Condition:

SEDOL could not provide documentation that their established control procedures were being followed.

Plan:

Management will review the policies and procedures and establish monitoring steps to ensure proper oversight.

Anticipated Date of Completion: 6/30/2026

Name of Contact Person: Dr. Stephen Johns, Co-Interim Assistant Superintendent

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Becky Allard
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Co-Interim Assistant Superintendents

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2023

Corrective Action Plan

Finding No.: 2023-002

Condition:

SEDOL does not have appropriate documentation to support finance-related activities.

Plan:

Management will work to develop detailed procedure documentation to provide appropriate support.

Anticipated Date of Completion: 6/30/2026

Name of Contact Person: Dr. Stephen Johns, Co-Interim Assistant Superintendent

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Becky Allard
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Co-Interim Assistant Superintendents

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2023

Corrective Action Plan

Finding No.: 2023-003

Condition:

SEDOL submitted grant expenditure reports for reimbursement without having sufficient support for expenditures claimed, resulting in reimbursements greater than allowable costs.

Plan:

Management will implement a process to properly budget, track and monitor grant expenditures and create an improved review and oversight process.

Anticipated Date of Completion: 6/30/2026

Name of Contact Person: Dr. Stephen Johns, Co-Interim Assistant Superintendent

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CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2023

Corrective Action Plan

Finding No.: 2023-004

Condition:

SEDOL was unable to provide sufficient support for inventory of equipment purchased with federal funds.

Plan:

Management will implement a process to properly track and monitor equipment expenditures.

Anticipated Date of Completion: 6/30/2026

Name of Contact Person: Dr. Stephen Johns, Co-Interim Assistant Superintendent

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Becky Allard
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Co-Interim Assistant Superintendents

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2023

Corrective Action Plan

Finding No.: 2023-005

Condition:

SEDOL did not have sufficient support showing approved allocations for salary and benefits for individuals whose payroll costs were partially claimed under federal grants.

Plan:

Management will implement a process to properly document, review and monitor allocation of personnel costs.

Anticipated Date of Completion: 6/30/2026

Name of Contact Person: Dr. Stephen Johns, Co-Interim Assistant Superintendent