

NILES TOWNSHIP DISTRICT FOR
SPECIAL EDUCATION #807, ILLINOIS
ANNUAL FINANCIAL REPORT



NTDSE
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FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

This section includes the opinions of District's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

January 8, 2026

Governing Board
Niles Township District for Special Education #807
Morton Grove, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niles Township District for Special Education #807 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Niles Township District for Special Education #807, Illinois, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Niles Township District for Special Education #807, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis

June 30, 2025

The discussion and analysis of Niles Township District for Special Education #807 (the District) financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2025. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

FINANCIAL HIGHLIGHTS

- In total, Government-wide net position increased by \$2,850,453, due to an increase in charges for services as a result of tuition increases in the current year.
- Program specific revenues in the form of charges for services and fees and grants accounted for \$30,112,023, an increase of \$2,756,461 from FY24.
- The District had \$28,854,620 in expenses related to government activities, an increase of \$2,157,406 from FY24.
- Revenues for fiscal year 2025 (FY25), as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$31,705,073, inclusive of on-behalf payments to the Teacher's Retirement System (TRS) and Teacher's Health Insurance Security Trust (THIS). Expenditures for FY25 were \$29,636,098, also inclusive of State of Illinois payments to TRS and THIS.
- TRS and THIS receive on-behalf pension and post-retirement health insurance programs from the State of Illinois for the District certified staff. In 2025, \$4,181,460 was included in the total revenues and expenditures of the District representing the State of Illinois contributions.
- Actual revenues received in FY25 for the Educational Fund, exclusive of the State of Illinois on-behalf payment to the Teachers Retirement System, was \$27,091,913. Actual expenditures exclusive of on-behalf contributions were \$24,349,362 in FY25.

USING THIS ANNUAL REPORT

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

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

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis

June 30, 2025

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds

Governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains three 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 and Capital Projects Fund, which are considered to be major funds. Additionally, the District maintains one nonmajor fund.

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

Notes to the Financial Statements

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis

June 30, 2025

USING THIS ANNUAL REPORT - Continued

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$22,943,357.

	Net Position	
	2025	2024
Current and Other Assets	\$ 14,805,458	12,530,507
Capital Assets	17,501,581	17,330,008
Total Assets	32,307,039	29,860,515
Deferred Outflows	1,579,852	2,108,196
Total Assets/Deferred Outflows	33,886,891	31,968,711
Long-Term Debt	5,515,114	5,984,400
Other Liabilities	628,040	57,936
Total Liabilities	6,143,154	6,042,336
Deferred Inflows	4,800,380	5,833,471
Total Liabilities/Deferred Inflows	10,943,534	11,875,807
Net Position		
Net Investment in Capital Assets	15,143,625	14,721,095
Restricted	7,509,872	6,922,765
Unrestricted (Deficit)	289,860	(1,550,956)
Total Net Position	22,943,357	20,092,904

A large portion of the District's net position, \$15,143,625, reflects its net investment in capital assets (for example, land, construction in progress, land improvements, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$7,509,872, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining surplus of \$289,860, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 25,079,034	20,124,723
Operating Grants/Contrib.	5,032,989	7,230,839
General Revenues		
Evidence Based Funding	928,138	928,138
Earnings (Loss) on Investments	510,267	674,971
Other Revenues	154,645	192,301
Total Revenues	<u>31,705,073</u>	<u>29,150,972</u>
Expenses		
Instruction	15,565,288	13,463,793
Support Services	9,055,661	8,724,370
Community Services	14,996	84,847
State Retirement Contributions	4,181,460	4,375,520
Interest on Long-Term Debt	37,215	48,684
Total Expenses	<u>28,854,620</u>	<u>26,697,214</u>
Change in Net Position	<u>2,850,453</u>	<u>2,453,758</u>
Net Position - Beginning as Previously Reported	20,092,904	20,222,194
Restatement for Error Correction	—	(2,583,048)
Net Position - Beginning as Restated	<u>20,092,904</u>	<u>17,639,146</u>
Net Position - Ending	<u>22,943,357</u>	<u>20,092,904</u>

Net position of the District's governmental activities increased by 14.2 percent (\$20,092,904 in 2024 compared to \$22,943,357 in 2025). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$289,860 at June 30, 2025.

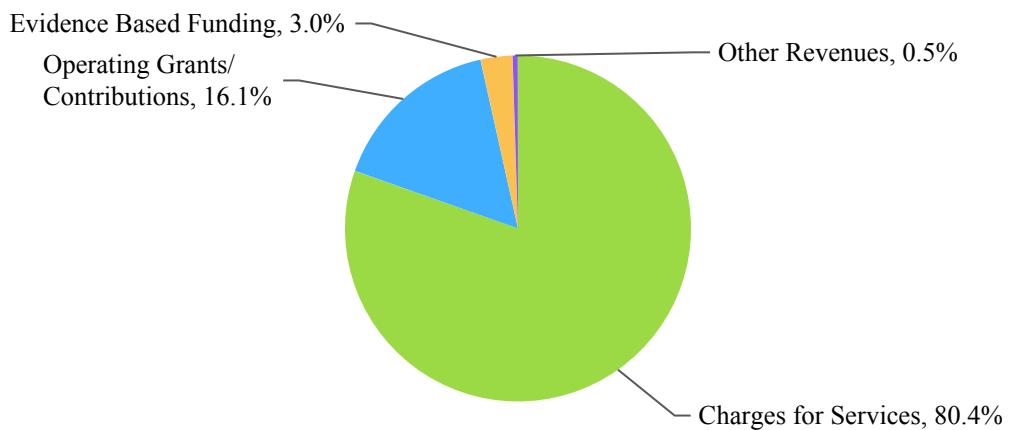
Revenues for governmental activities totaled \$31,705,073, while the cost of all governmental functions totaled \$28,854,620. This results in a surplus of \$2,850,453. In 2024, revenues of \$29,150,972 exceeded expenses of \$26,697,214, resulting in a surplus of \$2,453,758. The surplus in FY25 resulted from increases in charges for services.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

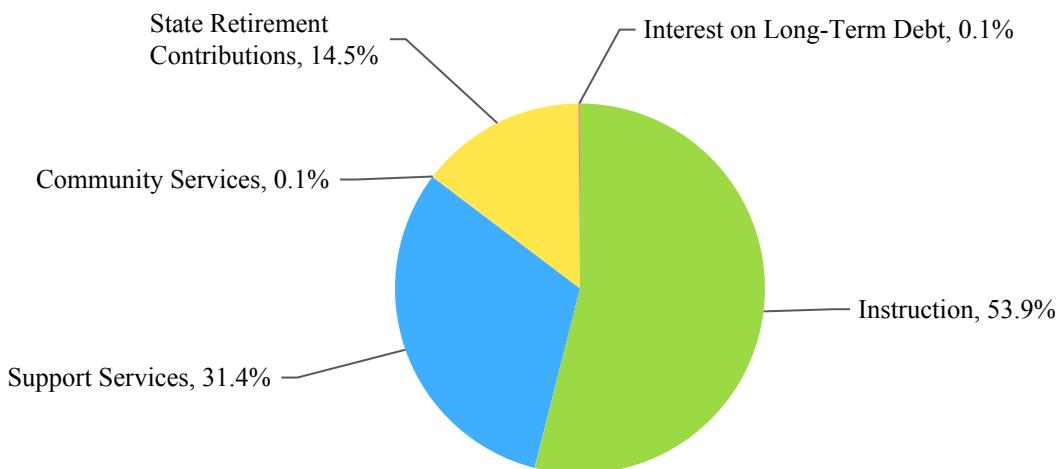
Management's Discussion and Analysis June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Revenues by Source



Expenses by Source



NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis

June 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The District's governmental funds reported combined ending fund balances of \$14,545,159, which is \$2,068,975, or 16.6%, higher than last year's total of \$12,476,184. Of the \$14,545,159 total, \$7,035,287, or 48.4%, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY25 were \$27,523,613. Actual expenditures, excluding on-behalf payments, totaled \$25,454,638. The remainder of revenues came from other local, state, and federal grant sources.

The General Fund increased \$2,420,389 for an ending fund balance of \$13,126,266. This was due to an increase in tuition over the prior year.

The Capital Projects Fund decreased \$673,576 for an ending fund balance of \$1,096,731. This was due to construction costs related to the renovation of the Julia Molloy Education Center.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the Educational and Medicaid Accounts. The General Fund's actual revenues, exclusive of on behalf payments, of \$27,091,913 were higher than budgeted revenues, exclusive of on behalf payments, by \$1,472,739. Actual expenditures, exclusive of on behalf payments, of \$24,349,362, were lower than budgeted expenditures, exclusive of on behalf payments, of \$25,619,174 by \$1,269,812.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis June 30, 2025

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2025 was \$17,501,581 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, and equipment.

	Capital Assets - Net of Depreciation	
	2025	2024
Land	\$ 159,845	159,845
Construction in Progress	314,628	14,949,056
Land Improvements	892,899	815,444
Buildings	15,886,149	1,114,092
Equipment	248,060	291,571
 Total	 17,501,581	 17,330,008

This year's major additions included:

Construction in Progress	\$ 225,622
Land Improvements	185,774
 411,396	

Additional information on the District's capital assets can be found in Note 3 of this report.

DEBT ADMINISTRATION

The District decreased total outstanding debt by \$343,985 during the fiscal year. At year end, total outstanding debt amounts to \$2,264,928.

	Long-Term Debt Outstanding	
	2025	2024
Special Education Bonds	\$ 2,020,000	2,315,000
Unamortized Premium	244,928	293,913
 2,264,928	 2,608,913	

Additional information on the District's long-term debt can be found in Note 3 of this report.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Management's Discussion and Analysis

June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- The Evidence Based Funding (EBF) model passed in FY18 has impacted the District. Special education personnel reimbursement is now a strand within EBF and is paid at the Hold Harmless amount from FY17 even though the cooperative's salary costs have increased each year since FY18. Special education cooperatives were not included in the recent reallocation process.
- The uncertainty of state funding through Evidence Based Funding continues to affect the District's state funding levels and timing of state receipts.
- The rising cost of healthcare could impact the cost for Board-paid benefits for District employees in the future.
- The implementation of the financial model being used by the District must be closely monitored to be sure it continues to be equitable and effective.
- The District should continue to monitor the future of Medicaid funding to school districts.
- This District expended all ESSER III funds and needs to continue to seek out additional grants and sources of revenue.
- NTDSE enrollment has steadily increased over the past six years. NTDSE is working with its districts to ensure students are in their least restrictive environment. The district will continue to monitor this trend to effectively plan for space. This will include a reduction in non-member enrollments. The district will continue to closely monitor the financial impact.
- The implementation of ISBE's mandated daily rate for instructional fees in FY 27 will impact the district's financial model.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Niles Township District for Special Education #807, 8701 Menard Avenue, Morton Grove, Illinois 60053.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Statement of Net Position

June 30, 2025

See Following Page

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Statement of Net Position

June 30, 2025

Governmental Activities

ASSETS

Current Assets

Cash and Investments	\$ 14,372,726
Receivables - Net of Allowances	
Intergovernmental	432,732
Total Current Assets	<u>14,805,458</u>

Noncurrent Assets

Capital Assets	
Nondepreciable	474,473
Depreciable	20,256,625
Accumulated Depreciation	(3,229,517)
Total Noncurrent Assets	<u>17,501,581</u>
Total Assets	<u>32,307,039</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Items - RHP	39,150
Deferred Items - THIS	697,564
Deferred Items - TRS	84,076
Deferred Items - IMRF	759,062
Total Deferred Outflows of Resources	<u>1,579,852</u>
Total Assets and Deferred Outflows of Resources	<u>33,886,891</u>

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

		<u>Governmental Activities</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 220,013	
Retainage Payable	21,283	
Accrued Interest	3,113	
Other Payables	19,003	
Current Portion of Long-Term Liabilities	364,628	
Total Current Liabilities	<u>628,040</u>	
Noncurrent Liabilities		
Total OPEB Liability - RHP	267,791	
Net OPEB Liability - THIS	2,043,251	
Net Pension Liability - TRS	614,818	
Net Pension Liability - IMRF	678,311	
Special Education Bonds - Net	1,910,943	
Total Noncurrent Liabilities	<u>5,515,114</u>	
Total Liabilities	<u>6,143,154</u>	
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - RHP	845,448	
Deferred Items - THIS	3,927,630	
Deferred Items - TRS	23,922	
Deferred Items - IMRF	3,380	
Total Deferred Inflows of Resources	<u>4,800,380</u>	
Total Liabilities and Deferred Inflows of Resources	<u>10,943,534</u>	
NET POSITION		
Net Investment in Capital Assets	15,143,625	
Restricted		
Student Activities	24,868	
Medicaid	6,066,111	
Capital Outlay	1,096,731	
Debt Service	322,162	
Unrestricted	<u>289,860</u>	
Total Net Position	<u>22,943,357</u>	

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Statement of Activities

For the Fiscal Year Ended June 30, 2025

		Program Revenues	(Expenses)/ Revenues
	Charges for Services	Operating Grants/ Contributions	Governmental Activities
	Expenses		
Governmental Activities			
Instruction	\$ 15,565,288	24,950,466	4,200 9,389,378
Support Services	9,055,661	128,568	847,329 (8,079,764)
Community Services	14,996	—	— (14,996)
State Retirement Contributions	4,181,460	—	4,181,460 —
Interest on Long-Term Debt	37,215	—	— (37,215)
Total Governmental Activities	28,854,620	25,079,034	5,032,989 1,257,403
General Revenues			
Evidence Based Funding			928,138
Earnings on Investments			510,267
Other Revenues			154,645
			1,593,050
Change in Net Position			2,850,453
Net Position - Beginning			20,092,904
Net Position - Ending			22,943,357

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Balance Sheet - Governmental Fund

June 30, 2025

	General	Capital Projects	Nonmajor Debt Service	Totals
ASSETS				
Cash and Investments	\$ 12,860,805	1,189,759	322,162	14,372,726
Receivables - Net of Allowances				
Intergovernmental	432,732	—	—	432,732
Total Assets	13,293,537	1,189,759	322,162	14,805,458
LIABILITIES				
Accounts Payable	148,268	71,745	—	220,013
Retainage Payable	—	21,283	—	21,283
Other Payables	19,003	—	—	19,003
Total Liabilities	167,271	93,028	—	260,299
FUND BALANCES				
Restricted	6,090,979	1,096,731	322,162	7,509,872
Unassigned	7,035,287	—	—	7,035,287
Total Fund Balances	13,126,266	1,096,731	322,162	14,545,159
Total Liabilities and Fund Balances	13,293,537	1,189,759	322,162	14,805,458

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities June 30, 2025

Total Governmental Fund Balances	\$ 14,545,159
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	17,501,581
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Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - RHP	(806,298)
Deferred Items - THIS	(3,230,066)
Deferred Items - TRS	60,154
Deferred Items - IMRF	755,682

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
--	--

Total OPEB Liability - RHP	(278,434)
Net OPEB Liability - THIS	(2,043,251)
Net Pension Liability - TRS	(614,818)
Net Pension Liability - IMRF	(678,311)
Special Education Bonds	(2,020,000)
Unamortized Bond Premium	(244,928)
Accrued Interest Payable	<u>(3,113)</u>

Net Position of Governmental Activities	<u>22,943,357</u>
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NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

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

			Nonmajor	
		Capital Projects	Debt Service	Totals
	General			
Revenues				
Local Sources				
Tuition	\$ 24,950,466	—	—	24,950,466
Earnings on Investments	510,267	—	—	510,267
School Activity Income	128,568	—	—	128,568
Other Revenue from Local Sources	154,645	50,000	381,700	586,345
State Sources	988,155	—	—	988,155
Federal Sources	359,812	—	—	359,812
On-Behalf Payments	4,181,460	—	—	4,181,460
Total Revenues	31,273,373	50,000	381,700	31,705,073
Expenditures				
Instruction	15,614,867	—	—	15,614,867
Support Services	8,719,499	723,576	—	9,443,075
Community Services	14,996	—	—	14,996
On-Behalf Payments	4,181,460	—	—	4,181,460
Debt Service				
Principal Retirement	—	—	295,000	295,000
Interest and Fiscal Charges	—	—	86,700	86,700
Total Expenditures	28,530,822	723,576	381,700	29,636,098
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,742,551	(673,576)	—	2,068,975
Other Financing Sources (Uses)				
Transfers In	—	—	322,162	322,162
Transfers Out	(322,162)	—	—	(322,162)
	(322,162)	—	322,162	—
Net Change in Fund Balances	2,420,389	(673,576)	322,162	2,068,975
Fund Balances - Beginning	10,705,877	1,770,307	—	12,476,184
Fund Balances - Ending	13,126,266	1,096,731	322,162	14,545,159

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

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

Net Change in Fund Balances - Total Governmental Funds \$ 2,068,975

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

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

Capital Outlays	411,396
Depreciation Expense	(239,823)

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - RHP	131,137
Change in Deferred Items - THIS	811,914
Change in Deferred Items - TRS	31,120
Change in Deferred Items - IMRF	(469,424)

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

Change in Total OPEB Liability - RHP	(44,312)
Change in Net OPEB Liability - THIS	(181,425)
Change in Net Pension Liability - TRS	(22,617)
Change in Net Pension Liability/(Asset) - IMRF	9,027
Retirement of Long-Term Debt	295,000
Amortization of Bond Premium	48,985

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Changes in Net Position of Governmental Activities

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Niles Township District for Special Education #807 (the District) operates as a special education cooperative governed by a nine-member board with representation from each of the member school districts. A significant portion of the District's revenue is charges for services derived from these member districts.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the District.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

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

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

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

Governmental Funds

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

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of tuition and services payments from member districts and state government grants and aid. The Educational Fund is a major fund and is comprised of two subfunds, the Educational Account and Medicaid Account.

Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The Debt Service Fund is treated as a nonmajor fund.

Capital Projects Fund is used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Capital Projects Fund is treated as a major fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

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

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

Basis of Accounting

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

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

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

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

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

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include intergovernmental receivables.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

Land Improvements	15 Years
Buildings	20 - 40 Years
Equipment	5 - 20 Years

Compensated Absences

The District's policy allows full time employees to earn varying amounts of sick pay for each year employed.

Upon separation of employment any unused and accrued vacation, sick, or paid time off is paid out to the employee.

All sick pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION - Continued

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- The Administration submits to the Governing Board a proposed operating budget for the fiscal year commencing July 1. After reviewing the proposed budget, the Governing Board holds public hearings and a final budget must be prepared and adopted no later than September 30.
- The appropriated budget is prepared by fund and function. The Governing Board may make transfers between functions within a fund not exceeding in the aggregate 10% of the total of each fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level.
- Formal budgetary purposes, the District does not recognize as revenues received the retirement contributions made by the state to the Teachers' Retirement System of the State of Illinois (TRS) and the Teachers' Health Insurance Security Fund (THIS) on behalf of the District as well as the related expenditures paid.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER

Under the Illinois Complied Statutes, the Niles Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the Township. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE TOWNSHIP TREASURER - Continued

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Niles Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's Office.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 5.17 years at June 30, 2025. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2025, the fair value of all investments held by the Treasurer's Office was \$481,787,330 and the fair value of the District's proportionate share of the pool was \$14,343,781.

Because all cash and investments are pooled by a separate legal governmental agency (the Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

DEPOSITS AND INVESTMENTS IN THE CUSTODY OF THE DISTRICT

Deposits of the imprest fund, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	Carrying Value	Bank Balance
Deposits with Financial Institutions	\$ 28,945	<u>26,445</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS IN THE CUSTODY OF THE DISTRICT - Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District investment policy does not limit its investment portfolio to specific maturities.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes authorize the district to invest directly or through its Township Trustees in direct obligations of, or obligations guaranteed by the United States Treasury or agencies of the United States and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy does not address custodial credit risk for deposits. As of June 30, 2025, the entire bank balance of District's deposits with financial institutions was insured through FDIC insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, The District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not address custodial credit risk for investments. At year end, the District investments held by the Niles Township Trustees of Schools are not subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy places no limit on the amount the District may invest in any one issuer. At year-end, the District has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service Fund	General - Educational Fund	\$ <u>322,162</u>

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 159,845	—	—	159,845
Construction in Progress	14,949,056	225,622	14,860,050	314,628
	<u>15,108,901</u>	<u>225,622</u>	<u>14,860,050</u>	<u>474,473</u>
Depreciable Capital Assets				
Land Improvements	1,439,020	185,774	—	1,624,794
Buildings	3,343,146	14,860,050	—	18,203,196
Equipment	428,635	—	—	428,635
	<u>5,210,801</u>	<u>15,045,824</u>	<u>—</u>	<u>20,256,625</u>
Less Accumulated Depreciation				
Land Improvements	623,576	108,319	—	731,895
Buildings	2,229,054	87,993	—	2,317,047
Equipment	137,064	43,511	—	180,575
	<u>2,989,694</u>	<u>239,823</u>	<u>—</u>	<u>3,229,517</u>
Total Net Depreciable Capital Assets	<u>2,221,107</u>	<u>14,806,001</u>	<u>—</u>	<u>17,027,108</u>
Total Net Capital Assets	<u>17,330,008</u>	<u>15,031,623</u>	<u>14,860,050</u>	<u>17,501,581</u>

Depreciation expense was charged to governmental activities as follows:

Instructional	\$ 215,841
Support Services	<u>23,982</u>
<hr/> <u>239,823</u>	

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General Obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Special Education Bonds of 2021 - Due in annual installments of \$230,000 to \$370,000 plus semi-annual interest at 4.00% through December 1, 2030.	\$ 2,315,000	—	295,000	2,020,000

Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Total OPEB Liability - RHP	\$ 234,122	44,312	—	278,434	10,643
Net OPEB Liability - THIS	1,861,826	181,425	—	2,043,251	—
Net Pension Liability - TRS	592,201	22,617	—	614,818	—
Net Pension Liability/(Asset) - IMRF	687,338	—	9,027	678,311	—
Special Education Bonds	2,315,000	—	295,000	2,020,000	305,000
Unamortized Premium	293,913	—	48,985	244,928	48,985
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,984,400	248,354	353,012	5,879,742	364,628

The total and net OPEB liabilities and the net pension liabilities are being repaid from the Educational Fund. The special education bonds are being paid by the Debt Service Fund.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation	
	Special Education Bonds Principal	Interest
2026	\$ 305,000	74,700
2027	315,000	62,300
2028	330,000	49,400
2029	345,000	35,900
2030	355,000	21,900
2031	370,000	7,400
Totals	<u>2,020,000</u>	<u>251,600</u>

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 17,501,581
Less Capital Related Debt:	
General Obligation Special Education Bonds	(2,020,000)
Unamortized Premium	(244,928)
Capital Related Accounts Payable	(71,745)
Capital Related Retainage Payable	<u>(21,283)</u>
Net Investment in Capital Assets	<u>15,143,625</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

	General	Capital Projects	Nonmajor		Totals			
			Debt Service					
Fund Balances								
Restricted								
Student Activities	\$ 24,868	—	—	—	24,868			
Medicaid	6,066,111	—	—	—	6,066,111			
Debt Service	—	—	322,162	322,162				
Capital Projects	—	1,096,731	—	1,096,731				
	<u>6,090,979</u>	<u>1,096,731</u>	<u>322,162</u>	<u>7,509,872</u>				
Unassigned	7,035,287	—	—	—	7,035,287			
Total Fund Balances	13,126,266	1,096,731	322,162	14,545,159				

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

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

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

State and Federal Aid Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The aggregate amounts recognized for the two plans are:

	Pension (Revenue)	Total/Net OPEB Liability	Deferred Outflows	Deferred (Inflows)
OPEB - RHP	\$ (76,182)	278,434	39,150	(845,448)
OPEB - THIS	(572,566)	2,043,251	697,564	(3,927,630)
	(648,748)	2,321,685	736,714	(4,773,078)

Retiree's Health Plan

General Information about the OPEB Plan

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

Benefits Provided. The District provides other post employment health care benefits in the form of single coverage medical and dental insurance to eligible retired non-certified teaching assistants until Medicare eligibility is attained. The current eligibility criteria established based on a collective bargaining agreement between the District's Governing Board and the Niles Township Federation of Special Education Teacher Assistants is as follows: teaching assistants must be active in the District's hospital, major medical, and dental insurance during the year prior to retirement, have been a full-time employee of the District for at least 20 years, and be at least age 60. Non-certified teaching assistants may continue coverage into retirement on the District medical plan. No retiree contributions are required. Coverage is only offered to retirees and dependent coverage is not offered. Coverage ends upon attainment of Medicare eligibility age.

Plan Membership. As of June 30, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	120
Total	120

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	5.20%
Healthcare Cost Trend Rates	Initial trend rate in 2026 is 7.58% for PPO and 7.49% for HMO with ultimate trend rate of 5.32% for PPO and 5.31% for HMO to 2035.
Retirees' Share of Benefit-Related Costs	10% of projected health insurance premiums for retirees.

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

Mortality rates were based on the Pub-2010(B) Improved Generationally using MP-2021 Improvement Rates, weighted per IMRF Experience Study Report dated January 4, 2024; age 83 for males, age 87 for females.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	<u>\$ 234,122</u>
Changes for the Year:	
Service Cost	14,655
Interest on the Total OPEB Liability	8,992
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	42,333
Changes of Assumptions or Other Inputs	(11,025)
Benefit Payments	(10,643)
Other Changes	—
Net Changes	<u>44,312</u>
Balance at June 30, 2025	<u>278,434</u>

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

The discount rate used to measure the total pension liability was 5.20%, while the prior valuation used 3.93%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.20%)	(5.20%)	(6.20%)
Total OPEB Liability	\$ 298,908	278,434	260,037

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

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

	Healthcare Cost Trend		
	1% Decrease (Varies)	Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 252,639	278,434	308,480

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

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

For the year ended June 30, 2025, the District recognized OPEB revenue of \$76,182. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 39,150	(815,364)	(776,214)
Change in Assumptions	—	(30,084)	(30,084)
Net Difference Between Projected and Actual			
Earnings on OPEB Investments	—	—	—
 Total Deferred Amounts Related to OPEB	 39,150	 (845,448)	 (806,298)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2026	\$ (99,829)
2027	(99,829)
2028	(99,829)
2029	(99,829)
2030	(99,829)
Thereafter	<u>(307,153)</u>
 Total	 <u>(806,298)</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund

Plan Description

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

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

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

On-Behalf Contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$77,807, and the District recognized revenue and expenditures of this amount during the year.

Employer Contributions to the THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025 the District paid \$57,923 to the THIS Fund, which was 100 percent of the required contribution.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation: 2.25%

Salary Increases: Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.

Investment Rate of Return: 2.75%, net of OPEB plan investment expense, including inflation, for all plan years.

Healthcare Cost Trend Rates: Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Single Discount Rate

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

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age, less present value of future salaries at attained age, multiplied by normal cost rate at entry age.

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.97%)	(3.97%)	(4.97%)
Employer's Proportionate Share of the Net OPEB Liability	\$ 2,280,226	2,043,251	1,834,278

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 6.00% in 2025, 8.00% in 2026, decreasing to an ultimate trend rate of 4.25% in plan year end 2041. Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031, and decreasing ratably to an ultimate trend rate of 4.25% in 2041.

	1% Decrease (Varies)	Healthcare Cost Trend Rates	1% Increase (Varies)
Employer's Proportionate Share of the Net OPEB Liability	\$ 1,759,206	2,043,251	2,381,170

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

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2024, the District's proportion was 0.000258 percent, which was a decrease of 0.000003 from its proportion in the prior year. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 2,043,251
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>2,774,813</u>
Total	<u><u>4,818,064</u></u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

For the year ending June 30, 2025, the District recognized OPEB revenue and expense of \$69,248 for support provided by the State. For the year ending June 30, 2024, the District recognized OPEB revenue of \$572,566. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 56,382	(861,186)	(804,804)
Net Difference Between Projected and Actual Earnings on OPEB Investments	—	(2,874,220)	(2,874,220)
Changes of Assumptions	534	(1,643)	(1,109)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	582,725	(190,581)	392,144
Total Pension Expense to be Recognized in Future Periods	639,641	(3,927,630)	(3,287,989)
Employer Contributions Subsequent to the Measurement Date	57,923	—	57,923
Totals	697,564	(3,927,630)	(3,230,066)

\$57,923 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2026	\$ (663,966)
2027	(642,571)
2028	(634,316)
2029	(584,252)
2030	(451,094)
Thereafter	(311,790)
Total	<u><u>(3,287,989)</u></u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. Each retirement system is discussed below.

The aggregate amounts recognized for the two plans are:

	Pension Expense	Net Pension Liability	Deferred Outflows	Deferred (Inflows)
TRS	\$ 41,639	614,818	84,076	(23,922)
IMRF	938,672	678,311	759,062	(3,380)
	<u>980,311</u>	<u>1,293,129</u>	<u>843,138</u>	<u>(27,302)</u>

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

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

Benefits Provided

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided - Continued

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$4,103,653 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025 were \$50,142, respectively. The June 30, 2025 contributions are deferred because they were paid after the June 30, 2024 measurement date.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2025, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0, which was equal to the District's actual contributions. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$9,434 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer's Proportionate Share of the Net Pension Liability	\$ 614,818
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>51,262,636</u>
Total	<u><u>51,877,454</u></u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was 0.000716%, which was an increase of 0.000019% from its proportion measured as of the prior year.

For the year ended June 30, 2025, the employer recognized pension expense of \$4,103,653 and revenue of \$4,103,653 for support provided by the State. At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 2,312	(1,596)	716
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(5,278)	(5,278)
Changes of Assumptions	8,471	(326)	8,145
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	23,151	(16,722)	6,429
Total Pension Expense to be Recognized in Future Periods	33,934	(23,922)	10,012
Employer Contributions Subsequent to the Measurement Date	50,142	—	50,142
 Totals	 84,076	 (23,922)	 60,154

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

\$50,142 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ (9,920)
2027	7,472
2028	5,397
2029	5,009
2030	2,054
Thereafter	—
Total	<u>10,012</u>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	7.55%
Private Equity	15.0%	10.28%
Public Income	18.0%	5.81%
Private Credit	8.0%	9.20%
Real Assets	18.0%	7.01%
Diversifying Strategies	4.0%	5.18%
Total	<u>100.0%</u>	

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Pension Liability	\$ 759,318	614,818	495,034

TRS Fiduciary Net Position

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF)

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

Plan Descriptions

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

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

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

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

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	69
Inactive Plan Members Entitled to but not yet Receiving Benefits	228
Active Plan Members	<u>184</u>
Total	<u>481</u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2025, the District's contribution was 5.72% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

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

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,808,759		678,311	(971,617)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 15,133,981	14,446,643	687,338
Changes for the Year:			
Service Cost	673,943	—	673,943
Interest on the Total Pension Liability	1,107,312	—	1,107,312
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	45,283	—	45,283
Changes of Assumptions	—	—	—
Contributions - Employer	—	452,103	(452,103)
Contributions - Employees	—	362,005	(362,005)
Net Investment Income	—	1,377,645	(1,377,645)
Benefit Payments, Including Refunds of Employee Contributions	(395,372)	(395,372)	—
Other (Net Transfer)	—	(356,188)	356,188
Net Changes	1,431,166	1,440,193	(9,027)
Balances at December 31, 2024	<u>16,565,147</u>	<u>15,886,836</u>	<u>678,311</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended June 30, 2025, the District recognized pension expense of \$938,672. At June 30, 2025, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 165,070	—	165,070
Changes of Assumptions	—	(3,380)	(3,380)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	300,065	—	300,065
Total Pension Expense to be Recognized in Future Periods	465,135	(3,380)	461,755
Pension Contributions Made Subsequent to the Measurement Date	293,927	—	293,927
Total Deferred Amounts Related to Pensions	759,062	(3,380)	<u>755,682</u>

\$293,927 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Outflows/ (Inflows) of Resources
2026	\$ 276,317
2027	396,703
2028	(145,665)
2029	(65,600)
2030	—
Thereafter	—
Total	<u>461,755</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Retiree's Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

See Following Page

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Retiree's Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

	2018	2019
Total OPEB Liability		
Service Cost	\$ 104,727	120,987
Interest	12,852	11,918
Changes in Benefit Terms	—	—
Differences Between Expected and Actual		
Experience	20,868	—
Change of Assumptions or Other Inputs	(32,903)	10,993
Benefit Payments	—	—
Other Changes	<u>(136,906)</u>	<u>(154)</u>
Net Change in Total OPEB Liability	<u>(31,362)</u>	143,744
Total OPEB Liability - Beginning	<u>431,284</u>	<u>399,922</u>
Total OPEB Liability - Ending	<u>399,922</u>	<u>543,666</u>
Covered-Employee Payroll	\$ 1,031,603	1,031,603
Total OPEB Liability as a Percentage of Covered-Employee Payroll	38.77%	52.70%

Notes:

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

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 and 2020 through 2025.

2020	2021	2022	2023	2024	2025
124,363	35,087	41,679	25,717	14,774	14,655
15,168	34,620	33,037	47,382	8,006	8,992
99,176	—	—	—	—	—
(104,222)	—	143,945	(1,114,764)	—	42,333
1,032,330	6,723	(291,789)	(21,811)	(4,796)	(11,025)
(95,984)	(95,984)	(130,915)	(104,878)	(6,408)	(10,643)
—	—	—	—	—	—
1,070,831	(19,554)	(204,043)	(1,168,354)	11,576	44,312
543,666	1,614,497	1,594,943	1,390,900	222,546	234,122
1,614,497	1,594,943	1,390,900	222,546	234,122	278,434
1,933,390	2,080,828	2,131,018	2,260,578	2,770,975	3,381,457
83.51%	76.65%	65.27%	9.84%	8.45%	8.23%

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807**Teacher's Health Insurance Security Fund**
Schedule of Employer Contributions
June 30, 2025

Fiscal Year	Contributions in Relation to the Actuarially Determined Contribution		Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2018	\$ 49,999	\$ 49,999	\$ —	\$ 5,681,750	0.88%
2019	53,682	53,682	—	5,835,042	0.92%
2020	57,182	57,182	—	6,215,411	0.92%
2021	57,145	57,145	—	6,211,415	0.92%
2022	46,513	46,513	—	6,942,231	0.67%
2023	48,942	48,942	—	7,304,755	0.67%
2024	51,551	51,551	—	7,694,240	0.67%
2025	57,923	57,923	—	8,645,192	0.67%

Note:

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

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Teacher's Health Insurance Security Fund Schedule of Employer Contributions - Continued June 30, 2025

Notes to the Schedule of Employer Contributions

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Sponsor's Fiscal Year End	June 30, 2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non Safety Disabled Retiree Table. Pre- Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807**Teacher's Health Insurance Security Fund****Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability****June 30, 2025**

	2018	2019
Employer's Proportion of the Net OPEB Liability	0.023282%	0.023968%
Employer's Proportionate Share of the Net OPEB Liability	\$ 6,041,531	6,314,694
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>7,933,951</u>	<u>8,479,108</u>
Total	<u>13,975,482</u>	<u>14,793,802</u>
Employer's Covered-Employee Payroll	\$ 5,355,532	5,681,750
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered-Employee Payroll	112.81%	111.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.23%)	(0.07%)

Notes:

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

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

2020	2021	2022	2023	2024	2025
0.023736%	0.024566%	0.023929%	0.025156%	0.026122%	0.025829%
6,569,615	6,567,862	5,277,539	1,721,861	1,861,826	2,043,251
8,895,968	8,897,664	8,671,120	2,342,411	2,517,767	2,774,813
<u>15,465,583</u>	<u>15,465,526</u>	<u>13,948,659</u>	<u>4,064,272</u>	<u>4,379,593</u>	<u>4,818,064</u>
5,835,042	6,215,411	6,211,415	6,942,231	7,304,755	7,694,240
112.59%	105.67%	84.97%	24.80%	25.49%	26.56%
0.25%	0.70%	1.40%	5.24%	6.21%	7.43%

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Teachers' Retirement System

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions

- Last Ten Fiscal Years

June 30, 2025

	2016	2017	2018
Employer's Proportion of the Net Pension Liability	0.000860%	0.000770%	0.000750%
Employer's Proportionate Share of the Net Pension Liability	\$ 560,918	604,967	575,997
State's Proportionate Share of the Net Pension Liability			
Associated with the Employer	33,494,128	40,618,593	39,652,786
Total	<u>34,055,046</u>	<u>41,223,560</u>	<u>40,228,783</u>
Employer's Covered Payroll	\$ 5,170,530	5,115,918	5,355,532
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	10.85%	11.83%	10.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.50%	36.40%	39.30%
Contractually-Required Contribution	\$ 29,672	31,062	32,954
Contributions in Relation to the Contractually Required Contribution	<u>29,536</u>	<u>30,917</u>	<u>32,806</u>
Contribution Deficiency (Excess)	<u>136</u>	<u>145</u>	<u>148</u>
Employer's Covered Payroll	\$ 5,115,918	5,355,532	5,681,750
Contributions as a % of Covered Payroll	0.58%	0.58%	0.58%

Notes:

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

For the 2024 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent*. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent.

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

2019	2020	2021	2022	2023	2024	2025
0.000790% 618,211	0.000750% 606,116	0.000739% 637,552	0.000693% 540,265	0.000679% 568,854	0.000697% 592,201	0.000716% 614,818
42,350,014	43,136,634	49,936,388	45,279,964	49,344,311	51,107,226	51,262,636
<u>42,968,225</u>	<u>43,742,750</u>	<u>50,573,940</u>	<u>45,820,229</u>	<u>49,913,165</u>	<u>51,699,427</u>	<u>51,877,454</u>
5,681,750	5,835,042	6,215,411	6,211,415	6,942,231	7,304,755	7,694,240
10.88%	10.39%	10.26%	8.70%	8.19%	8.11%	7.99%
40.00%	39.60%	37.80%	45.10%	42.80%	44.00%	45.40%
33,843	36,049	36,026	40,265	42,368	44,627	50,142
33,843	36,049	35,863	40,133	42,361	44,627	50,131
—	—	163	132	7	—	(11)
5,835,042 0.58%	6,215,411 0.58%	6,211,415 0.58%	6,942,231 0.58%	7,304,755 0.58%	7,694,240 0.58%	8,645,192 0.58%

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Illinois Municipal Retirement Fund

Schedule of Employer Contributions - Last Ten Fiscal Years

June 30, 2025

Fiscal Year	Contributions in Relation to the Actuarially Determined Contribution		Contribution Excess/(Deficiency)		Covered Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Determined Contribution				
2016	\$ 267,200	\$ 299,203	\$ 32,003	\$ 2,645,547		11.31%
2017	302,612	302,612	—	2,935,130		10.31%
2018	335,340	335,340	—	3,366,872		9.96%
2019	339,936	339,936	—	3,772,878		9.01%
2020	287,813	287,813	—	4,276,572		6.73%
2021	380,535	380,535	—	4,715,428		8.07%
2022	441,844	441,844	—	5,412,761		8.16%
2023	409,076	409,076	—	6,147,836		6.65%
2024	457,221	457,221	—	7,850,081		5.82%
2025	478,275	478,275	—	8,365,468		5.72%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Illinois Municipal Retirement Fund

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

June 30, 2025

See Following Page

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years

June 30, 2025

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 298,820	297,697	339,652
Interest	486,502	528,907	584,092
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(60,046)	105,562	(33,289)
Change of Assumptions	—	—	(232,372)
Benefit Payments, Including Refunds			
of Member Contributions	(124,586)	(194,048)	(240,637)
Net Change in Total Pension Liability	600,690	738,118	417,446
Total Pension Liability - Beginning	6,399,578	7,000,268	7,738,386
 Total Pension Liability - Ending	 7,000,268	 7,738,386	 8,155,832
 Plan Fiduciary Net Position			
Contributions - Employer	\$ 299,203	302,612	335,341
Contributions - Members	121,149	133,506	151,509
Net Investment Income	31,732	437,614	1,155,651
Benefit Payments, Including Refunds			
of Member Contributions	(124,586)	(194,048)	(240,637)
Other (Net Transfer)	(244,388)	64,143	(54,223)
Net Change in Plan Fiduciary Net Position	83,110	743,827	1,347,641
Plan Net Position - Beginning	6,198,446	6,281,556	7,025,383
 Plan Net Position - Ending	 6,281,556	 7,025,383	 8,373,024
 Employer's Net Pension Liability/(Asset)	 \$ 718,712	 713,003	 (217,192)
 Plan Fiduciary Net Position as a Percentage			
of the Total Pension Liability	89.73%	90.79%	102.66%
 Covered Payroll	 \$ 2,645,547	 2,935,130	 3,366,872
 Employer's Net Pension Liability/(Asset) as a Percentage of			
Covered Payroll	27.17%	24.29%	(6.45%)

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

2018	2019	2020	2021	2022	2023	2024
357,968	397,641	453,963	451,371	485,016	523,574	673,943
616,957	683,371	774,618	837,493	908,434	1,004,344	1,107,312
—	—	—	—	—	—	—
125,104	432,421	130,970	65,969	333,913	224,978	45,283
308,650	—	(156,842)	—	—	(8,340)	—
(217,450)	(240,139)	(325,896)	(342,452)	(443,861)	(403,626)	(395,372)
1,191,229	1,273,294	876,813	1,012,381	1,283,502	1,340,930	1,431,166
8,155,832	9,347,061	10,620,355	11,497,168	12,509,549	13,793,051	15,133,981
<u>9,347,061</u>	<u>10,620,355</u>	<u>11,497,168</u>	<u>12,509,549</u>	<u>13,793,051</u>	<u>15,133,981</u>	<u>16,565,147</u>
339,936	287,813	380,535	452,512	420,449	425,325	452,103
169,823	192,446	212,195	225,680	251,934	311,721	362,005
(352,294)	1,474,373	1,374,799	1,884,181	(1,528,990)	1,354,522	1,377,645
(217,450)	(240,139)	(325,896)	(342,452)	(443,861)	(403,626)	(395,372)
98,907	16,845	30,925	(98,282)	7,035	114,653	(356,188)
38,922	1,731,338	1,672,558	2,121,639	(1,293,433)	1,802,595	1,440,193
8,373,024	8,411,946	10,143,284	11,815,842	13,937,481	12,644,048	14,446,643
<u>8,411,946</u>	<u>10,143,284</u>	<u>11,815,842</u>	<u>13,937,481</u>	<u>12,644,048</u>	<u>14,446,643</u>	<u>15,886,836</u>
<u>935,115</u>	<u>477,071</u>	<u>(318,674)</u>	<u>(1,427,932)</u>	<u>1,149,003</u>	<u>687,338</u>	<u>678,311</u>
90.00%	95.51%	102.77%	111.41%	91.67%	95.46%	95.91%
3,772,878	4,276,572	4,715,428	5,016,247	5,598,527	6,927,124	8,044,532
24.79%	11.16%	(6.76%)	(28.47%)	20.52%	9.92%	8.43%

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

General Fund

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

For the Fiscal Year Ended June 30, 2025

	Budget		
	Original	Final	Actual
Revenues			
Local Sources			
Tuition	\$ 21,681,374	21,681,374	24,950,466
Replacement Taxes	425,000	425,000	510,267
Earnings on Investments	100,000	100,000	128,568
School Activity Income	300,000	300,000	154,645
Other Revenue from Local Sources	1,012,800	1,012,800	988,155
State Sources	2,100,000	2,100,000	359,812
Federal Sources	—	—	4,181,460
On-Behalf Payments	—	—	—
Total Revenues	<u>25,619,174</u>	<u>25,619,174</u>	<u>31,273,373</u>
Expenditures			
Instruction	16,733,389	16,733,389	15,614,867
Support Services	8,753,515	8,753,515	8,719,499
Community Services	132,270	132,270	14,996
On-Behalf Payments	—	—	4,181,460
Total Expenditures	<u>25,619,174</u>	<u>25,619,174</u>	<u>28,530,822</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	—	—	2,742,551
Other Financing (Uses)			
Transfers Out	—	—	(322,162)
Net Change in Fund Balances	<u>—</u>	<u>—</u>	<u>2,420,389</u>
Fund Balances - Beginning			<u>10,705,877</u>
Fund Balances - Ending			<u>13,126,266</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Combining Statements - Educational Fund - by Accounts
- Budgetary Comparison Schedules - Major Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The Educational Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational Account and the Medicaid Account.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is paid by participating member districts.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

General Fund - by Account
Combining Balance Sheet
June 30, 2025

	Educational Account	Medicaid Account	Totals
ASSETS			
Cash and Investments	\$ 6,941,703	5,919,102	12,860,805
Receivables - Net of Allowances			
Intergovernmental	285,723	147,009	432,732
Total Assets	<u>7,227,426</u>	<u>6,066,111</u>	<u>13,293,537</u>
LIABILITIES			
Accounts Payable	148,268	—	148,268
Other Payables	19,003	—	19,003
Total Liabilities	<u>167,271</u>	<u>—</u>	<u>167,271</u>
FUND BALANCES			
Restricted	24,868	6,066,111	6,090,979
Unassigned	7,035,287	—	7,035,287
Total Fund Balances	<u>7,060,155</u>	<u>6,066,111</u>	<u>13,126,266</u>
Total Liabilities and Fund Balances	<u>7,227,426</u>	<u>6,066,111</u>	<u>13,293,537</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

General Fund - by Account

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

	Educational Account	Medicaid Account	Eliminations	Totals
Revenues				
Local Sources				
Tuition	\$ 23,440,266	1,510,200	—	24,950,466
Earnings on Investments	510,267	—	—	510,267
School Activity Income	128,568	—	—	128,568
Other Local Revenues	154,645	—	—	154,645
State Sources	988,155	—	—	988,155
Federal Sources	4,200	355,612	—	359,812
On-Behalf Payments	4,181,460	—	—	4,181,460
Total Revenues	29,407,561	1,865,812	—	31,273,373
Expenditures				
Instruction	15,312,441	302,426	—	15,614,867
Support Services	8,287,297	432,202	—	8,719,499
Community Services	14,996	—	—	14,996
On-Behalf Payments	4,181,460	—	—	4,181,460
Total Expenditures	27,796,194	734,628	—	28,530,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,611,367	1,131,184	—	2,742,551
Other Financing (Uses)				
Transfers In	200,000	—	(200,000)	—
Transfers Out	(322,162)	(200,000)	200,000	(322,162)
	(122,162)	(200,000)	—	(322,162)
Net Change in Fund Balances	1,489,205	931,184	—	2,420,389
Fund Balances - Beginning	5,570,950	5,134,927	—	10,705,877
Fund Balances - Ending	7,060,155	6,066,111	—	13,126,266

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

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

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Revenues			
Local Sources			
Tuition	\$ 21,681,374	21,681,374	23,440,266
Earnings on Investments	425,000	425,000	510,267
School Activity Income	100,000	100,000	128,568
Other Local Revenues	300,000	300,000	154,645
Total Local Sources	22,506,374	22,506,374	24,233,746
State Sources			
Evidence Based Funding	928,800	928,800	928,138
Transportation - Special Education	84,000	84,000	60,017
Total State Sources	1,012,800	1,012,800	988,155
Federal Sources			
Other Restricted Revenue from Federal Sources	—	—	4,200
Total Direct Revenues	23,519,174	23,519,174	25,226,101
On-Behalf Payments	—	—	4,181,460
Total Revenues	23,519,174	23,519,174	29,407,561
Expenditures			
Instruction			
Special Education Programs			
Salaries	11,402,856	11,402,856	10,981,028
Employee Benefits	3,756,011	3,756,011	2,856,954
Purchased Services	486,269	486,269	550,076
Supplies and Materials	124,850	124,850	159,665
Other Objects	24,000	24,000	—
Capital Outlay	2,000	2,000	71,983
	15,795,986	15,795,986	14,619,706

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures - Continued			
Instruction - Continued			
Summer School Programs			
Salaries	\$ 520,000	520,000	582,148
Employee Benefits	35,000	35,000	45,479
Purchased Services	14,000	14,000	41,600
Supplies and Materials	8,000	8,000	6,793
	<u>577,000</u>	<u>577,000</u>	<u>676,020</u>
Student Activity Fund			
Other Objects	3,000	3,000	16,715
	<u>16,375,986</u>	<u>16,375,986</u>	<u>15,312,441</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	386,034	386,034	341,760
Employee Benefits	71,526	71,526	69,014
Purchased Services	500	500	—
Supplies and Materials	1,500	1,500	813
	<u>459,560</u>	<u>459,560</u>	<u>411,587</u>
Health Services			
Salaries	2,148,616	2,148,616	2,009,164
Employee Benefits	612,330	612,330	568,950
Purchased Services	3,200	3,200	170,321
Supplies and Materials	7,200	7,200	7,525
	<u>2,771,346</u>	<u>2,771,346</u>	<u>2,755,960</u>
Psychological Services			
Salaries	475,823	475,823	581,885
Employee Benefits	80,625	80,625	92,754
Purchased Services	5,000	5,000	24,381
Supplies and Materials	5,400	5,400	2,797
	<u>566,848</u>	<u>566,848</u>	<u>701,817</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures - Continued			
Support Services - Continued			
Pupils - Continued			
Speech Pathology and			
Audiology Services			
Salaries	\$ 1,259,738	1,259,738	1,303,354
Employee Benefits	210,959	210,959	279,647
Purchased Services	3,700	3,700	89,570
Supplies and Materials	7,800	7,800	13,907
Capital Outlay	1,500	1,500	—
	<u>1,483,697</u>	<u>1,483,697</u>	<u>1,686,478</u>
Total Pupils	<u>5,281,451</u>	<u>5,281,451</u>	<u>5,555,842</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	39,500	39,500	9,604
Employee Benefits	2,500	2,500	847
Purchased Services	191,090	191,090	124,573
Supplies and Materials	11,860	11,860	16,323
	<u>244,950</u>	<u>244,950</u>	<u>151,347</u>
Assessment and Testing			
Salaries	8,175	8,175	6,851
Total Instructional Staff	<u>253,125</u>	<u>253,125</u>	<u>158,198</u>
General Administration			
Board of Education Services			
Salaries	81,303	81,303	83,407
Employee Benefits	23,666	23,666	28,267
Purchased Services	216,950	216,950	179,471
Supplies and Materials	27,535	27,535	19,910
	<u>349,454</u>	<u>349,454</u>	<u>311,055</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures - Continued			
Support Services - Continued			
General Administration - Continued			
Executive Administration Services			
Salaries	\$ 291,874	291,874	283,578
Employee Benefits	34,276	34,276	46,404
Purchased Services	8,000	8,000	350
Supplies and Materials	4,000	4,000	150
	<u>338,150</u>	<u>338,150</u>	<u>330,482</u>
Total General Administration	687,604	687,604	641,537
School Administration			
Office of the Principal Services			
Salaries	214,467	214,467	213,337
Employee Benefits	36,200	36,200	46,511
Purchased Services	9,900	9,900	19,187
Supplies and Materials	36,649	36,649	12,522
Total School Administration	297,216	297,216	291,557
Business			
Fiscal Services			
Salaries	337,315	337,315	352,189
Employee Benefits	84,169	84,169	69,118
Purchased Services	3,200	3,200	1,155
Supplies and Materials	4,000	4,000	947
	<u>428,684</u>	<u>428,684</u>	<u>423,409</u>
Operations and Maintenance of Plant Services			
Salaries	337,287	337,287	335,775
Employee Benefits	93,402	93,402	86,160
Purchased Services	186,859	186,859	181,134
Supplies and Materials	82,800	82,800	116,232
Capital Outlay	5,000	5,000	3,195.00
	<u>705,348</u>	<u>705,348</u>	<u>722,496</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures - Continued			
Support Services - Continued			
Business - Continued			
Pupil Transportation Services			
Salaries	\$ 47,053	47,053	76,168
Employee Benefits	11,633	11,633	26,099
Purchased Services	500	500	—
Supplies and Materials	500	500	49
	59,686	59,686	102,316
Internal Services			
Purchased Services	25,060	25,060	13,200
Supplies and Materials	1,200	1,200	—
	26,260	26,260	13,200
Total Business	1,219,978	1,219,978	1,261,421
Central			
Information Services			
Salaries	60,000	60,000	48,706
Employee Benefits	27,165	27,165	14,316
Purchased Services	1,800	1,800	—
Supplies and Materials	31,500	31,500	16,692
	120,465	120,465	79,714
Data Processing Services			
Salaries	179,604	179,604	191,233
Employee Benefits	35,647	35,647	50,916
Purchased Services	88,500	88,500	50,368
Supplies and Materials	4,300	4,300	3,857
Other Objects	800	800	219
Capital Outlay	3,000	3,000	2,435
	311,851	311,851	299,028
Total Central	432,316	432,316	378,742
Total Support Services	8,171,690	8,171,690	8,287,297

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures - Continued			
Community Services			
Salaries	\$ 71,233	71,233	6,366
Employee Benefits	12,787	12,787	2,359
Purchased Services	47,250	47,250	671
Supplies and Materials	1,000	1,000	—
Other Objects	—	—	5,600
Total Community Services	132,270	132,270	14,996
Total Direct Expenditures	24,679,946	24,679,946	23,614,734
On Behalf Payments	—	—	4,181,460
Total Expenditures	24,679,946	24,679,946	27,796,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,160,772)</u>	<u>(1,160,772)</u>	<u>1,611,367</u>
Other Financing Sources (Uses)			
Transfers In	—	—	200,000
Transfers Out	—	—	(322,162)
	—	—	(122,162)
Net Change in Fund Balance	<u>(1,160,772)</u>	<u>(1,160,772)</u>	<u>1,489,205</u>
Fund Balance - Beginning			<u>5,570,950</u>
Fund Balance - Ending			<u>7,060,155</u>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Medicaid Account - General Fund

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

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Revenues			
Local Sources			
Tuition	\$ —	—	1,510,200
Federal Sources			
Medicaid Matching Funds			
Administrative Outreach	600,000	600,000	194,453
Fee-for-Service Program	1,500,000	1,500,000	161,159
Total Federal Sources	2,100,000	2,100,000	355,612
Total Revenues	2,100,000	2,100,000	1,865,812
Expenditures			
Instruction			
Special Education Programs			
Salaries	35,000	35,000	27,200
Employee Benefits	—	—	734
Purchased Services	15,300	15,300	8,229
Supplies and Materials	109,115	109,115	165,037
Capital Outlay	197,988	197,988	101,226
Total Instruction	357,403	357,403	302,426
Support Services			
Pupils			
Purchased Services	94,000	94,000	55,730
Capital Outlay	6,750	6,750	787
Total Support Services	100,750	100,750	56,517
School Administration			
Office of the Principal Services			
Purchased Services	25,000	25,000	15,991
Business			
Fiscal Services			
Salaries	32,000	32,000	32,864
Employee Benefits	—	—	4,902
Total Business	32,000	32,000	37,766

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Medicaid Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Expenditures- Continued			
Support Services - Continued			
Business - Continued			
Operations and Maintenance of Plant Services			
Purchased Services	\$ 220,420	220,420	160,448
Capital Outlay	7,000	7,000	2,993
	<hr/>	<hr/>	<hr/>
227,420	227,420	163,441	
	<hr/>	<hr/>	<hr/>
Total Business	259,420	259,420	201,207
	<hr/>	<hr/>	<hr/>
Central			
Information Services			
Purchased Services	16,715	16,715	15,192
	<hr/>	<hr/>	<hr/>
Data Processing Services			
Purchased Services	179,940	179,940	140,984
Capital Outlay	—	—	2,311
	<hr/>	<hr/>	<hr/>
179,940	179,940	143,295	
	<hr/>	<hr/>	<hr/>
Total Central	196,655	196,655	158,487
	<hr/>	<hr/>	<hr/>
Total Support Services	581,825	581,825	432,202
	<hr/>	<hr/>	<hr/>
Total Expenditures	939,228	939,228	734,628
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,160,772	1,160,772	1,131,184
	<hr/>	<hr/>	<hr/>
Other Financing (Uses)			
Transfers Out	—	—	(200,000)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	1,160,772	1,160,772	931,184
	<hr/>	<hr/>	<hr/>
Fund Balance - Beginning			5,134,927
	<hr/>	<hr/>	<hr/>
Fund Balance - Ending			6,066,111
	<hr/>	<hr/>	<hr/>

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807**Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual
Revenues			
Local Sources			
Other Revenue from Local Sources	\$ 200,000	200,000	50,000
Expenditures			
Support Services			
Facilities and Acquisition and Construction Services			
Capital Outlay	158,000	158,000	383,806
Other Objects	1,005,000	1,005,000	339,770
Total Expenditures	1,163,000	1,163,000	723,576
Net Change in Fund Balance	(963,000)	(963,000)	(673,576)
Fund Balance - Beginning			1,770,307
Fund Balance - Ending			1,096,731

NILES TOWNSHIP DISTRICT FOR SPECIAL EDUCATION #807

Debt Service Fund

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

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual
Revenues			
Local Sources			
Other Revenue from Local Sources	\$ 381,700	381,700	381,700
Expenditures			
Debt Service			
Principal Retirement	381,700	381,700	295,000
Interest and Fiscal Charges	—	—	86,700
Total Expenditures	<u>381,700</u>	<u>381,700</u>	<u>381,700</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	—	—	—
Other Financing Sources			
Transfers In	<u>—</u>	<u>—</u>	<u>322,162</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	<u>322,162</u>
Fund Balance - Beginning			
Fund Balance - Ending	<u>322,162</u>		

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



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

January 8, 2026

Governing Board
Niles Township District for Special Education #807
Morton Grove, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niles Township District for Special Education #807 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP