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**McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATE OF ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

eder, casella & co

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
McHenry Community Consolidated School District No. 15
McHenry, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of

McHenry Community Consolidated School District No. 15

as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Cash Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of McHenry Community Consolidated School District No. 15 as of June 30, 2022, and the revenues it received and expenditures it paid for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Illinois State Board of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of McHenry Community Consolidated School District No. 15 as of June 30, 2022, or changes in financial position thereof for the year then ended.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of McHenry Community Consolidated School District No. 15 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 adverse audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by McHenry Community Consolidated School District No. 15 on the basis of accounting practices prescribed or permitted by the Illinois State Board of Education to demonstrate compliance with the Illinois State Board of Education's regulatory basis of accounting and budget laws, which is a basis of accounting

other than accounting principles generally accepted in the United States of America. Also as described in Note 1, McHenry Community Consolidated School District No. 15 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Change in Accounting Principle

As described in Note 18 to the financial statements, the District implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by, and to demonstrate compliance with, the Illinois State Board of Education's regulatory basis of accounting and budget law. Management is also responsible 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 McHenry Community Consolidated School District No. 15'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of McHenry Community Consolidated School District No. 15'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 McHenry Community Consolidated School District No. 15'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise McHenry Community Consolidated School District No. 15's basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information and Schedule of Expenditures of Federal Awards are fairly stated in, all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2023 on our consideration of McHenry Community Consolidated School District No. 15's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering McHenry Community Consolidated School District No. 15's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, the Board of Education, others within the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
April 5, 2023



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

To the Board of Education
McHenry Community Consolidated School District No. 15
McHenry, Illinois

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

McHenry Community Consolidated School District No. 15

as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise McHenry Community Consolidated School District No. 15's basic financial statements, and have issued our report thereon dated April 5, 2023. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered McHenry Community Consolidated School District No. 15’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 McHenry Community Consolidated School District No. 15’s internal control. Accordingly, we do not express an opinion on the effectiveness of McHenry Community Consolidated School District No. 15’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001, that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether McHenry Community Consolidated School District No. 15'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002 and 2022-003.

McHenry Community Consolidated School District No. 15's Response to Findings

McHenry Community Consolidated School District No. 15's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. McHenry Community Consolidated School District No. 15's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
April 5, 2023

BASIC FINANCIAL STATEMENTS

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2022

<u>ASSETS</u>	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>	<u>CAPITAL PROJECTS</u>
Cash and Cash Equivalents	\$ 23,772,418	\$ 10,182,993	\$ 1,117,592	\$ 7,602,092	\$ 1,351,633	\$ 3,480,284
Investments	20,877,340	2,087,734	-	-	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	-	-
Total Assets	\$ 44,649,758	\$ 12,270,727	\$ 1,117,592	\$ 7,602,092	\$ 1,351,633	\$ 3,480,284
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Reserved	23,894,130	2,974,561	-	1,094,535	1,030,158	-
Unreserved	20,755,628	9,296,166	1,117,592	6,507,557	321,475	3,480,284
Total Fund Balance	\$ 44,649,758	\$ 12,270,727	\$ 1,117,592	\$ 7,602,092	\$ 1,351,633	\$ 3,480,284
Total Liabilities and Fund Balance	\$ 44,649,758	\$ 12,270,727	\$ 1,117,592	\$ 7,602,092	\$ 1,351,633	\$ 3,480,284

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2022

<u>ASSETS</u>	<u>WORKING CASH</u>	<u>TORT</u>	<u>FIRE PREVENTION AND SAFETY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
Cash and Cash Equivalents	\$ 5,261,231	\$ 671,007	\$ 153,774	\$ -	\$ -	\$ 53,593,024
Investments	231,970	-	-	-	-	23,197,044
Capital Assets						
Land	-	-	-	1,262,074	-	1,262,074
Building and Building Improvements	-	-	-	98,102,826	-	98,102,826
Site Improvements and Infrastructure	-	-	-	4,675,718	-	4,675,718
Capitalized Equipment	-	-	-	17,045,613	-	17,045,613
Construction in Progress	-	-	-	36,468	-	36,468
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	2,822,493	2,822,493
Total Assets	\$ 5,493,201	\$ 671,007	\$ 153,774	\$ 121,122,699	\$ 2,822,493	\$ 200,735,260
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,822,493	\$ 2,822,493
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,822,493	\$ 2,822,493
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,822,493	\$ 2,822,493
<u>FUND BALANCE</u>						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 121,122,699	\$ -	\$ 121,122,699
Fund Balance						
Reserved	167,401	296,169	7,727	-	-	29,464,681
Unreserved	5,325,800	374,838	146,047	-	-	47,325,387
Total Fund Balance	\$ 5,493,201	\$ 671,007	\$ 153,774	\$ 121,122,699	\$ -	\$ 197,912,767
Total Liabilities and Fund Balance	\$ 5,493,201	\$ 671,007	\$ 153,774	\$ 121,122,699	\$ 2,822,493	\$ 200,735,260

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2022

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 44,826,386	\$ 6,198,379	\$ 1,975	\$ 3,246,025	\$ 2,459,361
State Sources	6,915,108	-	-	2,033,378	-
Federal Sources	5,609,350	288,830	-	13,019	-
On-Behalf Payments	17,607,350	-	-	-	-
	<u>\$ 74,958,194</u>	<u>\$ 6,487,209</u>	<u>\$ 1,975</u>	<u>\$ 5,292,422</u>	<u>\$ 2,459,361</u>
EXPENDITURES DISBURSED					
Instruction	\$ 38,258,099	\$ -	\$ -	\$ -	\$ 758,950
Support Services	14,258,547	5,706,707	-	4,764,991	1,414,567
Community Services	26,355	-	-	-	-
Payments to Other Districts and Governmental Units	894,331	-	-	-	-
On-Behalf Payments	17,607,350	-	-	-	-
	<u>\$ 71,044,682</u>	<u>\$ 5,706,707</u>	<u>\$ -</u>	<u>\$ 4,764,991</u>	<u>\$ 2,173,517</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ 3,913,512	\$ 780,502	\$ 1,975	\$ 527,431	\$ 285,844
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 3,913,512	\$ 780,502	\$ 1,975	\$ 527,431	\$ 285,844
FUND BALANCE - JULY 1, 2021	<u>40,736,246</u>	<u>11,490,225</u>	<u>1,115,617</u>	<u>7,074,661</u>	<u>1,065,789</u>
FUND BALANCE - JUNE 30, 2022	<u>\$ 44,649,758</u>	<u>\$ 12,270,727</u>	<u>\$ 1,117,592</u>	<u>\$ 7,602,092</u>	<u>\$ 1,351,633</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2022

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 263,478	\$ 366,538	\$ 659,870	\$ 14,587	\$ 58,036,599
State Sources	3,500,000	-	-	-	12,448,486
Federal Sources	-	-	-	-	5,911,199
On-Behalf Payments	-	-	-	-	17,607,350
	<u>\$ 3,763,478</u>	<u>\$ 366,538</u>	<u>\$ 659,870</u>	<u>\$ 14,587</u>	<u>\$ 94,003,634</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 39,017,049
Support Services	2,503,286	-	719,479	-	29,367,577
Community Services	-	-	-	-	26,355
Payments to Other Districts and Governmental Units	-	-	-	-	894,331
On-Behalf Payments	-	-	-	-	17,607,350
	<u>\$ 2,503,286</u>	<u>\$ -</u>	<u>\$ 719,479</u>	<u>\$ -</u>	<u>\$ 86,912,662</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ 1,260,192	\$ 366,538	\$ (59,609)	\$ 14,587	\$ 7,090,972
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 1,260,192	\$ 366,538	\$ (59,609)	\$ 14,587	\$ 7,090,972
FUND BALANCE - JULY 1, 2021	<u>2,220,092</u>	<u>5,126,663</u>	<u>730,616</u>	<u>139,187</u>	<u>69,699,096</u>
FUND BALANCE - JUNE 30, 2022	<u>\$ 3,480,284</u>	<u>\$ 5,493,201</u>	<u>\$ 671,007</u>	<u>\$ 153,774</u>	<u>\$ 76,790,068</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 41,453,585	\$ 5,754,314	\$ -	\$ 2,163,892	\$ 942,943
Special Education Purpose Levy	2,215,395	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	942,943
Other Tax Levies	53,973	-	-	-	-
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	474,978	-	-	-	474,978
Other Payments in Lieu of Taxes	-	50	-	-	-
Tuition					
Special Education Tuition from Other Districts (In State)	71,880	-	-	-	-
Adult Tuition from Other Districts (Out of State)	383	-	-	-	-
Transportation Fees					
Regular Trans. Fees from Pupils or Parents (In State)	-	-	-	12,800	-
Interest on Investments	75,448	45,615	1,975	25,930	1,545
Gain or Loss on Sale of Investments	(81,616)	-	-	-	-
Food Service					
Sales to Pupils - Lunch	197,018	-	-	-	-
District/School Activity Income					
Fees	47,955	-	-	-	-
Student Activity Fund Revenues	62,162	-	-	-	-
Textbooks					
Rentals - Regular Textbook	174,806	-	-	-	-
Rentals	-	21,570	-	-	-
Contributions and Donations from Private Sources	26,169	110	-	-	-
Annexation Fund	-	-	-	-	-
Impact Fees From Municipal or County Governments	-	-	-	-	-
Refund of Prior Years' Expenditures	38,057	38,060	-	2,266	-
Payments from Other Districts	528	-	-	1,040,233	3,358
Other Local Revenues	15,665	338,660	-	904	93,594
Total Local Sources	<u>\$ 44,826,386</u>	<u>\$ 6,198,379</u>	<u>\$ 1,975</u>	<u>\$ 3,246,025</u>	<u>\$ 2,459,361</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>
REVENUE RECEIVED (Continued)					
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 6,489,388	\$ -	\$ -	\$ -	\$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	251,504	-	-	-	-
Orphanage - Individual	119,238	-	-	-	-
Orphanage - Summer	8,966	-	-	-	-
Other	-	-	-	19,095	-
State Free Lunch and Breakfast	41,954	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	650,849	-
Special Education	-	-	-	1,363,434	-
Other Restricted Revenue from State Sources	4,058	-	-	-	-
Total State Sources	<u>\$ 6,915,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,033,378</u>	<u>\$ -</u>
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 1,884,662	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	339,018	-	-	-	-
Summer Food Service Admin/Program	48,213	-	-	-	-
Title I					
Low Income	660,175	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	42,872	-	-	-	-
IDEA - Flow Through/Low Incidence	774,653	-	-	-	-
IDEA - Room and Board	13,412	-	-	-	-
Title III - English Language Acquisition	53,018	-	-	-	-
Title II - Teacher Quality	117,332	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	240,012	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	182,545	-	-	-	-
Cares Act/ESSER Funds	1,253,438	288,830	-	13,019	-
Total Federal Sources	<u>\$ 5,609,350</u>	<u>\$ 288,830</u>	<u>\$ -</u>	<u>\$ 13,019</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 57,350,844</u>	<u>\$ 6,487,209</u>	<u>\$ 1,975</u>	<u>\$ 5,292,422</u>	<u>\$ 2,459,361</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 418,817	\$ 563,376	\$ 14,331	\$ 51,311,258
Special Education Purpose Levy	-	-	-	-	2,215,395
FICA/Medicare Only Purposes Levy	-	-	-	-	942,943
Other Tax Levies	-	-	-	-	53,973
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	949,956
Other Payments in Lieu of Taxes	-	-	-	-	50
Tuition					
Special Education Tuition from Other Districts (In State)	-	-	-	-	71,880
Adult Tuition from Other Districts (Out of State)	-	-	-	-	383
Transportation Fees					
Regular Trans. Fees from Pupils or Parents (In State)	-	-	-	-	12,800
Interest on Investments	4,557	2,132	660	256	158,118
Gain or Loss on Sale of Investments	-	(54,411)	-	-	(136,027)
Food Service					
Sales to Pupils - Lunch	-	-	-	-	197,018
District/School Activity Income					
Fees	-	-	-	-	47,955
Student Activity Fund Revenues	-	-	-	-	62,162
Textbooks					
Rentals - Regular Textbook	-	-	-	-	174,806
Rentals	-	-	-	-	21,570
Contributions and Donations from Private Sources	-	-	-	-	26,279
Annexation Fund	36,630	-	-	-	36,630
Impact Fees From Municipal or County Governments	188,877	-	-	-	188,877
Refund of Prior Years' Expenditures	-	-	-	-	78,383
Payments from Other Districts	18,414	-	-	-	1,062,533
Other Local Revenues	15,000	-	95,834	-	559,657
Total Local Sources	<u>\$ 263,478</u>	<u>\$ 366,538</u>	<u>\$ 659,870</u>	<u>\$ 14,587</u>	<u>\$ 58,036,599</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 9,989,388
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	251,504
Orphanage - Individual	-	-	-	-	119,238
Orphanage - Summer	-	-	-	-	8,966
Other	-	-	-	-	19,095
State Free Lunch and Breakfast	-	-	-	-	41,954
Transportation					
Regular/Vocational	-	-	-	-	650,849
Special Education	-	-	-	-	1,363,434
Other Restricted Revenue from State Sources	-	-	-	-	4,058
Total State Sources	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,448,486</u>
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 1,884,662
School Breakfast Program	-	-	-	-	339,018
Summer Food Service Admin/Program	-	-	-	-	48,213
Title I					
Low Income	-	-	-	-	660,175
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	42,872
IDEA - Flow Through/Low Incidence	-	-	-	-	774,653
IDEA - Room and Board	-	-	-	-	13,412
Title III - English Language Acquisition	-	-	-	-	53,018
Title II - Teacher Quality	-	-	-	-	117,332
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	240,012
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	182,545
Cares Act/ESSER Funds	-	-	-	-	1,555,287
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,911,199</u>
Total Direct Revenue	<u>\$ 3,763,478</u>	<u>\$ 366,538</u>	<u>\$ 659,870</u>	<u>\$ 14,587</u>	<u>\$ 76,396,284</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Instruction		
Regular Programs		
Salaries	\$ 19,760,200	\$ 12,989,882
Employee Benefits	3,540,900	1,781,397
Purchased Services	172,800	316,101
Supplies and Materials	885,500	724,775
Capital Outlay	5,183,200	314,643
Other Objects	-	654
Non-Capitalized Equipment	359,200	341,311
	<u>\$ 29,901,800</u>	<u>\$ 16,468,763</u>
Pre-K Programs		
Salaries	\$ -	\$ 7,307,147
Employee Benefits	-	838,852
Purchased Services	-	162,473
Supplies and Materials	-	449,410
Capital Outlay	-	171,268
Other Objects	-	1,896
Non-Capitalized Equipment	-	71,918
	<u>\$ -</u>	<u>\$ 9,002,964</u>
Special Education Programs		
Salaries	\$ 6,887,100	\$ 6,533,460
Employee Benefits	951,300	1,035,570
Purchased Services	85,900	102,276
Supplies and Materials	81,600	84,134
Non-Capitalized Equipment	-	11,445
	<u>\$ 8,005,900</u>	<u>\$ 7,766,885</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 670,900	\$ 353,727
Employee Benefits	-	32,835
Purchased Services	37,900	19,107
Supplies and Materials	153,800	188,077
Non-Capitalized Equipment	10,600	-
	<u>\$ 873,200</u>	<u>\$ 593,746</u>
Interscholastic Programs		
Salaries	\$ 228,600	\$ 238,385
Employee Benefits	2,900	1,688
Purchased Services	18,400	12,003
Supplies and Materials	18,200	14,737
Other Objects	4,100	6,766
Non-Capitalized Equipment	2,800	-
	<u>\$ 275,000</u>	<u>\$ 273,579</u>
Summer School Programs		
Salaries	\$ -	\$ 2,508
Employee Benefits	-	31
	<u>\$ -</u>	<u>\$ 2,539</u>
Bilingual Programs		
Salaries	\$ 2,434,500	\$ 2,912,919
Employee Benefits	37,300	353,457
Purchased Services	10,600	48,283
Supplies and Materials	31,900	21,123
Other Objects	1,000	347
Non-Capitalized Equipment	500	-
	<u>\$ 2,515,800</u>	<u>\$ 3,336,129</u>
Private Tuition - Other Objects		
Special Education Programs K-12	\$ 918,000	\$ 765,672
	<u>\$ 918,000</u>	<u>\$ 765,672</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Student Activity Funds		
Other Objects	\$ -	\$ 47,822
	<u>\$ -</u>	<u>\$ 47,822</u>
 Total Instruction	 <u>\$ 42,489,700</u>	 <u>\$ 38,258,099</u>
 Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,306,100	\$ 1,352,644
Employee Benefits	-	138,385
Supplies and Materials	-	4,000
	<u>\$ 1,306,100</u>	<u>\$ 1,495,029</u>
Health Services		
Salaries	\$ 742,800	\$ 1,239,699
Employee Benefits	14,600	129,374
Purchased Services	200,600	147,387
Supplies and Materials	71,300	27,589
Other Objects	5,100	1,960
Non-Capitalized Equipment	3,700	2,340
	<u>\$ 1,038,100</u>	<u>\$ 1,548,349</u>
Psychological Services		
Salaries	\$ 772,400	\$ 730,511
Employee Benefits	8,900	68,125
Purchased Services	29,000	81,454
Supplies and Materials	500	-
	<u>\$ 810,800</u>	<u>\$ 880,090</u>
Speech Pathology and Audiology Services		
Salaries	\$ 1,313,800	\$ 1,248,145
Employee Benefits	-	121,416
Purchased Services	6,400	4,943
Supplies and Materials	1,000	-
	<u>\$ 1,321,200</u>	<u>\$ 1,374,504</u>
 Total Support Services - Pupils	 <u>\$ 4,476,200</u>	 <u>\$ 5,297,972</u>
 Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 354,700	\$ 453,802
Employee Benefits	71,600	40,704
Purchased Services	136,300	168,267
Supplies and Materials	61,800	470,055
Other Objects	-	2,080
Non-Capitalized Equipment	-	6,759
	<u>\$ 624,400</u>	<u>\$ 1,141,667</u>
Educational Media Services		
Supplies and Materials	\$ 45,500	\$ 30,934
	<u>\$ 45,500</u>	<u>\$ 30,934</u>
Assessment and Testing		
Purchased Services	\$ 32,400	\$ 15,335
Supplies and Materials	10,600	9,740
	<u>\$ 43,000</u>	<u>\$ 25,075</u>
 Total Support Services - Instructional Staff	 <u>\$ 712,900</u>	 <u>\$ 1,197,676</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
General Administration		
Board of Education Services		
Purchased Services	\$ 208,300	\$ 162,417
Supplies and Materials	3,200	867
Other Objects	35,700	31,584
	<u>\$ 247,200</u>	<u>\$ 194,868</u>
Executive Administration Services		
Salaries	\$ 329,900	\$ 483,883
Employee Benefits	33,700	30,223
Purchased Services	46,500	48,906
Supplies and Materials	50,100	60,322
Other Objects	18,400	15,573
Non-Capitalized Equipment	1,100	-
	<u>\$ 479,700</u>	<u>\$ 638,907</u>
Total Support Services - General Administration	<u>\$ 726,900</u>	<u>\$ 833,775</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 2,266,900	\$ 2,279,996
Employee Benefits	486,900	370,812
Purchased Services	3,700	1,189
Other Objects	17,300	12,712
	<u>\$ 2,774,800</u>	<u>\$ 2,664,709</u>
Other Support Services - School Administration		
Salaries	\$ 179,300	\$ 172,696
Employee Benefits	16,600	28,454
Purchased Services	500	6,141
Supplies and Materials	-	367
Other Objects	4,100	3,218
	<u>\$ 200,500</u>	<u>\$ 210,876</u>
Total Support Services - School Administration	<u>\$ 2,975,300</u>	<u>\$ 2,875,585</u>
Business		
Direction of Business Support Services		
Salaries	\$ 168,700	\$ 168,735
Employee Benefits	31,900	28,921
Purchased Services	3,700	961
Supplies and Materials	13,800	20,607
Other Objects	4,100	1,445
	<u>\$ 222,200</u>	<u>\$ 220,669</u>
Fiscal Services		
Salaries	\$ 342,000	\$ 269,773
Employee Benefits	40,400	38,563
Purchased Services	5,400	9,657
Supplies and Materials	9,500	6,497
Other Objects	1,000	280
Non-Capitalized Equipment	2,100	-
	<u>\$ 400,400</u>	<u>\$ 324,770</u>
Operation and Maintenance of Plant Services		
Salaries	\$ -	\$ 8,551
Employee Benefits	38,600	182
Purchased Services	11,800	4,923
	<u>\$ 50,400</u>	<u>\$ 13,656</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Food Services		
Salaries	\$ 826,200	\$ 665,212
Employee Benefits	120,300	89,274
Purchased Services	16,300	52,312
Supplies and Materials	750,000	788,882
Capital Outlay	100,000	44,179
Other Objects	3,100	2,441
Non-Capitalized Equipment	12,700	10,402
	<u>\$ 1,828,600</u>	<u>\$ 1,652,702</u>
Total Support Services - Business	<u>\$ 2,501,600</u>	<u>\$ 2,211,797</u>
Central		
Information Services		
Purchased Services	\$ -	\$ 3,244
Supplies and Materials	-	4,808
	<u>\$ -</u>	<u>\$ 8,052</u>
Data Processing Services		
Salaries	\$ 675,300	\$ 668,808
Employee Benefits	78,300	111,425
Purchased Services	197,500	543,749
Supplies and Materials	-	460,055
Capital Outlay	200,000	-
Other Objects	1,000	300
Non-Capitalized Equipment	-	38,398
	<u>\$ 1,152,100</u>	<u>\$ 1,822,735</u>
Total Support Services - Central	<u>\$ 1,152,100</u>	<u>\$ 1,830,787</u>
Other Support Services		
Purchased Services	\$ -	\$ 10,955
Total Other Support Services	<u>\$ -</u>	<u>\$ 10,955</u>
Total Support Services	<u>\$ 12,545,000</u>	<u>\$ 14,258,547</u>
Community Services		
Salaries	\$ -	\$ 17,961
Employee Benefits	-	3,291
Purchased Services	59,100	5,103
Supplies and Materials	300	-
Total Community Services	<u>\$ 59,400</u>	<u>\$ 26,355</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 324,600	\$ 144,513
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 324,600</u>	<u>\$ 144,513</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ 805,800	\$ 749,818
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 805,800</u>	<u>\$ 749,818</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,130,400</u>	<u>\$ 894,331</u>
Total Direct Expenditures	<u>\$ 56,224,500</u>	<u>\$ 53,437,332</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 33,600	\$ 47
Supplies and Materials	1,000	-
Capital Outlay	190,000	280,308
	<u>\$ 224,600</u>	<u>\$ 280,355</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 2,401,700	\$ 2,134,895
Employee Benefits	412,200	393,631
Purchased Services	1,697,900	1,119,047
Supplies and Materials	1,239,600	1,005,004
Capital Outlay	3,500	667,728
Other Objects	1,000	851
Non-Capitalized Equipment	-	105,196
Termination Benefits	42,400	-
	<u>\$ 5,798,300</u>	<u>\$ 5,426,352</u>
Total Support Services - Business	<u>\$ 6,022,900</u>	<u>\$ 5,706,707</u>
Total Support Services	<u>\$ 6,022,900</u>	<u>\$ 5,706,707</u>
Total Direct Expenditures	<u><u>\$ 6,022,900</u></u>	<u><u>\$ 5,706,707</u></u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Business		
Pupil Transportation Services		
Salaries	\$ 2,895,900	\$ 2,317,626
Employee Benefits	138,400	125,336
Purchased Services	525,400	739,407
Supplies and Materials	562,600	550,452
Capital Outlay	30,000	-
Other Objects	1,198,400	966,874
Non-Capitalized Equipment	31,800	65,296
Total Support Services - Business	<u>\$ 5,382,500</u>	<u>\$ 4,764,991</u>
Total Support Services	<u>\$ 5,382,500</u>	<u>\$ 4,764,991</u>
Total Direct Expenditures	<u><u>\$ 5,382,500</u></u>	<u><u>\$ 4,764,991</u></u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 286,500	\$ 254,604
Pre-K Programs		
Employee Benefits	-	110,301
Special Education Programs		
Employee Benefits	466,300	302,269
Remedial and Supplemental Programs - K-12		
Employee Benefits	9,700	5,126
Interscholastic Programs		
Employee Benefits	3,300	7,935
Summer School Programs		
Employee Benefits	-	37
Bilingual Programs		
Employee Benefits	42,800	78,678
Total Instruction	<u>\$ 808,600</u>	<u>\$ 758,950</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 19,000	\$ 19,086
Health Services		
Employee Benefits	1,600	166,789
Psychological Services		
Employee Benefits	19,200	18,222
Speech Pathology and Audiology Services		
Employee Benefits	19,100	17,791
Total Supports Services - Pupils	<u>\$ 58,900</u>	<u>\$ 221,888</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 16,200	\$ 20,458
Total Support Services - Instructional Staff	<u>\$ 16,200</u>	<u>\$ 20,458</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 20,200	\$ 47,128
Total Support Services - General Administration	<u>\$ 20,200</u>	<u>\$ 47,128</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 106,500	\$ 100,219
Other Support Services - School Administration		
Employee Benefits	2,600	26,908
Total Support Services - School Administration	<u>\$ 109,100</u>	<u>\$ 127,127</u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Employee Benefits	\$ 2,400	\$ 2,458
Fiscal Services		
Employee Benefits	60,100	45,902
Operation and Maintenance of Plant Services		
Employee Benefits	403,800	358,480
Pupil Transportation Services		
Employee Benefits	490,300	401,537
Food Services		
Employee Benefits	124,800	105,155
Total Support Services - Business	<u>\$ 1,081,400</u>	<u>\$ 913,532</u>
Central		
Data Processing Services		
Employee Benefits	<u>\$ 78,100</u>	<u>\$ 84,434</u>
Total Support Services - Central	<u>\$ 78,100</u>	<u>\$ 84,434</u>
Total Support Services	<u>\$ 1,363,900</u>	<u>\$ 1,414,567</u>
Total Direct Expenditures	<u><u>\$ 2,172,500</u></u>	<u><u>\$ 2,173,517</u></u>

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

McHENRY COMMUNITY CONSOLIDATED
 SCHOOL DISTRICT NO. 15
 SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Capital Outlay	\$ 3,500,000	\$ 2,501,243
Other Objects	-	2,043
Total Support Services - Business	<u>\$ 3,500,000</u>	<u>\$ 2,503,286</u>
Total Support Services	<u>\$ 3,500,000</u>	<u>\$ 2,503,286</u>
Total Direct Expenditures	<u><u>\$ 3,500,000</u></u>	<u><u>\$ 2,503,286</u></u>

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

McHENRY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 15
SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TORT FUND
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Risk Management and Claims Services Payments		
Purchased Services	\$ 778,500	\$ 719,479
	<u>\$ 778,500</u>	<u>\$ 719,479</u>
Total Support Services - General Administration	<u>\$ 778,500</u>	<u>\$ 719,479</u>
Total Support Services	<u>\$ 778,500</u>	<u>\$ 719,479</u>
Total Direct Expenditures	<u><u>\$ 778,500</u></u>	<u><u>\$ 719,479</u></u>

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

McHENRY COMMUNITY CONSOLIDATED
 SCHOOL DISTRICT NO. 15
 SCHEDULE OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 FIRE PREVENTION AND SAFETY FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Supplies and Materials	\$ 8,500	\$ -
Total Support Services - Business	<u>\$ 8,500</u>	<u>\$ -</u>
Total Support Services	<u>\$ 8,500</u>	<u>\$ -</u>
Total Direct Expenditures	<u><u>\$ 8,500</u></u>	<u><u>\$ -</u></u>

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

MCHENRY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 15
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McHenry Community Consolidated School District No. 15's (District) accounting policies conform to the cash basis of accounting as defined by Title 23 of the Illinois Administrative Code, Part 100.

A. Principles Used to Determine Scope of Entity

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The joint agreement has been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and is therefore excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreement. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes.

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for tax-financed bond payments. Operations of this fund are generally financed by a special tax levied for these purposes.

NOTES TO FINANCIAL STATEMENTS (Continued)

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and contributions and donations from private sources.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Tort Fund – The Tort Fund is used to account for the proceeds of specific revenue sources that are legally restricted for tort expenditures.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt, including leases, of the District.

Measurement Focus

The financial statements of all funds, except two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. In the fund financial statements, the current financial resources measurement focus is used as appropriate.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the individual funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. *Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by

NOTES TO FINANCIAL STATEMENTS (Continued)

the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal and outstanding leases payable in the future are recorded in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The budget was passed on August 17, 2021 and was not amended.

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

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

1. Prior to September 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2022.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Municipal Bond Investments are stated at amortized cost. All other investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

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

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost in the General Fixed Assets Account Group. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment). Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost.

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "reserve" resources for future uses – such as for specific capital projects. These types of reserved balances are based on management's tentative plans and can be changed. See Note 6 for descriptions of reserved equity.

J. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2021 tax levy was passed by the Board on November 9, 2021. The 2020 tax levy was passed by the Board on November 2, 2020. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information. These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

Investments

As of June 30, 2022 the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 26,112,014	\$ 26,112,014	\$ -	\$ -	\$ -
Treasury Bills	20,699,574	20,699,574	-	-	-
Certificates of Deposit	2,497,470	2,497,470	-	-	-
	<u>\$ 49,309,058</u>	<u>\$ 49,309,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

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

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2022, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
Treasury Bills	AA+	Standard and Poor's
Certificates of Deposit	Not Rated	N/A

NOTE 3 - FAIR VALUE MEASUREMENT

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. The District has the following recurring fair value measurements as of June 30, 2022:

Investments by fair value level	6/30/2022	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	\$ 2,497,470	\$ -	\$ 2,497,470
Limited Term Duration Pool	9,865,973	-	9,865,973
Treasury Bills	20,699,574	-	20,699,574
Total Investments by fair value level	<u>\$ 33,063,017</u>	<u>\$ -</u>	<u>\$ 33,063,017</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Land	\$ 1,262,074	\$ -	\$ -	\$ 1,262,074
Building and Building Improvements	97,162,342	940,484	-	98,102,826
Site Improvements and Infrastructure	2,174,474	2,501,244	-	4,675,718
Capitalized Equipment	12,728,884	4,316,729	-	17,045,613
Construction in Progress	-	36,468	-	36,468
	<u>\$ 113,327,774</u>	<u>\$ 7,794,925</u>	<u>\$ -</u>	<u>\$ 121,122,699</u>

Changes to accumulated depreciation is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Building and Building Improvements	\$ 39,441,987	\$ 3,286,434	\$ -	\$ 42,728,421
Site Improvements and Infrastructure	1,769,771	171,525	-	1,941,296
Capitalized Equipment	9,172,704	1,605,751	-	10,778,455
	<u>\$ 50,384,462</u>	<u>\$ 5,063,710</u>	<u>\$ -</u>	<u>\$ 55,448,172</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations are summarized as follows:

	Balance July 1, 2021	Additions	Retirement	Balance June 30, 2022	Amounts Due Within One year
Long-Term Debt					
Copiers - GASB 87 Leases	\$ 448,490	\$ 216,274	\$ 137,674	\$ 527,090	\$ 137,674
Buses - GASB 87 Leases	2,179,757	971,035	855,389	2,295,403	855,389
Total Long-Term Debt	<u>\$ 2,628,247</u>	<u>\$ 1,187,309</u>	<u>\$ 993,063</u>	<u>\$ 2,822,493</u>	<u>\$ 993,063</u>

Long-term obligations, which were all leases payable in the current year, consisted of the following at June 30, 2022:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Konica Copiers	4/29/2025	3.50%	\$ 472,095	\$ 354,071
HP Copiers	6/4/2026	3.00%	216,274	173,019
Santander 7/7/18 Bus Lease	7/7/2022	3.56%	44,190	8,838
Santander 7/15/19 Bus Lease - IC/CE Buses	7/15/2023	5.78%	909,090	363,636
Santander 7/15/19 Bus Lease - WC Buses	7/15/2023	4.15%	149,670	59,868
Santander 7/15/19 Bus Lease - ICS Buses	7/15/2023	4.15%	95,260	38,104
Santander 7/15/20 Bus Lease - IC/CE Buses	7/15/2024	2.72%	1,342,470	805,482
Santander 7/15/20 Bus Lease - WC Buses	7/15/2024	2.72%	172,080	103,248
Santander 7/15/20 Bus Lease - ICS Buses	7/15/2024	2.72%	51,920	31,152
Santander 7/15/21 Bus Lease - IC/CE Buses	7/2/2025	2.26%	971,035	776,828
Midwest 7/1/18 Bus Lease	7/1/2022	5.56%	541,234	108,247

At June 30, 2022, the annual debt service requirements to service long-term obligations are:

Year Ending June 30	Principal	Interest	Total
2023	\$ 993,063	\$ -	\$ 993,063
2024	875,979	-	875,979
2025	645,175	-	645,175
2026	308,276	-	308,276
	<u>\$ 2,822,493</u>	<u>\$ -</u>	<u>\$ 2,822,493</u>

The Operations and Maintenance Fund will be used to liquidate the copier leases and the Transportation Fund will be used to liquidate bus leases.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - SPECIAL TAX LEVIES AND RESERVED EQUITY

A. Special Education Tax Levy

Revenues and the related expenditures of this reserved tax levy are accounted for in the Educational Fund. The current year expenditures exceeded the current year revenues and any prior year carryover balance. Accordingly, there is no reserved fund balance for this tax levy.

B. Social Security Tax Levy

Revenues and the related expenditures of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. The current year expenditures exceeded the current year revenues and any prior year carryover balance. Accordingly, there is no reserved fund balance for this tax levy.

C. Student Activity Funds

Cash receipts and related cash disbursements for these funds are accounted for in the Educational Fund. A portion, \$69,110, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is reserved for future student activity fund disbursements.

D. Property Tax Receipts

The District has reserved receipts from the 2021 tax levy for expenditures to be incurred during fiscal year 2023. At June 30, 2022 the following balances were reserved:

Fund	Amount
Educational	\$ 22,588,628
Operations and Maintenance	2,974,561
Transportation	1,094,535
Illinois Municipal Retirement/Social Security	1,030,158
Working Cash	167,401
Tort	296,169
Fire Prevention and Safety	7,727
	\$ 28,159,179

E. Health Insurance

The District has established a separate bank account to be reserved for the future payment of possible insurance claims arising from the District's minimum premium payment insurance plan for its health and dental insurance. At June 30, 2022 the following balances were reserved:

Fund	Amount
Educational	\$ 1,236,392

NOTE 7 - DEFICIT FUND BALANCE

No fund had a deficit fund balance at June 30, 2022.

NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2021 (\$28,159,225) and 2020 (\$26,364,344) tax levies.

A summary of the past three years' assessed valuations, tax rates, and extensions follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

McHENRY COUNTY

Tax Year	2021		2020		2019	
Assessed Valuation	\$1,197,568,173		\$1,142,721,462		\$1,083,660,065	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.4105	\$40,841,685	3.4931	\$39,916,221	3.5739	\$38,729,263
Tort Immunity	0.0472	565,540	0.0465	531,583	0.0476	515,779
Special Education	0.1827	2,188,388	0.1862	2,127,302	0.1905	2,064,080
Operations and Maintenance	0.4743	5,679,970	0.4839	5,529,846	0.4951	5,365,418
Transportation	0.1745	2,090,032	0.1862	2,127,302	0.1905	2,064,080
Municipal Retirement	0.0821	983,551	0.0745	851,179	0.0762	825,825
Debt Service	0.0000	-	0.0000	-	0.0000	-
Social Security	0.0821	983,551	0.0745	851,179	0.0762	825,825
Fire Prevention and Safety	0.0012	14,754	0.0012	13,164	0.0012	12,798
Working Cash	0.0267	319,655	0.0438	500,135	0.0448	485,263
Revenue Recapture	0.0087	104,428	0.0000	-	0.0000	-
	<u>4.4900</u>	<u>\$53,771,554</u>	<u>4.5899</u>	<u>\$52,447,911</u>	<u>4.6960</u>	<u>\$50,888,330</u>

LAKE COUNTY

Tax Year	2021		2020		2019	
Assessed Valuation	\$20,545,947		\$20,036,264		\$18,711,300	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.4090	\$ 700,404	3.4889	\$ 699,054	3.5693	\$ 667,864
Tort Immunity	0.0472	9,699	0.0465	9,310	0.0475	8,894
Special Education	0.1827	37,529	0.1859	37,255	0.1902	35,594
Operations and Maintenance	0.4741	97,407	0.4833	96,844	0.4945	92,524
Transportation	0.1744	35,842	0.1859	37,255	0.1902	35,594
Municipal Retirement	0.0821	16,867	0.0744	14,907	0.0761	14,241
Debt Service	0.0000	-	0.0000	-	0.0000	-
Social Security	0.0821	16,867	0.0744	14,907	0.0761	14,241
Fire Prevention and Safety	0.0012	253	0.0012	231	0.0012	221
Working Cash	0.0267	5,482	0.0437	8,759	0.0447	8,368
Revenue Recapture	0.0018	367	0.0000	-	0.0000	-
	<u>4.4813</u>	<u>\$ 920,717</u>	<u>4.5842</u>	<u>\$ 918,522</u>	<u>4.6898</u>	<u>\$ 877,540</u>

NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2022, the following fund had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Illinois Municipal Retirement/Social Security Fund	\$ 2,172,500	\$ 2,173,517	\$ 1,017

NOTE 10 - RETIREMENT FUND COMMITMENTS

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

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

NOTES TO FINANCIAL STATEMENTS (Continued)

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2021>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2021 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$17,197,314 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022 were \$177,644.

NOTES TO FINANCIAL STATEMENTS (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, 2022, the District pension contribution was 10.31% of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$0 were paid from federal and special trust funds that required District contributions of \$0.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the District paid \$2,925 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	246
Inactive plan members entitled to but not yet receiving benefits	340
Active plan members	311
Total	<u>897</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar year's 2021 and 2022 were 9.91% and 9.51%, respectively. For the fiscal year ended June 30, 2022, the District contributed \$909,900 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. *Social Security*

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

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Benefits Provided

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

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

Contributions

For the fiscal year ended June 30, 2022, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher’s salary. For the fiscal year ended June 30, 2021, the employee contribution was 1.24% of salary and the employer contribution was 0.92% of each teacher’s salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers’ Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Total employer contributions for the fiscal year ended June 30, 2022 were \$205,210.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District

NOTES TO FINANCIAL STATEMENTS (Continued)

were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$410,036 in benefit contributions from the State of Illinois.

B. *Retiree Insurance Plan*

Plan Overview

In addition to providing the pension benefits described in Note 11, the District provides post-employment benefits other than pensions ("OPEB") for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The District provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the District's retirement plans. All health care benefits are provided through the District's insured health plan. The benefit levels are the same as those afforded to active employees. The Plan provides the following coverage:

IMRF Coverage Provisions

- Retiree pays the full cost of coverage including the cost for spousal coverage. Should the retiree pass away, surviving spouse coverage will also terminate. Coverage is secondary to Medicare once eligible.
- Tier I IMRF Full-Time District employees age 55 with at least 8 years of service are covered.
- Tier II IMRF Full-Time District employees age 62 with at least 10 years of service are covered.

TRS Coverage Provisions

- TRS members may remain on District insurance in retirement, or they can seek outside coverage such as that offered through the Teachers' Retirement Insurance (TRIP) Program. Admin and Non-Admin retirees will receive up to \$175/month towards the premium cost if they elect TRIP coverage in retirement. If they remain on District coverage or elect outside coverage, the District will not provide the stipend. The \$175 stipend is based on the current contract, subject to change with any future contract. Stipend continues until Medicare eligible. Should the retiree pass away, surviving spouse coverage will also terminate. TRS members cannot remain on District insurance once Medicare eligible.
- Tier I Full-Time TRS employees are covered if they meet any of the following requirements: age 55 with at least 20 years of service, age 60 with at least 10 years of service or age 62 with at least 5 years of service.
- Tier II Full-Time TRS employees, at least 62 years old with at least 10 years of service are covered.

Contribution

The only cash payments made under OPEB plan provisions for the current year were stipends as noted in the table above. Total cash payments were \$47,774.

NOTE 12 - INTERFUND TRANSFERS

There were no interfund transfers during the year ended June 30, 2022.

NOTE 13 - JOINT VENTURE

A. *Special Education District of McHenry County (SEDOM)*

The District and ten other districts within McHenry County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of SEDOM at June 30, 2022 (most recent information available) is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Assets	\$ 9,671,661
Liabilities	\$ 809
Fund Equity	9,670,852
	<u>\$ 9,671,661</u>
Revenues Received	\$ 1,284,376
Expenditures Disbursed	1,633,971
Net Increase/(Decrease) in Fund Balance	<u>\$ (349,595)</u>

Complete financial statements for SEDOM can be obtained from the Administrative Offices at 1200 Claussen Drive, Woodstock, Illinois 60098.

B. *Northern Illinois Health Insurance Program*

The District has entered into a joint venture with other school districts in order to reduce fixed reinsurance costs with common third-party administrators, Blue Cross Blue Shield and Allied Benefits.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss.

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

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

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

The District carries health insurance through Northern Illinois Health Insurance Program (NIHIP), which is a self-funded cooperative. A summary of claim transactions for the fiscal year ended June 30, 2022 is as follows:

Incurring Claims (Total Allowed)	\$ 4,411,812
Payments on Claims	(3,767,377)

During the year ended June 30, 2022, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in each of the past three years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 - CONTINGENCIES

The District is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2021 EAV	\$ 1,218,114,120
Rate	6.90%
Debt Margin	\$ 84,049,874
Current Debt	-
Remaining Debt Margin	\$ 84,049,874

NOTE 17 - CONSTRUCTION COMMITMENTS

At June 30, 2022 the District has ongoing contracts for a temperature control project and a transportation facility. The projects have outstanding commitments of \$569,816 that have not been included as expenses in these financial statements.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

The District has implemented GASB Statement No. 87, *Leases*. This statement establishes financial reporting standards related to leases. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

SUPPLEMENTAL FINANCIAL INFORMATION

McHENRY COMMUNITY CONSOLIDATED
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2022

ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2021 - 2022)

This schedule is completed for school districts only.

Fund	Sheet, Row	ACCOUNT NO - TITLE	Amount
OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Expenditures 16-24, L116	Total Expenditures	\$ 53,389,510
O&M	Expenditures 16-24, L155	Total Expenditures	5,706,707
TR	Expenditures 16-24, L214	Total Expenditures	4,764,991
MR/SS	Expenditures 16-24, L292	Total Expenditures	2,173,517
TORT	Expenditures 16-24, L422	Total Expenditures	719,479
Total Expenditures			\$ 66,754,204
LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:			
ED	Expenditures 16-24, L7, Col K - (G+)	1125 Pre-K Programs	8,759,778
ED	Expenditures 16-24, L15, Col K - (G+)	1600 Summer School Programs	2,539
ED	Expenditures 16-24, L22, Col K	1912 Special Education Programs K-12 - Private Tuition	765,672
ED	Expenditures 16-24, L77, Col K - (G+)	3000 Community Services	26,355
ED	Expenditures 16-24, L104, Col K	4000 Total Payments to Other Govt Units	894,331
ED	Expenditures 16-24, L116, Col G	- Capital Outlay	530,090
ED	Expenditures 16-24, L116, Col I	- Non-Capitalized Equipment	482,573
O&M	Expenditures 16-24, L155, Col G	- Capital Outlay	948,036
O&M	Expenditures 16-24, L155, Col I	- Non-Capitalized Equipment	105,196
TR	Expenditures 16-24, L214, Col I	- Non-Capitalized Equipment	65,296
MR/SS	Expenditures 16-24, L220, Col K	1125 Pre-K Programs	110,301
MR/SS	Expenditures 16-24, L228, Col K	1600 Summer School Programs	37
Total Deductions for OEPP Computation (Sum of Lines 18 - 95)			\$ 12,690,204
Total Operating Expenses Regular K-12 (Line 14 minus Line 96)			54,064,000
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2021-2022			3,680.20
Estimated OEPP (Line 97 divided by Line 98)			\$ 14,690.51

PER CAPITA TUITION CHARGE			
LESS OFFSETTING RECEIPTS/REVENUES:			
TR	Revenues 10-15, L42, Col F	1411 Regular -Transp Fees from Pupils or Parents (In State)	\$ 12,800
ED	Revenues 10-15, L75, Col C	1600 Total Food Service	197,018
ED-O&M	Revenues 10-15, L83, Col C,D	1700 Total District/School Activity Income (without Student Activity Funds)	47,955
ED	Revenues 10-15, L86, Col C	1811 Rentals - Regular Textbooks	174,806
ED-O&M	Revenues 10-15, L97, Col C,D	1910 Rentals	21,570
ED-O&M-DS-TR-MR/SS	Revenues 10-15, L106, Col C,D,E,F,G	1991 Payment from Other Districts	1,044,119
ED-O&M-TR	Revenues 10-15, L134, Col C,D,F	3100 Total Special Education	398,803
ED	Revenues 10-15, L148, Col C	3360 State Free Lunch & Breakfast	41,954
ED-O&M-TR-MR/SS	Revenues 10-15, L157, Col C,D,F,G	3500 Total Transportation	2,014,283
ED-O&M-DS-TR-MR/SS-Tort	Revenues 10-15, L170, Col C-G,J	3999 Other Restricted Revenue from State Sources	4,058
ED-MR/SS	Revenues 10-15, L200, Col C,G	4200 Total Food Service	2,271,893
ED-O&M-TR-MR/SS	Revenues 10-15, L206, Col C,D,F,G	4300 Total Title I	660,175
ED-O&M-TR-MR/SS	Revenues 10-15, L215, Col C,D,F,G	4620 Fed - Spec Education - IDEA - Flow Through	774,653
ED-O&M-TR-MR/SS	Revenues 10-15, L216, Col C,D,F,G	4625 Fed - Spec Education - IDEA - Room & Board	13,412
ED-TR-MR/SS	Revenues 10-15, L258, Col C,F,G	4909 Title III - Language Inst Program - Limited Eng (LIPLEP)	53,018
ED-O&M-TR-MR/SS	Revenues 10-15, L261, Col C,D,F,G	4932 Title II - Teacher Quality	117,332
ED-O&M-TR-MR/SS	Revenues 10-15, L265, Col C,D,F,G	4991 Medicaid Matching Funds - Administrative Outreach	240,012
ED-O&M-TR-MR/SS	Revenues 10-15, L266, Col C,D,F,G	4992 Medicaid Matching Funds - Fee-for-Service Program	182,545
ED-O&M-TR-MR/SS	Revenues 10-15, L267, Col C,D,F,G	4998 Other Restricted Revenue from Federal Sources (Describe & Itemize)	1,555,287
ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100 Special Education Contributions from EBF Funds **	1,984,684
ED-MR/SS	Revenues (Part of EBF Payment)	3300 English Learning (Bilingual) Contributions from EBF Funds **	271,189
Total Deductions for PCTC Computation Line 104 through Line 193			\$ 11,872,741
Net Operating Expense for Tuition Computation (Line 97 minus Line 195)			42,191,259
Total Depreciation Allowance (from page 36, Line 18, Col I)			5,129,017
Total Allowance for PCTC Computation (Line 196 plus Line 197)			47,320,276
9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2021-2022			3,680.20
Total Estimated PCTC (Line 198 divided by Line 199) *			\$ 12,858.07

*The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE. The 9-month ADA listed on the this tab is NOT the final 9-month ADA
 **Go to the Evidence-Based Funding Distribution Calculation webpage.

Under Reports, open the FY 2022 Special Education Funding Allocation Calculation Details and the FY 2022 English Learner Education Funding Allocation Calculation Details. Use the respective Excel file to locate the amount in column X for the Special Education Contribution and column V for the English Learner Contribution for the selected school district. Please enter "0" if the district does not have allocations for lines 192 and 193.

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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

To the Board of Education
McHenry Community Consolidated School District No. 15
McHenry, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited

McHenry Community Consolidated School District No. 15’s

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of McHenry Community Consolidated School District No. 15’s major federal programs for the year ended June 30, 2022. McHenry Community Consolidated School District No. 15’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, McHenry Community Consolidated School District No. 15 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter. *Government Auditing Standards* requires the auditor to perform limited procedures on McHenry Community Consolidated School District No. 15's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. McHenry Community Consolidated School District No. 15's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
April 5, 2023

McHenry Community Consolidated School District No. 15

44-063-0450-04

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)	Year 7/1/20-6/30/21 (E)	Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 (F)			
CHILD NUTRITION CLUSTER										
U.S. Department of Agriculture passed through Illinois State Board of Education										
Food Donations Program (Non-Cash Commodities)	10.555	22-4299-00		112,166			112,166		112,166	N/A
National School Lunch Program +	10.555	21-4210-00		274,373			274,373		274,373	N/A
COVID-19 ARP National School Lunch Program +	10.555	21-4210-BT		3,063			3,063		3,063	N/A
COVID-19 CRRSA National School Lunch Program +	10.555	21-4210-SN		19,639			19,639		19,639	N/A
National School Lunch Program +	10.555	22-4210-00		1,510,219			1,510,219		1,510,219	N/A
COVID-19 ARP Nutrition Supply Chain Assistance +	10.555	22-4210-SC		77,368			77,368		77,368	N/A
U.S. Department of Agriculture passed through U.S. Department of Defense										
Food Donations Program (Non-Cash Commodities)	10.555	22-4299-00		92,111			92,111		92,111	N/A
Subtotal CFDA 10.555			0	2,088,939	0	0	2,088,939	0	2,088,939	
U.S. Department of Agriculture passed through Illinois State Board of Education										
School Breakfast Program +	10.553	21-4220-00		56,542			56,542		56,542	N/A
School Breakfast Program +	10.553	22-4220-00		282,476			282,476		282,476	N/A
Subtotal CFDA 10.553			0	339,018	0	0	339,018	0	339,018	
Summer Food Service Program +	10.559	21-4225-00	1,215,828	48,212	1,239,984		24,056		1,264,040	N/A
Subtotal CFDA 10.559			1,215,828	48,212	1,239,984	0	24,056	0	1,264,040	
Total Child Nutrition Cluster			1,215,828	2,476,169	1,239,984	0	2,452,013	0	3,691,997	
Total CFDA "10"			1,215,828	2,476,169	1,239,984	0	2,452,013	0	3,691,997	
Federal Communications Commission										
COVID-19 Emergency Connectivity Fund Program	32.009	22-4998-00					824		824	N/A
Total CFDA "32"			0	0	0	0	824	0	824	

McHenry Community Consolidated School District No. 15

44-063-0450-04

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)	Year 7/1/20-6/30/21 (E)	Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 (F)	Year 7/1/21-6/30/22 Pass through to Subrecipients			
U.S. Department of Education passed through Illinois State Board of Education											
Title I - Low Income (M)	84.010	21-4300-00	467,639	245,698	713,337					713,337	746,763
Title I - Low Income (M)	84.010	22-4300-00		414,477				568,546		568,546	605,993
Subtotal CFDA 84.010			467,639	660,175	713,337	0		568,546	0	1,281,883	
Title III - Lang Inst Prog - Limited Eng (LIIPLEP) *	84.365	21-4909-00	30,422	7,961	38,383					38,383	55,727
Title III - Lang Inst Prog - Limited Eng (LIIPLEP) *	84.365	22-4909-00		45,057				52,981		52,981	67,664
Title III - Lang Inst Prog - Limited Eng (LIIPLEP) *	84.365	22-4909-PD						20,000		20,000	20,000
Subtotal CFDA 84.365			30,422	53,018	38,383	0		72,981	0	111,364	
Title II - Teacher Quality	84.367	21-4932-00	69,592	18,253	87,845					87,845	94,880
Title II - Teacher Quality	84.367	22-4932-00		99,079				105,571		105,571	120,272
Subtotal CFDA 84.367			69,592	117,332	87,845	0		105,571	0	193,416	
COVID-19 Elementary and Secondary Emergency Relief Fund (M)	84.425D	21-4998-E2	42,254	1,445,487	251,079			1,254,960		1,506,039	1,889,375
COVID-19 Elementary and Secondary Emergency Relief Fund + (M)	84.425D	22-4998-ER		4,730				4,730		4,730	5,135
COVID-19 ARP - LEA and COOP American Rescue Plan (M)	84.425U	22-4998-E3		100,148				864,480		864,480	4,497,236
COVID-19 ARP - Homeless Children and Youth Grant (M)	84.425W	22-4998-HL						2,669		2,669	19,372
Subtotal CFDA 84.425			42,254	1,550,365	251,079	0		2,126,839	0	2,377,918	
SPECIAL EDUCATION CLUSTER											
Special Education - IDEA - Room and Board *	84.027	21-4625-00	76,003	13,412	76,003			13,412		89,415	N/A
Special Education - Grants to States	84.027	21-4620-00	644,396	232,265	876,661					876,661	1,255,381
Special Education - Grants to States	84.027	22-4620-00		542,388				739,003		739,003	1,513,361
COVID-19 ARP - IDEA	84.027X	22-4998-ID		4,527				22,282		22,282	213,407
Subtotal CFDA 84.027			720,399	792,592	952,664	0		774,697	0	1,727,361	

McHenry Community Consolidated School District No. 15
44-063-0450-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/20-6/30/21 (C)	Year 7/1/21-6/30/22 (D)	Year 7/1/20-6/30/21 (E)	Year 7/1/20-6/30/21 Pass through to Subrecipients	Year 7/1/21-6/30/22 (F)	Year 7/1/21-6/30/22 Pass through to Subrecipients			
Special Education - Preschool	84.173	21-4600-00	39,157	14,214	53,371					53,371	72,050
Special Education - Preschool	84.173	22-4600-00		28,658				34,165		34,165	74,265
COVID-19 ARP - IDEA Preschool	84.173X	22-4998-PS		395				395		395	21,085
Subtotal CFDA 84.173			39,157	43,267	53,371	0		34,560	0	0	87,931
Total Special Education Cluster			759,556	835,859	1,006,035	0		809,257	0	0	1,815,292
Total CFDA "84"			1,369,463	3,216,749	2,096,679	0		3,683,194	0	0	5,779,873
MEDICAID CLUSTER											
US Department of Health and Human Services											
Passed Through Illinois Department of Healthcare and Family Services											
Medicaid Matching Funds - Admin Outreach	93.778	21-4991-00	95,351	123,386	218,737					218,737	N/A
Medicaid Matching Funds - Admin Outreach	93.778	22-4991-00		116,626				164,364		164,364	N/A
Subtotal CFDA 93.778			95,351	240,012	218,737	0		164,364	0	0	383,101
Total Medicaid Cluster			95,351	240,012	218,737	0		164,364	0	0	383,101
Total CFDA "93"			95,351	240,012	218,737	0		164,364	0	0	383,101
Total Federal Assistance			2,680,642	5,932,930	3,555,400	0		6,300,395	0	0	9,855,795

+ Project Year-End 9/30

* Project Year-End 8/31

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

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

The accompanying notes are an integral part of this schedule.

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

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

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

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

McHENRY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 15
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of McHenry Community Consolidated School District No. 15 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2022.

NOTE 5 - FEDERAL LOANS

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

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

The District was not the recipient of any federally donated PPE during the current fiscal year.

McHENRY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

- 1) Summary of auditor's results:
 - a) The auditor's report expresses an adverse opinion on whether the financial statements of McHenry Community Consolidated School District No. 15 were prepared in accordance with GAAP, however, it expresses an unmodified opinion on the use of the regulatory cash basis of accounting.
 - b) One significant deficiency disclosed during the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of McHenry Community Consolidated School District No. 15, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for McHenry Community Consolidated School District No. 15 expressed an unmodified opinion on all major federal programs.
 - f) Audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a) are reported in this Schedule.
 - g) The programs tested as major programs were: Covid-19 Elementary and Secondary Emergency Relief Fund (CFDA #84.425D, 84.425U, 84.425W) and Title I (CFDA #84.010).
 - h) The threshold used for distinguishing between Type A and Type B programs was \$750,000.
 - i) McHenry Community Consolidated School District No. 15 was determined to not be a low-risk auditee.
- 2) The findings relating to the financial statements which are required to be reported are detailed in finding numbers 2022-001 and 2022-002.
- 3) A finding relating to federal awards which is required to be reported is detailed in finding number 2022-003. This finding was an other matter only, and not considered to be a material weakness or significant deficiency.

McHenry Community Consolidated School District No. 15
44-063-0450-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2022 - 001

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

Cash accounts should be reconciled timely and accurately to the bank statements.

4. Condition

General checking and payroll checking accounts were not reconciled correctly to the bank statements.

5. Context¹²

Staff preparing the bank reconciliations were out of the office for an extended period, and there was nobody else cross-trained that could take over.

6. Effect

The District's cash balances were misstated before the audit.

7. Cause

District did not have additional staff cross-trained on preparing the reconciliations.

8. Recommendation

We recommend that management reviews and improves the cash reconciliation procedures overall, and they make sure they have staff cross-trained on taking over the bank reconciliations when needed.

9. Management's response¹³

Management plans to review procedures and make sure that District staff is cross-trained on bank reconciliation preparation.

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

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

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

McHenry Community Consolidated School District No. 15
44-063-0450-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2022 - 002

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

The District's treasurer bond should cover at least 25% of the District's cash and investment balances.

4. Condition

District does not have adequate treasurer bond coverage.

5. Context¹²

The District failed to comply with the bonding requirements pursuant to Illinois School Code.

6. Effect

The District has an increased risk of loss due to having insufficient coverage.

7. Cause

The District's cash and investment balances increased in the current year, while the bond coverage was not increased accordingly.

8. Recommendation

We recommend that management reviews the cash and investments balances and updates bond coverage as needed.

9. Management's response¹³

This had been remedied in fiscal year 2023.

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

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

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

McHenry Community Consolidated School District No. 15
44-063-0450-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2022 - 003** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Covid-19 Elementary and Secondary Emergency Relief Fund; Covid-19 ARP - Lea and COOP American Rescue Plan

4. Project No.: 21-4998-E2; 22-4998-E3 5. CFDA No.: 84.425D; 84.425U

6. Passed Through: Illinois State Board of Education

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

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
One of the ESSER grants compliance requirements related to equipment and real property management is that grant recipients are required to monitor equipment purchased with federal funds.

9. Condition¹⁵
The District does not currently track fixed assets purchased with federal funds.

10. Questioned Costs¹⁶
None

11. Context¹⁷
The District failed to maintain records for tracking fixed assets purchased with federal funds.

12. Effect
Fixed asset purchases and disposals are not monitored according to grant requirements.

13. Cause
The ESSER grants are relatively new and the District was not aware of this particular requirement, as they do not routinely purchase fixed assets with other grants.

14. Recommendation
We recommend that management establishes procedures for tracking fixed assets purchased with federal funds.

15. Management's response¹⁸
Management will establish procedures for tracking fixed assets purchased with federal funds.

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

McHenry Community Consolidated School District No. 15

44-063-0450-04

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹

Year Ending June 30, 2022

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
NONE		

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

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



McHenry Elementary School District 15

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www.d15.org

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Fax: (815) 578-2140

Fiscal Year 2022

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2022-001

Finding Synopsis: General checking and payroll checking accounts were not reconciled correctly to the bank statements.

Action Steps: Management plans to review procedures and make sure that District staff is cross-trained on bank reconciliation preparation.

Contact Person: Jeffrey Schubert
Chief School Business Official
779-244-1000

Anticipated Completion Date: 3/31/2023



McHenry Elementary School District 15

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Fiscal Year 2022

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2022-002

Finding Synopsis: During the audit, we determined that the District did not have adequate treasurer bond coverage.

Action Steps: The District will review cash and investment balances and update bond coverage as needed. This has been remedied in fiscal year 2023.

Contact Person: Jeffrey Schubert
Chief School Business Official
779-244-1000

Anticipated Completion Date: 3/31/2023



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Fiscal Year 2022

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number:	2022-003
Finding Synopsis:	During the audit, we determined that the District did not track fixed assets purchased with federal funds.
Action Steps:	The District will establish procedures for tracking fixed assets purchased with federal funds.
Contact Person:	Jeffrey Schubert Chief School Business Official 779-244-1000
Anticipated Completion Date:	3/31/2023