



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

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

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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, 2023, 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, 2023, 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, 2023, 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 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. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Governmental Template'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

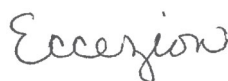
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise McHenry Community Consolidated School District No. 15's basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures 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 February 7, 2024 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.



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McHenry, Illinois
February 7, 2024



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, 2023, 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 February 7, 2024. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002, 2023-004, 2023-006 and 2023-007 to be significant deficiencies.

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 2023-004, 2023-005, 2023-006 and 2023-007.

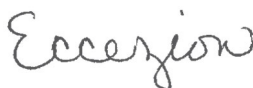
We noted certain matters that we have reported to management of McHenry Community Consolidated School District No. 15 in a separate letter dated February 7, 2024.

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.



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McHenry, Illinois
February 7, 2024

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, 2023

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 31,013,255	\$ 6,977,740	\$ 37,187	\$ 5,491,447	\$ 1,659,844	\$ 4,813,633
Investments	18,481,608	6,620,278	-	2,482,604	-	-
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	<u>\$ 49,494,863</u>	<u>\$ 13,598,018</u>	<u>\$ 37,187</u>	<u>\$ 7,974,051</u>	<u>\$ 1,659,844</u>	<u>\$ 4,813,633</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Reserved	25,336,864	3,144,964	-	1,158,128	1,091,221	-
Unreserved	24,157,999	10,453,054	37,187	6,815,923	568,623	4,813,633
Total Fund Balance	<u>\$ 49,494,863</u>	<u>\$ 13,598,018</u>	<u>\$ 37,187</u>	<u>\$ 7,974,051</u>	<u>\$ 1,659,844</u>	<u>\$ 4,813,633</u>
Total Liabilities and Fund Balance	<u>\$ 49,494,863</u>	<u>\$ 13,598,018</u>	<u>\$ 37,187</u>	<u>\$ 7,974,051</u>	<u>\$ 1,659,844</u>	<u>\$ 4,813,633</u>

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, 2023

	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 6,003,504	\$ 410,574	\$ 177,654	\$ -	\$ -	\$ 56,584,838
Investments	-	-	-	-	-	27,584,490
Capital Assets						
Land	-	-	-	1,609,834	-	1,609,834
Building and Building Improvements	-	-	-	100,964,521	-	100,964,521
Site Improvements and Infrastructure	-	-	-	4,685,493	-	4,685,493
Capitalized Equipment	-	-	-	18,668,999	-	18,668,999
Construction in Progress	-	-	-	702,815	-	702,815
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	1,829,430	1,829,430
Total Assets	<u>\$ 6,003,504</u>	<u>\$ 410,574</u>	<u>\$ 177,654</u>	<u>\$ 126,631,662</u>	<u>\$ 1,829,430</u>	<u>\$ 212,630,420</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,829,430	\$ 1,829,430
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,829,430</u>	<u>\$ 1,829,430</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,829,430</u>	<u>\$ 1,829,430</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 126,631,662	\$ -	\$ 126,631,662
Fund Balance						
Reserved	175,010	313,981	10,294	-	-	31,230,462
Unreserved	5,828,494	96,593	167,360	-	-	52,938,866
Total Fund Balance	<u>\$ 6,003,504</u>	<u>\$ 410,574</u>	<u>\$ 177,654</u>	<u>\$ 126,631,662</u>	<u>\$ -</u>	<u>\$ 210,800,990</u>
Total Liabilities and Fund Balance	<u>\$ 6,003,504</u>	<u>\$ 410,574</u>	<u>\$ 177,654</u>	<u>\$ 126,631,662</u>	<u>\$ 1,829,430</u>	<u>\$ 212,630,420</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, 2023

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 48,195,276	\$ 6,726,784	\$ 24,178	\$ 3,421,330	\$ 2,739,899
State Sources	7,807,661	50,000	-	1,800,498	-
Federal Sources	5,248,998	972,640	-	7,639	-
On-Behalf Payments	17,524,121	-	-	-	-
	<u>\$ 78,776,056</u>	<u>\$ 7,749,424</u>	<u>\$ 24,178</u>	<u>\$ 5,229,467</u>	<u>\$ 2,739,899</u>
EXPENDITURES DISBURSED					
Instruction	\$ 38,779,252	\$ -	\$ -	\$ -	\$ 832,889
Support Services	16,980,991	7,507,383	-	4,857,508	1,559,265
Community Services	51,034	-	-	-	294
Payments to Other Districts and Governmental Units	595,553	-	-	-	-
Debt Services	-	-	1,104,583	-	-
On-Behalf Payments	17,524,121	-	-	-	-
	<u>\$ 73,930,951</u>	<u>\$ 7,507,383</u>	<u>\$ 1,104,583</u>	<u>\$ 4,857,508</u>	<u>\$ 2,392,448</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ 4,845,105</u>	<u>\$ 242,041</u>	<u>\$ (1,080,405)</u>	<u>\$ 371,959</u>	<u>\$ 347,451</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers	-	1,085,250	-	-	-
Bond Issuance Costs	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,085,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 4,845,105</u>	<u>\$ 1,327,291</u>	<u>\$ (1,080,405)</u>	<u>\$ 371,959</u>	<u>\$ 347,451</u>
FUND BALANCE - JULY 1, 2022	44,649,758	12,270,727	1,117,592	7,602,092	1,351,633
FUND BALANCE ADJUSTMENT (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,240)</u>
FUND BALANCE - JUNE 30, 2023	<u>\$ 49,494,863</u>	<u>\$ 13,598,018</u>	<u>\$ 37,187</u>	<u>\$ 7,974,051</u>	<u>\$ 1,659,844</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, 2023

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 317,321	\$ 510,303	\$ 596,796	\$ 23,880	\$ 62,555,767
State Sources	3,000,000	-	-	-	12,658,159
Federal Sources	-	-	-	-	6,229,277
On-Behalf Payments	-	-	-	-	17,524,121
	<u>\$ 3,317,321</u>	<u>\$ 510,303</u>	<u>\$ 596,796</u>	<u>\$ 23,880</u>	<u>\$ 98,967,324</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 39,612,141
Support Services	1,983,972	-	857,229	-	33,746,348
Community Services	-	-	-	-	51,328
Payments to Other Districts and Governmental Units	-	-	-	-	595,553
Debt Services	-	-	-	-	1,104,583
On-Behalf Payments	-	-	-	-	17,524,121
	<u>\$ 1,983,972</u>	<u>\$ -</u>	<u>\$ 857,229</u>	<u>\$ -</u>	<u>\$ 92,634,074</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ 1,333,349</u>	<u>\$ 510,303</u>	<u>\$ (260,433)</u>	<u>\$ 23,880</u>	<u>\$ 6,333,250</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Interfund Transfers	-	(1,085,250)	-	-	-
Bond Issuance Costs	-	(14,750)	-	-	(14,750)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085,250</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 1,333,349</u>	<u>\$ 510,303</u>	<u>\$ (260,433)</u>	<u>\$ 23,880</u>	<u>\$ 7,418,500</u>
FUND BALANCE - JULY 1, 2022	3,480,284	5,493,201	671,007	153,774	76,790,068
FUND BALANCE ADJUSTMENT (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,240)</u>
FUND BALANCE - JUNE 30, 2023	<u>\$ 4,813,633</u>	<u>\$ 6,003,504</u>	<u>\$ 410,574</u>	<u>\$ 177,654</u>	<u>\$ 84,169,328</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, 2023

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 42,641,265	\$ 5,929,309	\$ -	\$ 2,182,668	\$ 1,027,747
Special Education Purpose Levy	2,287,485	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	1,027,747
Other Tax Levies	145,581	-	-	-	-
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	536,865	-	-	-	536,865
Tuition					
Special Education Tuition from Other Districts (In State)	21,455	-	-	-	-
Transportation Fees					
Regular Trans. Fees from Pupils or Parents (In State)	-	-	-	5,350	-
Interest on Investments	1,121,326	352,473	24,178	260,715	60,345
Gain or Loss on Sale of Investments	162,132	-	-	-	-
Food Service					
Sales to Pupils - Lunch	781,469	-	-	-	-
District/School Activity Income					
Fees	51,632	-	-	-	-
Student Activity Fund Revenues	117,097	-	-	-	-
Textbooks					
Rentals - Regular Textbook	193,625	-	-	-	-
Rentals	-	50,319	-	-	-
Contributions and Donations from Private Sources	3,804	-	-	-	-
Impact Fees From Municipal or County Governments	-	-	-	-	-
Refund of Prior Years' Expenditures	90,832	28,652	-	2,467	-
Payments from Other Districts	-	364,131	-	970,041	-
Other Local Revenues	40,708	1,900	-	89	87,195
Total Local Sources	<u>\$ 48,195,276</u>	<u>\$ 6,726,784</u>	<u>\$ 24,178</u>	<u>\$ 3,421,330</u>	<u>\$ 2,739,899</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, 2023

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED (Continued)					
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 7,265,054	\$ -	\$ -	\$ -	\$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	367,931	-	-	-	-
Orphanage - Individual	154,780	-	-	-	-
Orphanage - Summer	15,964	-	-	-	-
State Free Lunch and Breakfast	3,932	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	641,634	-
Special Education	-	-	-	1,158,864	-
Other Restricted Revenue from State Sources	-	50,000	-	-	-
Total State Sources	<u>\$ 7,807,661</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 1,800,498</u>	<u>\$ -</u>
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 1,101,208	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	134,128	-	-	-	-
Title I					
Low Income	600,953	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	57,185	-	-	-	-
IDEA - Flow Through/Low Incidence	1,000,102	-	-	-	-
Title III - English Language Acquisition	81,158	-	-	-	-
Title II - Teacher Quality	122,398	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	199,832	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	285,662	-	-	-	-
Cares Act/ESSER Funds	1,666,372	972,640	-	7,639	-
Total Federal Sources	<u>\$ 5,248,998</u>	<u>\$ 972,640</u>	<u>\$ -</u>	<u>\$ 7,639</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 61,251,935</u>	<u>\$ 7,749,424</u>	<u>\$ 24,178</u>	<u>\$ 5,229,467</u>	<u>\$ 2,739,899</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, 2023

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 331,712	\$ 591,184	\$ 17,420	\$ 52,721,305
Special Education Purpose Levy	-	-	-	-	2,287,485
FICA/Medicare Only Purposes Levy	-	-	-	-	1,027,747
Other Tax Levies	-	-	-	-	145,581
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	1,073,730
Tuition					
Special Education Tuition from Other Districts (In State)	-	-	-	-	21,455
Transportation Fees					
Regular Trans. Fees from Pupils or Parents (In State)	-	-	-	-	5,350
Interest on Investments	224,344	70,669	5,612	6,460	2,126,122
Gain or Loss on Sale of Investments	-	107,922	-	-	270,054
Food Service					
Sales to Pupils - Lunch	-	-	-	-	781,469
District/School Activity Income					
Fees	-	-	-	-	51,632
Student Activity Fund Revenues	-	-	-	-	117,097
Textbooks					
Rentals - Regular Textbook	-	-	-	-	193,625
Rentals	-	-	-	-	50,319
Contributions and Donations from Private Sources	-	-	-	-	3,804
Impact Fees From Municipal or County Governments	92,977	-	-	-	92,977
Refund of Prior Years' Expenditures	-	-	-	-	121,951
Payments from Other Districts	-	-	-	-	1,334,172
Other Local Revenues	-	-	-	-	129,892
Total Local Sources	\$ 317,321	\$ 510,303	\$ 596,796	\$ 23,880	\$ 62,555,767

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, 2023

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 10,265,054
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	367,931
Orphanage - Individual	-	-	-	-	154,780
Orphanage - Summer	-	-	-	-	15,964
State Free Lunch and Breakfast	-	-	-	-	3,932
Transportation					
Regular/Vocational	-	-	-	-	641,634
Special Education	-	-	-	-	1,158,864
Other Restricted Revenue from State Sources	-	-	-	-	50,000
Total State Sources	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,658,159</u>
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 1,101,208
School Breakfast Program	-	-	-	-	134,128
Title I					
Low Income	-	-	-	-	600,953
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	57,185
IDEA - Flow Through/Low Incidence	-	-	-	-	1,000,102
Title III - English Language Acquisition	-	-	-	-	81,158
Title II - Teacher Quality	-	-	-	-	122,398
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	199,832
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	285,662
Cares Act/ESSER Funds	-	-	-	-	2,646,651
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,229,277</u>
Total Direct Revenue	<u>\$ 3,317,321</u>	<u>\$ 510,303</u>	<u>\$ 596,796</u>	<u>\$ 23,880</u>	<u>\$ 81,443,203</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	\$ 19,911,840	\$ 14,631,943
Employee Benefits	2,184,265	1,488,133
Purchased Services	156,000	32,199
Supplies and Materials	947,300	523,823
Capital Outlay	250,000	263,800
Other Objects	-	1,015
Non-Capitalized Equipment	57,500	17,031
	<u>\$ 23,506,905</u>	<u>\$ 16,957,944</u>
Pre-K Programs		
Salaries	\$ -	\$ 7,828,173
Employee Benefits	-	880,080
Purchased Services	-	11,786
Supplies and Materials	-	231,522
Capital Outlay	-	20,880
	<u>\$ -</u>	<u>\$ 8,972,441</u>
Special Education Programs		
Salaries	\$ 7,852,909	\$ 6,442,624
Employee Benefits	1,278,659	1,077,566
Purchased Services	125,000	79,333
Supplies and Materials	179,400	171,779
Capital Outlay	-	17,024
Non-Capitalized Equipment	15,000	13,056
	<u>\$ 9,450,968</u>	<u>\$ 7,801,382</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 762,876	\$ 328,185
Employee Benefits	76,513	41,655
Purchased Services	55,000	558
Supplies and Materials	153,800	157,499
	<u>\$ 1,048,189</u>	<u>\$ 527,897</u>
Interscholastic Programs		
Salaries	\$ 900,000	\$ 299,183
Employee Benefits	11,250	2,830
Purchased Services	10,000	13,632
Supplies and Materials	83,000	8,792
Other Objects	-	6,017
	<u>\$ 1,004,250</u>	<u>\$ 330,454</u>
Summer School Programs		
Salaries	\$ -	\$ 35,278
Employee Benefits	-	319
Supplies and Materials	-	11,125
Other Objects	-	1,354
Non-Capitalized Equipment	-	3,076
	<u>\$ -</u>	<u>\$ 51,152</u>
Bilingual Programs		
Salaries	\$ 3,092,882	\$ 2,906,535
Employee Benefits	411,064	371,150
Purchased Services	23,000	45,383
Supplies and Materials	32,700	53,758
Other Objects	1,000	735
	<u>\$ 3,560,646</u>	<u>\$ 3,377,561</u>
Private Tuition - Other Objects		
Special Education Programs K-12	<u>\$ 900,000</u>	<u>\$ 652,895</u>
	<u>\$ 900,000</u>	<u>\$ 652,895</u>
Student Activity Funds		
Other Objects	<u>\$ -</u>	<u>\$ 107,526</u>
	<u>\$ -</u>	<u>\$ 107,526</u>
Total Instruction	<u>\$ 39,470,958</u>	<u>\$ 38,779,252</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,525,624	\$ 1,405,664
Employee Benefits	194,597	158,776
Supplies and Materials	4,000	2,474
	<u>\$ 1,724,221</u>	<u>\$ 1,566,914</u>
Guidance Services		
Salaries	\$ 181,452	\$ 175,903
Employee Benefits	26,048	2,483
	<u>\$ 207,500</u>	<u>\$ 178,386</u>
Health Services		
Salaries	\$ 1,213,452	\$ 1,241,165
Employee Benefits	160,652	121,041
Purchased Services	2,500	98,617
Supplies and Materials	124,300	25,399
Other Objects	5,000	3,761
Non-Capitalized Equipment	-	14,959
	<u>\$ 1,505,904</u>	<u>\$ 1,504,942</u>
Psychological Services		
Salaries	\$ 752,664	\$ 736,648
Employee Benefits	68,569	67,473
Purchased Services	11,000	70,905
Supplies and Materials	1,800	-
	<u>\$ 834,033</u>	<u>\$ 875,026</u>
Speech Pathology and Audiology Services		
Salaries	\$ 1,434,391	\$ 1,285,822
Employee Benefits	139,960	136,699
Purchased Services	10,000	137,832
Supplies and Materials	1,800	-
	<u>\$ 1,586,151</u>	<u>\$ 1,560,353</u>
Total Support Services - Pupils	<u>\$ 5,857,809</u>	<u>\$ 5,685,621</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 382,785	\$ 437,005
Employee Benefits	93,583	46,670
Purchased Services	35,000	159,394
Supplies and Materials	103,700	301,727
Capital Outlay	-	33,427
Other Objects	5,000	3,873
Non-Capitalized Equipment	-	4,199
	<u>\$ 620,068</u>	<u>\$ 986,295</u>
Educational Media Services		
Supplies and Materials	\$ 50,900	\$ 28,385
	<u>\$ 50,900</u>	<u>\$ 28,385</u>
Assessment and Testing		
Salaries	\$ -	\$ 51,333
Employee Benefits	-	16,927
Purchased Services	31,000	-
Supplies and Materials	21,200	14,175
	<u>\$ 52,200</u>	<u>\$ 82,435</u>
Total Support Services - Instructional Staff	<u>\$ 723,168</u>	<u>\$ 1,097,115</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
General Administration		
Board of Education Services		
Purchased Services	\$ 60,000	\$ 173,075
Supplies and Materials	-	504
Other Objects	25,000	46,450
	<u>\$ 85,000</u>	<u>\$ 220,029</u>
Executive Administration Services		
Salaries	\$ 366,540	\$ 502,941
Employee Benefits	55,402	46,299
Purchased Services	10,000	19,331
Supplies and Materials	113,000	-
Other Objects	25,000	4,200
	<u>\$ 569,942</u>	<u>\$ 572,771</u>
Total Support Services - General Administration	<u>\$ 654,942</u>	<u>\$ 792,800</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 2,200,381	\$ 2,022,083
Employee Benefits	409,070	416,436
Purchased Services	-	35
Other Objects	-	3,523
	<u>\$ 2,609,451</u>	<u>\$ 2,442,077</u>
Other Support Services - School Administration		
Salaries	\$ 231,603	\$ 407,604
Employee Benefits	13,089	40,106
Purchased Services	10,000	2,624
Supplies and Materials	1,000	49,106
Other Objects	5,000	4,318
	<u>\$ 260,692</u>	<u>\$ 503,758</u>
Total Support Services - School Administration	<u>\$ 2,870,143</u>	<u>\$ 2,945,835</u>
Business		
Direction of Business Support Services		
Salaries	\$ 179,880	\$ 174,510
Employee Benefits	50,332	33,748
Purchased Services	10,000	2,369
Supplies and Materials	-	14,662
Other Objects	5,000	-
	<u>\$ 245,212</u>	<u>\$ 225,289</u>
Fiscal Services		
Salaries	\$ 373,449	\$ 429,765
Employee Benefits	64,269	32,361
Purchased Services	6,000	46,736
Supplies and Materials	136,700	111,301
Other Objects	1,500	125,325
	<u>\$ 581,918</u>	<u>\$ 745,488</u>
Operation and Maintenance of Plant Services		
Salaries	\$ -	\$ 822
Purchased Services	-	7,810
	<u>\$ -</u>	<u>\$ 8,632</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Food Services		
Salaries	\$ 878,089	\$ 742,551
Employee Benefits	114,433	97,261
Purchased Services	6,000	41,193
Supplies and Materials	765,000	744,263
Capital Outlay	100,000	5,368
Other Objects	1,500	1,736
Non-Capitalized Equipment	10,000	785
	<u>\$ 1,875,022</u>	<u>\$ 1,633,157</u>
Total Support Services - Business	<u>\$ 2,702,152</u>	<u>\$ 2,612,566</u>
Central		
Information Services		
Purchased Services	\$ -	\$ 3,053
Supplies and Materials	-	5,101
	<u>\$ -</u>	<u>\$ 8,154</u>
Data Processing Services		
Salaries	\$ 613,350	\$ 582,626
Employee Benefits	101,420	140,570
Purchased Services	765,000	507,947
Supplies and Materials	466,100	961,303
Capital Outlay	850,000	177,776
Other Objects	1,500	3,499
Non-Capitalized Equipment	350,000	1,206,996
	<u>\$ 3,147,370</u>	<u>\$ 3,580,717</u>
Total Support Services - Central	<u>\$ 3,147,370</u>	<u>\$ 3,588,871</u>
Other Support Services		
Purchased Services	\$ -	\$ 258,183
Total Other Support Services	<u>\$ -</u>	<u>\$ 258,183</u>
Total Support Services	<u>\$ 15,955,584</u>	<u>\$ 16,980,991</u>
Community Services		
Salaries	\$ -	\$ 38,930
Employee Benefits	-	12,104
Total Community Services	<u>\$ -</u>	<u>\$ 51,034</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 1,000	\$ 14,641
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 1,000</u>	<u>\$ 14,641</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ 800,000	\$ 580,912
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 800,000</u>	<u>\$ 580,912</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 801,000</u>	<u>\$ 595,553</u>
Total Direct Expenditures	<u>\$ 56,227,542</u>	<u>\$ 56,406,830</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Capital Outlay	\$ 50,600	\$ 75,273
	<u>\$ 50,600</u>	<u>\$ 75,273</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 2,455,340	\$ 2,382,221
Employee Benefits	278,654	420,489
Purchased Services	1,291,000	781,659
Supplies and Materials	1,511,700	865,009
Capital Outlay	4,861,000	2,953,981
Other Objects	1,000	992
Non-Capitalized Equipment	-	25,022
	<u>\$ 10,398,694</u>	<u>\$ 7,429,373</u>
Pupil Transpiration Services		
Purchased Services	\$ 8,000	\$ 2,737
	<u>\$ 8,000</u>	<u>\$ 2,737</u>
Total Support Services - Business	<u>\$ 10,457,294</u>	<u>\$ 7,507,383</u>
Total Support Services	<u>\$ 10,457,294</u>	<u>\$ 7,507,383</u>
Total Direct Expenditures	<u><u>\$ 10,457,294</u></u>	<u><u>\$ 7,507,383</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
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ -	\$ 4,583
Total Debt Services - Interest	<u>\$ -</u>	<u>\$ 4,583</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 1,100,000	\$ 1,100,000
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>
Total Debt Services	<u>\$ 1,100,000</u>	<u>\$ 1,104,583</u>
Total Direct Expenditures	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 1,104,583</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Business		
Pupil Transportation Services		
Salaries	\$ 2,765,950	\$ 2,467,999
Employee Benefits	79,604	150,603
Purchased Services	550,400	1,607,258
Supplies and Materials	730,000	616,595
Other Objects	1,015,000	-
Non-Capitalized Equipment	10,000	15,053
Total Support Services - Business	<u>\$ 5,150,954</u>	<u>\$ 4,857,508</u>
Total Support Services	<u>\$ 5,150,954</u>	<u>\$ 4,857,508</u>
Total Direct Expenditures	<u><u>\$ 5,150,954</u></u>	<u><u>\$ 4,857,508</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 288,722	\$ 319,318
Pre-K Programs		
Employee Benefits	-	117,185
Special Education Programs		
Employee Benefits	437,944	289,577
Remedial and Supplemental Programs - K-12		
Employee Benefits	11,062	4,834
Interscholastic Programs		
Employee Benefits	13,050	10,995
Bilingual Programs		
Employee Benefits	92,162	90,980
Total Instruction	<u>\$ 842,940</u>	<u>\$ 832,889</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 22,122	\$ 20,457
Guidance Services		
Employee Benefits	2,631	2,558
Health Services		
Employee Benefits	62,181	174,435
Psychological Services		
Employee Benefits	10,914	11,087
Speech Pathology and Audiology Services		
Employee Benefits	20,799	18,290
Total Supports Services - Pupils	<u>\$ 118,647</u>	<u>\$ 226,827</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 16,569	\$ 27,919
Assessment and Testing		
Employee Benefits	-	2,378
Total Support Services - Instructional Staff	<u>\$ 16,569</u>	<u>\$ 30,297</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 21,908	\$ 44,531
Total Support Services - General Administration	<u>\$ 21,908</u>	<u>\$ 44,531</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 114,232	\$ 100,369
Other Support Services - School Administration		
Employee Benefits	36,532	31,511
Total Support Services - School Administration	<u>\$ 150,764</u>	<u>\$ 131,880</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Employee Benefits	\$ 2,608	\$ 2,526
Fiscal Services		
Employee Benefits	60,426	72,639
Operation and Maintenance of Plant Services		
Employee Benefits	430,364	389,898
Pupil Transportation Services		
Employee Benefits	447,630	440,410
Food Services		
Employee Benefits	138,737	117,169
Total Support Services - Business	<u>\$ 1,079,765</u>	<u>\$ 1,022,642</u>
Central		
Data Processing Services		
Employee Benefits	\$ 104,861	\$ 103,088
Total Support Services - Central	<u>\$ 104,861</u>	<u>\$ 103,088</u>
Total Support Services	<u>\$ 1,492,514</u>	<u>\$ 1,559,265</u>
Community Services		
Employee Benefits	\$ -	\$ 294
Total Community Services	<u>\$ -</u>	<u>\$ 294</u>
Total Direct Expenditures	<u><u>\$ 2,335,454</u></u>	<u><u>\$ 2,392,448</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Capital Outlay	\$ 3,000,000	\$ 1,983,972
Total Support Services - Business	<u>\$ 3,000,000</u>	<u>\$ 1,983,972</u>
 Total Support Services	 <u>\$ 3,000,000</u>	 <u>\$ 1,983,972</u>
 Total Direct Expenditures	 <u><u>\$ 3,000,000</u></u>	 <u><u>\$ 1,983,972</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Risk Management and Claims Services Payments		
Purchased Services	\$ 800,000	\$ 855,079
	<u>\$ 800,000</u>	<u>\$ 855,079</u>
 Total Support Services - General Administration	 <u>\$ 800,000</u>	 <u>\$ 855,079</u>
 Business		
Direction of Business Support Services		
Purchased Services	\$ 2,500	\$ 2,150
	<u>\$ 2,500</u>	<u>\$ 2,150</u>
 Total Support Services - Business	 <u>\$ 2,500</u>	 <u>\$ 2,150</u>
 Total Support Services	 <u>\$ 802,500</u>	 <u>\$ 857,229</u>
 Total Direct Expenditures	 <u><u>\$ 802,500</u></u>	 <u><u>\$ 857,229</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, 2023

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Supplies and Materials	\$ -	\$ -
Total Support Services - Business	<u>\$ -</u>	<u>\$ -</u>
 Total Support Services	 <u>\$ -</u>	 <u>\$ -</u>
 Total Direct Expenditures	 <u><u>\$ -</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, 2023

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.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 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 September 13, 2022 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2023.

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

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 2022 tax levy was passed by the Board on November 15, 2022. The 2021 tax levy was passed by the Board on November 9, 2021. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

L. *Lease Arrangements*

The District recognizes a right-to-use liability and asset for various lease and subscription-based IT agreements right-to-use assets (right-to-use asset) in the financial statements.

At the commencement of a lease or subscription-based information technology arrangement (SBITA), The District initially measures the right-to-use or SBITA liability at the total of payments expected to be made during the agreement term. Subsequently, the right-to-use or SBITA liability is reduced by the lease payments made. The right-to-use or SBITA asset is initially measured as the initial amount of the right-to-use or SBITA liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use or SBITA asset is amortized on a straight-line basis over the terms of the agreement.

The term includes the noncancellable period of the lease. Payments included in the measurement of the lease or SBITA are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease or SBITA and will remeasure the right-to-use or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use or SBITA liability. Right-to-use or SBITA assets are reported with the General Fixed Asset account group and right-to-use or SBITA liabilities are reported with the General Long-Term Debt account group in the Statement of Assets, Liabilities, and Fund Balances.

NOTE 2 - DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. As of June 30, 2023, deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

Investments and Fair Value Measurement

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.

As of June 30, 2023, the District had the following investments and maturities:

NOTES TO FINANCIAL STATEMENTS (Continued)

Investment	Credit Quality Rating	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value (NAV)
				Level 1	Level 2	
State Investment Pools	AAAmm	Less than 1 year	\$ 27,018,959	\$ -	\$ -	\$ 27,018,959
U.S. Treasury	AA+	Less than 1 year	2,935,129	2,935,129	-	-
U.S. Treasury	AA+	1 to 5 years	6,625,091	6,625,091	-	-
Certificates of Deposit	Not Rated	Less than 1 year	17,774,900	-	17,774,900	-
Certificates of Deposit	Not Rated	1 to 5 years	249,370	-	249,370	-
			<u>\$ 54,603,449</u>	<u>\$ 9,560,220</u>	<u>\$ 18,024,270</u>	<u>\$ 27,018,959</u>

The fair value of investments in the State Investment Pools is the same as the value of pool shares (NAV). The State Investment Pools are not SEC-registered but do have regulatory oversight through the State of Illinois.

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; 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; Level 3 inputs are significant unobservable inputs.

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.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. The District did not invest in more than 5% of the District's total investments in any one issuer that was not either a United States government agency security, mutual fund, or investment pool.

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 1,262,074	\$ 347,760	\$ -	\$ 1,609,834
Construction in Progress	36,468	666,347	-	702,815
Total Capital Assets not being depreciated	<u>\$ 1,298,542</u>	<u>\$ 1,014,107</u>	<u>\$ -</u>	<u>\$ 2,312,649</u>
Other Capital Assets				
Building and Building Improvements	\$ 98,102,826	\$ 2,861,695	\$ -	\$ 100,964,521
Site Improvements and Infrastructure	4,675,718	9,775	-	4,685,493
Capitalized Equipment	17,045,613	1,645,923	22,537	18,668,999
Total Other Capital Assets	<u>\$ 119,824,157</u>	<u>\$ 4,517,393</u>	<u>\$ 22,537</u>	<u>\$ 124,319,013</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	\$ 42,728,421	\$ 3,429,128	\$ -	\$ 46,157,549
Site Improvements and Infrastructure	1,941,296	170,959	-	2,112,255
Capitalized Equipment	10,778,455	1,553,019	22,537	12,308,937
Total Accumulated Depreciation	<u>\$ 55,448,172</u>	<u>\$ 5,153,106</u>	<u>\$ 22,537</u>	<u>\$ 60,578,741</u>
Other Capital Assets, Net	<u>\$ 64,375,985</u>	<u>\$ (635,713)</u>	<u>\$ -</u>	<u>\$ 63,740,272</u>
Total Capital Assets, Net	<u>\$ 65,674,527</u>	<u>\$ 378,394</u>	<u>\$ -</u>	<u>\$ 66,052,921</u>

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2022	Additions	Retirement	Balance June 30, 2023	Amounts Due Within One year
Long-Term Debt					
Working Cash Fund Bonds					
Dated 2/15/23	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -
Right-to-use					
Copiers	527,090	-	137,673	389,417	137,674
Buses	2,295,403	-	855,390	1,440,013	738,305
Total Long-Term Debt	\$ 2,822,493	\$ -	\$ 993,063	\$ 1,829,430	\$ 875,979

Bonds and Right-to-use liabilities consisted of the following at June 30, 2023:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Working Cash Fund Bonds				
Dated 2/15/23	3/15/2023*	5.00%	\$ 1,100,000	\$ -
Right-to-use Liabilities				
Konica Copiers	4/29/2025	3.50%	472,095	259,652
HP Copiers	6/4/2026	3.00%	216,274	129,765
Santander 7/7/18 Bus Lease	7/7/2022	3.56%	44,190	-
Santander 7/15/19 Bus Lease - IC/CE Buses	7/15/2023	5.78%	909,090	181,818
Santander 7/15/19 Bus Lease - WC Buses	7/15/2023	4.15%	149,670	29,934
Santander 7/15/19 Bus Lease - ICS Buses	7/15/2023	4.15%	95,260	19,052
Santander 7/15/20 Bus Lease - IC/CE Buses	7/15/2024	2.72%	1,342,470	536,988
Santander 7/15/20 Bus Lease - WC Buses	7/15/2024	2.72%	172,080	68,832
Santander 7/15/20 Bus Lease - ICS Buses	7/15/2024	2.72%	51,920	20,768
Santander 7/15/21 Bus Lease - IC/CE Buses	7/2/2025	2.26%	971,035	582,621
Midwest 7/1/18 Bus Lease	7/1/2022	5.56%	541,234	-

*On February 15, 2023, a Series 2023 Working Cash Bond was issued in the amount of \$1,100,000 for the purpose of raising funds for the purchase of a new district office building. The Bond was paid off immediately on March 15, 2023.

At June 30, 2023, the annual debt service requirements to service right-to-use liabilities are:

Year Ending June 30	Principal	Interest	Total
2024	\$ 875,979	\$ -	\$ 875,979
2025	645,175	-	645,175
2026	308,276	-	308,276
	\$ 1,829,430	\$ -	\$ 1,829,430

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

The Debt Service Fund was used to liquidate the Working Cash Fund Bonds issued during fiscal year 2023.

NOTE 5 - 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, \$78,681, 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 2022 tax levy for expenditures to be incurred during fiscal year 2024. At June 30, 2023, the following balances were reserved:

Fund	Amount
Educational	\$ 23,930,847
Operations and Maintenance	3,144,964
Transportation	1,158,128
Illinois Municipal Retirement/Social Security	1,091,221
Working Cash	175,010
Tort	313,981
Fire Prevention and Safety	10,294
	<u>\$ 29,824,445</u>

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, 2023, the following balances were reserved:

Fund	Amount
Educational	\$ 1,327,336

NOTE 6 - DEFICIT FUND BALANCE

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

NOTE 7 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2022 (\$29,824,445) and 2021 (\$26,357,673) 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	2022		2021		2020	
Assessed Valuation	\$1,292,576,190		\$1,197,568,173		\$1,142,721,462	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.3485	\$43,282,017	3.4105	\$40,841,685	3.4931	\$39,916,221
Tort Immunity	0.0465	600,453	0.0472	565,540	0.0465	531,583
Special Education	0.1797	2,323,070	0.1827	2,188,388	0.1862	2,127,302
Operations and Maintenance	0.4653	6,014,396	0.4743	5,679,970	0.4839	5,529,846
Transportation	0.1713	2,214,791	0.1745	2,090,032	0.1862	2,127,302
Municipal Retirement	0.0807	1,043,419	0.0821	983,551	0.0745	851,179
Social Security	0.0807	1,043,419	0.0821	983,551	0.0745	851,179
Fire Prevention and Safety	0.0015	19,686	0.0012	14,754	0.0012	13,164
Working Cash	0.0259	334,687	0.0267	319,655	0.0438	500,135
Revenue Recapture*	0.0125	160,796	0.0087	104,428	0.0000	-
	4.4126	\$57,036,734	4.4900	\$53,771,554	4.5899	\$52,447,911

* Revenue Recapture levy was combined with a Prior Year levy adjustment for tax year 2022.

LAKE COUNTY

Tax Year	2022		2021		2020	
Assessed Valuation	\$23,773,081		\$20,545,947		\$20,036,264	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.3403	\$ 794,092	3.4090	\$ 700,404	3.4889	\$ 699,054
Tort Immunity	0.0463	11,017	0.0472	9,699	0.0465	9,310
Special Education	0.1793	42,621	0.1827	37,529	0.1859	37,255
Operations and Maintenance	0.4642	110,346	0.4741	97,407	0.4833	96,844
Transportation	0.1709	40,635	0.1744	35,842	0.1859	37,255
Municipal Retirement	0.0805	19,144	0.0821	16,867	0.0744	14,907
Social Security	0.0805	19,144	0.0821	16,867	0.0744	14,907
Fire Prevention and Safety	0.0015	361	0.0012	253	0.0012	231
Working Cash	0.0258	6,140	0.0267	5,482	0.0437	8,759
Revenue Recapture	0.0084	2,007	0.0018	367	0.0000	-
	4.3977	\$ 1,045,507	4.4813	\$ 920,717	4.5842	\$ 918,522

NOTE 8 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2023, the following funds had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Educational Fund	\$ 56,227,542	\$ 56,406,830	\$ 179,288
Debt Services Fund	1,100,000	1,104,583	4,583
Illinois Municipal Retirement/Social Security Fund	2,335,454	2,392,448	56,994
Tort Fund	802,500	857,229	54,729

Excess amounts were covered by fund balance within each fund.

NOTE 9 - 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

NOTES TO FINANCIAL STATEMENTS (Continued)

active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. 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, 2023 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, 2023, 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 \$17,229,660 in pension contributions from the State of Illinois.

NOTES TO FINANCIAL STATEMENTS (Continued)

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$211,905.

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

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

For the year ended June 30, 2023, the District pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$1,324,691 were paid from federal and special trust funds that require District contributions of \$138,960, none of which were remitted as of June 30, 2023.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the District paid \$17,214 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms

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

Inactive plan members and beneficiaries currently receiving benefits	256
Inactive plan members entitled to but not yet receiving benefits	359
Active plan members	319
Total	<u>934</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 2022 and 2023 were 9.50% and 8.82%, respectively. For the fiscal year ended June 30, 2023, the District contributed \$1,037,546 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 10 - 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Benefits Provided

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

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

Contributions

For the fiscal year ended June 30, 2023, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. For the fiscal year ended June 30, 2022, the employee contribution was 0.90% of salary and the employer contribution was 0.67% of each teacher's salary. The Department 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'

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2023 were \$243,411.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District 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 \$294,461 in benefit contributions from the State of Illinois.

B. *Retiree Insurance Plan*

Plan Overview

In addition to providing the pension benefits described in Note 9, 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 \$48,038.

NOTE 11 - INTERFUND TRANSFERS

The following interfund transfer made during the year ended June 30, 2023, was to help fund the purchase of a new district office building:

NOTES TO FINANCIAL STATEMENTS (Continued)

Transfer From	Transfer To	Amount
Working Cash Fund	Operations and Maintenance Fund	\$ 1,085,250

NOTE 12 - 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, 2023 (most recent information available) is as follows:

Assets	\$ 9,360,646
Liabilities	\$ 98
Fund Equity	9,360,548
	<u>\$ 9,360,646</u>
Revenues Received	\$ 1,394,072
Expenditures Disbursed	1,704,376
Net Increase/(Decrease) in Fund Balance	<u>\$ (310,304)</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 13 - 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2023 is as follows:

Incurred Claims (Total Allowed)	\$ 5,462,651
Payments on Claims	(4,847,687)

During the year ended June 30, 2023, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in 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, 2023, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - 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 15 - 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:

2022 EAV	\$ 1,321,713,174
Rate	6.90%
Debt Margin	\$ 91,198,209
Current Debt	-
Remaining Debt Margin	<u>\$ 91,198,209</u>

NOTE 16 - CONSTRUCTION COMMITMENTS

At June 30, 2023, the District has ongoing contracts for the District office building remodel and HVAC, transportation facility, and various summer projects. The projects have outstanding commitments of \$3,914,428 that have not been included as expenses in these financial statements.

NOTE 17 - FUND BALANCE ADJUSTMENT

A fund balance adjustment was made to the Illinois Municipal Retirement/Social Security Fund in the amount of \$39,240 to correct for an overpayment of IMRF expenditures from a prior year.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

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

SUPPLEMENTAL FINANCIAL INFORMATION

ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2022 - 2023)

This schedule is completed for school districts only.

<u>Fund</u>	<u>Sheet, Row</u>	<u>ACCOUNT NO - TITLE</u>	<u>Amount</u>
OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Expenditures 16-24, L116	Total Expenditures	\$ 56,299,304
O&M	Expenditures 16-24, L155	Total Expenditures	7,507,383
DS	Expenditures 16-24, L178	Total Expenditures	1,104,583
TR	Expenditures 16-24, L214	Total Expenditures	4,857,508
MR/SS	Expenditures 16-24, L292	Total Expenditures	2,392,448
TORT	Expenditures 16-24, L422	Total Expenditures	857,229
		Total Expenditures	\$ 73,018,455

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Expenditures 16-24, L7, Col K - (G+I)	1125	Pre-K Programs	\$ 8,951,561
ED	Expenditures 16-24, L15, Col K - (G+I)	1600	Summer School Programs	48,076
ED	Expenditures 16-24, L22, Col K	1912	Special Education Programs K-12 - Private Tuition	652,895
ED	Expenditures 16-24, L77, Col K - (G+I)	3000	Community Services	51,034
ED	Expenditures 16-24, L104, Col K	4000	Total Payments to Other Govt Units	595,553
ED	Expenditures 16-24, L116, Col G	-	Capital Outlay	518,275
ED	Expenditures 16-24, L116, Col I	-	Non-Capitalized Equipment	1,260,102
O&M	Expenditures 16-24, L155, Col G	-	Capital Outlay	3,029,254
O&M	Expenditures 16-24, L155, Col I	-	Non-Capitalized Equipment	25,022
DS	Expenditures 16-24, L174, Col K	5300	Debt Service - Payments of Principal on Long-Term Debt	1,100,000
TR	Expenditures 16-24, L214, Col I	-	Non-Capitalized Equipment	15,053
MR/SS	Expenditures 16-24, L220, Col K	1125	Pre-K Programs	117,185
MR/SS	Expenditures 16-24, L277, Col K	3000	Community Services	294
			Total Deductions for OEPP Computation (Sum of Lines 18 - 95)	\$ 16,364,304
			Total Operating Expenses Regular K-12 (Line 14 minus Line 96)	56,654,151
			9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2022-2023	3,708.82
			Estimated OEPP (Line 97 divided by Line 98)	\$ 15,275.52

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)	\$ 5,350
ED	Revenues 10-15, L75, Col C	1600	Total Food Service	781,469
ED-O&M	Revenues 10-15, L83, Col C,D	1700	Total District/School Activity Income (without Student Activity Funds)	51,632
ED	Revenues 10-15, L86, Col C	1811	Rentals - Regular Textbooks	193,625
ED-O&M	Revenues 10-15, L97, Col C,D	1910	Rentals	50,319
ED-O&M-DS-TR-MR/SS	Revenues 10-15, L106, Col C,D,E,F,G	1991	Payment from Other Districts	1,334,172
ED-O&M-TR	Revenues 10-15, L134, Col C,D,F	3100	Total Special Education	538,675
ED	Revenues 10-15, L148, Col C	3360	State Free Lunch & Breakfast	3,932
ED-O&M-TR-MR/SS	Revenues 10-15, L157, Col C,D,F,G	3500	Total Transportation	1,800,498
ED-O&M-DS-TR-MR/SS-Tort	Revenues 10-15, L170, Col C-G,J	3999	Other Restricted Revenue from State Sources	50,000
ED-MR/SS	Revenues 10-15, L200, Col C,G	4200	Total Food Service	1,235,336
ED-O&M-TR-MR/SS	Revenues 10-15, L206, Col C,D,F,G	4300	Total Title I	600,953
ED-O&M-TR-MR/SS	Revenues 10-15, L216, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through	1,000,102
ED-TR-MR/SS	Revenues 10-15, L259, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLP)	81,158
ED-O&M-TR-MR/SS	Revenues 10-15, L262, Col C,D,F,G	4932	Title II - Teacher Quality	122,398
ED-O&M-TR-MR/SS	Revenues 10-15, L267, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach	199,832
ED-O&M-TR-MR/SS	Revenues 10-15, L268, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program	285,662
ED-O&M-TR-MR/SS	Revenues 10-15, L269, Col C,D,F,G	4998	Other Restricted Revenue from Federal Sources (Describe & Itemize)	2,646,651
Federal Stimulus Revenue	CARES CRRSA ARP Schedule		Adjusting for FY20, FY21, or FY22 revenue received in FY23 for FY20, FY21, or FY22 Expenses	(803,878)
ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100	Special Education Contributions from EBF Funds **	2,008,462
ED-MR/SS	Revenues (Part of EBF Payment)	3300	English Learning (Bilingual) Contributions from EBF Funds **	284,887
			Total Deductions for PCTC Computation Line 104 through Line 193	\$ 12,471,235
			Net Operating Expense for Tuition Computation (Line 97 minus Line 195)	44,182,916
			Total Depreciation Allowance (from page 36, Line 18, Col I)	5,283,124
			Total Allowance for PCTC Computation (Line 196 plus Line 197)	49,466,040
			9 Month ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2022-2023	3,708.82
			Total Estimated PCTC (Line 198 divided by Line 199) * \$	13,337.41

***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 2023 Special Education Funding Allocation Calculation Details and the FY 2023 English Learner Education Funding Allocation Calculation Details. Use the respective Excel file to locate the

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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004, 2023-005, 2023-006, and 2023-007. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on 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

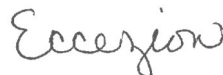
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004, 2023-006 and 2023-007, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on McHenry Community Consolidated School District No. 15's response to the internal control over compliance 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 other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The 2022 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures by us in our report dated April 5, 2023, expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2022 financial statements as a whole.

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



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McHenry, Illinois
February 7, 2024

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
CHILD NUTRITION CLUSTER											
U.S. Department of Agriculture passed through Illinois State Board of Education											
Food Donations Program (Non-Cash Commodities) (M)	10.555	23-4299-00		116,323			116,323			116,323	N/A
National School Lunch Program + (M)	10.555	22-4210-00	1,510,219	150,304	1,510,219		150,304			1,660,523	N/A
COVID-19 ARP National School Lunch Program + (M)	10.555	22-4210-BT		3,135			3,135			3,135	N/A
National School Lunch Program + (M)	10.555	23-4210-00		822,265			822,265			822,265	N/A
COVID-19 ARP Nutrition Supply Chain Assistance + (M)	10.555	23-4210-SC		125,504			125,504			125,504	N/A
U.S. Department of Agriculture passed through U.S. Department of Defense											
Food Donations Program (Non-Cash Commodities) (M)	10.555	23-4299-00		104,188			104,188			104,188	N/A
Subtotal CFDA 10.555			1,510,219	1,321,719	1,510,219	0	1,321,719	0	0	2,831,938	
U.S. Department of Agriculture passed through Illinois State Board of Education											
School Breakfast Program + (M)	10.553	22-4220-00	282,476	13,473	282,476		13,473			295,949	N/A
School Breakfast Program + (M)	10.553	23-4220-00		120,655			120,655			120,655	N/A
Subtotal CFDA 10.553			282,476	134,128	282,476	0	134,128	0	0	416,604	
Total Child Nutrition Cluster			1,792,695	1,455,847	1,792,695	0	1,455,847	0	0	3,248,542	
Total CFDA "10"			1,792,695	1,455,847	1,792,695	0	1,455,847	0	0	3,248,542	
Federal Communications Commission											
COVID-19 Emergency Connectivity Fund Program	32.009	22-4998-00		824	824					824	N/A
Subtotal CFDA 32.009			0	824	824	0	0	0	0	824	
Total CFDA "32"			0	824	824	0	0	0	0	824	
U.S. Department of Education passed through Illinois State Board of Education											
Title I - Low Income	84.010	22-4300-00	414,477	154,069	568,546					568,546	605,993
Title I - Low Income	84.010	23-4300-00		446,884			512,396			512,396	585,360
Subtotal CFDA 84.010			414,477	600,953	568,546	0	512,396	0	0	1,080,942	

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
Title III - Lang Inst Prog - Limited Eng (LIPLEP) *	84.365	22-4909-00	45,057	8,533	52,981		609			53,590	67,664
Title III - Lang Inst Prog - Limited Eng (LIPLEP) *	84.365	22-4909-PD		20,000	20,000					20,000	20,000
Title III - Lang Inst Prog - Limited Eng (LIPLEP) *	84.365	23-4909-00		52,625			60,385			60,385	81,974
Subtotal CFDA 84.365			45,057	81,158	72,981	0	60,994	0	0	133,975	
Title II - Teacher Quality	84.367	22-4932-00	99,079	6,492	105,571					105,571	120,272
Title II - Teacher Quality	84.367	23-4932-00		115,906			133,018			133,018	183,932
Subtotal CFDA 84.367			99,079	122,398	105,571	0	133,018	0	0	238,589	
Title IVA - Student Support & Academic Enrich	84.424	23-4400-00					9,750			9,750	9,752
Subtotal CFDA 84.424			0	0	0	0	9,750	0	0	9,750	
COVID-19 Elementary and Secondary Emergency Relief Fund (M)	84.425D	21-4998-E2	1,487,741	18,298	1,506,039					1,506,039	1,889,375
COVID-19 ARP - LEA and COOP American Rescue Plan (M)	84.425U	22-4998-E3	100,148	2,266,906	864,480		1,973,799			2,838,279	4,500,268
COVID-19 ARP - Homeless Children and Youth Grant (M)	84.425W	22-4998-HL		14,336	2,669		16,703			19,372	19,372
COVID-19 Elementary and Secondary Emergency Relief Fund + (M)	84.425D	23-4998-E2		246,228			383,334			383,334	383,336
Subtotal CFDA 84.425			1,587,889	2,545,768	2,373,188	0	2,373,836	0	0	4,747,024	
SPECIAL EDUCATION CLUSTER											
Special Education - Grants to States (M)	84.027	22-4620-00	542,388	196,615	739,003					739,003	1,513,361
COVID-19 ARP - IDEA (M)	84.027X	22-4998-ID	4,527	86,157	22,282		83,724			106,006	213,407
Special Education - Grants to States (M)	84.027	23-4620-00		803,487			1,214,450			1,214,450	1,926,317
COVID-19 ARP - IDEA (M)	84.027X	24-4998-ID					71,471			71,471	N/A
Subtotal CFDA 84.027			546,915	1,086,259	761,285	0	1,369,645	0	0	2,130,930	
Special Education - Preschool (M)	84.173	22-4600-00	28,658	5,507	34,165					34,165	74,265
COVID-19 ARP - IDEA Preschool (M)	84.173X	22-4998-PS	395	13,902	395		16,998			17,393	21,085
Special Education - Preschool (M)	84.173	23-4600-00		51,678			76,307			76,307	97,103
Subtotal CFDA 84.173			29,053	71,087	34,560	0	93,305	0	0	127,865	

MCHENRY CCSD 15
44-063-0150-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/21-6/30/22 (E)	Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)		Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)	Year 7/1/22-6/30/23 Pass through to Subrecipients			
Total Special Education Cluster			575,968	1,157,346	795,845	0	1,462,950	0	0	2,258,795	
Total CFDA "84"			2,722,470	4,507,623	3,916,131	0	4,552,944	0	0	8,469,075	
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	22-4991-00	116,626	47,738	164,364					164,364	N/A
Medicaid Matching Funds - Admin Outreach	93.778	23-4991-00		152,094			204,042			204,042	N/A
Subtotal CFDA 93.778			116,626	199,832	164,364	0	204,042	0	0	368,406	
Total Medicaid Cluster			116,626	199,832	164,364	0	204,042	0	0	368,406	
Total CFDA "93"			116,626	199,832	164,364	0	204,042	0	0	368,406	
Total Federal Assistance			4,631,791	6,164,126	5,874,014	0	6,212,833	0	0	12,086,847	

+ 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, 2023

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, 2023. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may 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, 2023.

NOTE 5 - FEDERAL LOANS

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

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

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, 2023

- 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 material weakness and one significant deficiency disclosed during the audit of the financial statements are 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*.
 - 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) Three 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), Covid-19 ARP – LEA and COOP American Rescue Plan (CFDA #84.425U), Covid-19 ARP – Homeless Children and Youth Grant (CFDA #84.425W), Special Education Cluster (CFDA #84.027, 84.027X, 84.173, 84.173X) and Child Nutrition Cluster (CDFA #10.555, 10.553).
 - 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 2023-001 and 2023-002.
- 3) The findings relating to federal awards which are required to be reported are detailed in finding numbers 2023-004, 2023-005, 2023-006 and 2023-007. These findings were significant deficiencies and compliance matters, and not considered to be a material weakness.

MCHENRY CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2023 - 001

2. THIS FINDING IS:

☒ X

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

Payroll processing and reporting must be accurate.

4. Condition

Employees were still being paid after termination and IMRF and TRS payroll deductions were improperly deducted.

5. Context¹²

Numerous employees that were terminated during the year, kept receiving paychecks after being terminated. One former employee continued to be paid four months after termination. In addition, amounts reported to TRS for federal fund contributions on the Annual Report Remittances appear to be incorrect. Additionally, TRS employees had IMRF withholdings deducted from their paychecks and vice versa for IMRF employees.

6. Effect

Payroll expenses were improperly distributed and benefit deductions were misclassified.

7. Cause

The District does not have procedures implemented to properly record and review payroll distributions.

8. Recommendation

We recommend implementing additional controls over the payroll process.

9. Management's response¹³

Management plans to review procedures and make sure that District has controls in place to correct these issues going forward.

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 CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2023 - 002

2. THIS FINDING IS:

☒ X

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

The District follows cash basis accounting, therefore expenses should be recorded in the same fiscal year cash payments are made.

4. Condition

The July 1, 2023 pay run was posted as an expense in fiscal year 2024. However, the checks cleared the bank and direct deposit was pulled from the District's accounts on June 30, 2023. Since the District is on the cash basis of accounting, these expenses should have been recorded in fiscal year 2023.

5. Context¹²

The District's handbook has payroll policies that state that pay dates are the 1st and 15th of every month and if those dates fall on a weekend or a holiday, payroll will be posted the Friday before. This will only cause an issue when the 7/1 payroll falls on a weekend as it did in the current year.

6. Effect

Payroll expenses were understated for fiscal year 2023 on the cash basis of accounting.

7. Cause

Handbook policies required the pay run to be paid out a day early and payroll posting dates did not match up to cash payment dates.

8. Recommendation

We recommend either adjusting handbook policies to accommodate for year-end timing issues or posting the expense the same day the cash payment was initiated.

9. Management's response¹³

Management plans on adjusting handbook policies addressing the paying of payroll at year-end when July 1st falls on a weekend.

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 CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2023 - 004

2. THIS FINDING IS:

☒ X

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

For the 3% verifications of applications, the District is required to select error prone applications for households receiving free or reduced lunch as determined by October 1st. They then request documentation on the household income to verify the information provided on the application was correct and the determination does not need to be changed. If the documentation determines the original application determination was incorrect, they are to change the student's status of free or reduced.

4. Condition

In a population of 4 error prone applications selected for verification, exceptions were noted on 2 of the applications selected for verification. One of the exceptions stemmed from verification documentation received determined the student should be changed from reduced lunch to paid lunch and this change was not made. The other exception also resulted from verification documentation received determined the student should be changed from free lunch to reduced lunch and this change was not made.

5. Context¹²

4 verification forms were selected from a population of 4.

6. Effect

Students received free/reduced lunch for the year when they should have been switched to reduced/paid lunch.

7. Cause

The District did not correctly determine the free, reduced, or paid status based on documentation received during the verification process.

8. Recommendation

The District should implement/follow procedures to ensure a student's free or reduced lunch status is properly updated during the application verification process.

9. Management's response¹³

Management will implement review procedures to ensure the free or reduced lunch status is properly calculated and updated during the application verification process.

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 CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2023 - 006** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Recipients are required to submit accurate data to the state outlining expenditures by specific categories and object codes. The District is also required to document their review and approval process for quarterly expenditure reports.

4. Condition

Data submitted to the State showed expenditures categorized differently from previously filed expenditure reports. Review and approval of quarterly expenditure reports were not documented, and the same person preparing the reports is submitting them.

5. Context¹²

A clerical error caused amounts to be categorized incorrectly for the ESSER LEA Data Collection Form submission. No review process of quarterly expenditure reports is documented.

6. Effect

Data was not accurately submitted. Expense reports are being submitted without documented second review. The Districts review and approval process is not in compliance.

7. Cause

District did not have adequate procedures implemented to detect or prevent this error. The same person preparing the expenditure reports is submitting them, there is no documented second reviewer.

8. Recommendation

District should develop and implement procedures to reconcile amounts for annual reports to periodic expenditure reports, and have reports reviewed by a second person prior to submission.

9. Management's response¹³

Management will implement procedures including reconciling amounts between underlying data, quarterly expenditure reports and annual data collection reports. Additionally, the review of quarterly expenditure reports will be documented before submission.

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 CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2023 - 007** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Journal entry postings should be reviewed by management.

4. Condition

Expenditure reports are not being properly reviewed and tied out to the General Ledger accounts being used to track special education grant expenses. The District was unable to provide documentation showing which specific expenditures were submitted for reimbursement. This resulted in not having sufficient expenditures documented for the Special Education - Preschool grant (23-4600-00) which in turn resulted in questioned costs.

5. Context¹²

The District was unable to provide reports accurately supporting the amounts that were claimed on quarterly expenditure reports for all grants within the cluster.

6. Effect

The District could potentially over or underclaim expenditure reimbursements.

7. Cause

The District does not have procedures implemented to properly review the expenditure claims and match it to the General Ledger accounts set up to track grant expenditures.

8. Recommendation

The District should implement review procedures to ensure expenditure reports are accurately filled out and have adequate documentation supporting which expenditures were submitted for reimbursement.

9. Management's response¹³

Management will implement a process to properly track grant expenditures and also create an improved review process.

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.

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: ¹⁴	2023 - 004	2. THIS FINDING IS:	<input checked="checked" type="checkbox"/> New	<input type="checkbox"/> Repeat from Prior year?	
Year originally reported? _____					
3. Federal Program Name and Year:		Child Nutrition Cluster			
4. Project No.:		4299-00, 4210-00, 4210-BT, 4210-SC, 4220-00		5. CFDA No.: 10.555, 10.553	
6. Passed Through:		Illinois State Board of Education			
7. Federal Agency:		U.S. Department of Agriculture			
<hr/>					
8. Criteria or specific requirement (including statutory, regulatory, or other citation)					
For the 3% verifications of applications, the District is required to select error prone applications for households receiving free or reduced lunch as determined by October 1st. They then request documentation on the household income to verify the information provided on the application was correct and the determination does not need to be changed. If the documentation determines the original application determination was incorrect, they are to change the student's status of free or reduced.					
<hr/>					
9. Condition ¹⁵					
In a population of 4 error prone applications selected for verification, exceptions were noted on 2 of the applications selected for verification. One of the exceptions stemmed from verification documentation received determined the student should be changed from reduced lunch to paid lunch and this change was not made. The other exception also resulted from verification documentation received determined the student should be changed from free lunch to reduced lunch and this change was not made.					
<hr/>					
10. Questioned Costs ¹⁶					
N/A					
<hr/>					
11. Context ¹⁷					
4 verification forms were selected from a population of 4.					
<hr/>					
12. Effect					
Students received free/reduced lunch for the year when they should have been switched to reduced/paid lunch.					
<hr/>					
13. Cause					
The District did not correctly determine the free, reduced, or paid status based on documentation received during the verification process.					
<hr/>					
14. Recommendation					
The District should implement/follow procedures to ensure a student's free or reduced lunch status is properly updated during the application verification process.					
<hr/>					
15. Management's response ¹⁸					
Management will implement review procedures to ensure the free or reduced lunch status is properly calculated and updated during the application verification process.					

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2023 - 005** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: **Child Nutrition Cluster**

4. Project No.: **4299-00, 4210-00, 4210-BT, 4210-SC,**
4220-00 5. CFDA No.: **10.555, 10.553**

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

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

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
For the 3% verification of applications, the District needs to ensure this process is completed by the November 15th due date.

9. Condition¹⁵
The District did not complete the 3% verification of applications procedures by the due date.

10. Questioned Costs¹⁶
N/A

11. Context¹⁷
The District missed the deadline pertaining to the completion of 3% verification of applications.

12. Effect
The District is not in compliance with the completion of the verification process.

13. Cause
The District was not using the correct due dates and timelines on verification letters being sent to families chosen for the 3% verification process.

14. Recommendation
We recommend the District uses ISBE's recommended due dates and timelines for verification letters being sent to families to ensure the 3% application verification process is completed before the November 15th due date.

15. Management's response¹⁸
Management will update the timelines used on the verification letters being sent to families so they are in line with what ISBE recommends so that verification testing can be completed by the deadline.

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.

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2023 - 006** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Elementary and Secondary Emergency Relief Fund

4. Project No.: 4998-E2, 4998-E3, 4998-HL 5. CFDA No.: 84.425

6. Passed Through: Illinois State Board of Education

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

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

Recipients are required to submit accurate data to the state outlining expenditures by specific categories and object codes. The District is also required to document their review and approval process for quarterly expenditure reports.

9. Condition¹⁵

Data submitted to the State showed expenditures categorized differently from previously filed expenditure reports. Review and approval of quarterly expenditure reports were not documented, and the same person preparing the reports is submitting them.

10. Questioned Costs¹⁶

None

11. Context¹⁷

A clerical error caused amounts to be categorized incorrectly for the ESSER LEA Data Collection Form submission. No review process of quarterly expenditure reports is documented.

12. Effect

Data was not accurately submitted. Expense reports are being submitted without documented second review. The Districts review and approval process is not in compliance.

13. Cause

District did not have adequate procedures implemented to detect or prevent this error. The same person preparing the expenditure reports is submitting them, there is no documented second reviewer.

14. Recommendation

District should develop and implement procedures to reconcile amounts for annual reports to periodic expenditure reports, and have reports reviewed by a second person prior to submission.

15. Management's response¹⁸

Management will implement procedures including reconciling amounts between underlying data, quarterly expenditure reports and annual data collection reports. Additionally, the review of quarterly expenditure reports will be documented before submission.

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.

MC HENRY CCSD 15
44-063-0150-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2023 - 007** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____ **Special Education Cluster**

4. Project No.: **4620-00, 4998-ID, 4600-00, 4998-PS** 5. CFDA No.: **84.027, 84.027X, 84.173, 84.173X**

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)

Management is responsible for accurately filing expenditure reports and retaining documentation to support claims.

9. Condition¹⁵

Expenditure reports are not being properly reviewed and tied out to the General Ledger accounts being used to track special education grant expenses. The District was unable to provide documentation showing which specific expenditures were submitted for reimbursement. This resulted in not having sufficient expenditures documented for the Special Education - Preschool grant (23-4600-00) which in turn resulted in questioned costs noted below.

10. Questioned Costs¹⁶

\$174

11. Context¹⁷

The District was unable to provide reports accurately supporting the amounts that were claimed on quarterly expenditure reports for all grants within the cluster.

12. Effect

The District could potentially over or underclaim expenditure reimbursements.

13. Cause

The District does not have procedures implemented to properly review the expenditure claims and match it to the General Ledger accounts set up to track grant expenditures.

14. Recommendation

The District should implement review procedures to ensure expenditure reports are accurately filled out and have adequate documentation supporting which expenditures were submitted for reimbursement.

15. Management's response¹⁸

Management will implement a process to properly track grant expenditures and also create an improved review process.

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MC HENRY CCSD 15
44-063-0150-04
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2023

[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
2022-001	General checking and payroll checking accounts were not reconciled correctly to the bank statements.	This has been corrected
2022-002	District does not have adequate treasurer bond coverage.	This has been corrected
2022-003	The District does not currently track fixed assets purchased with federal funds.	This has been corrected

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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jschubert@d15.org

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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number:	2023-001
Finding Synopsis:	Employees were still paid after being terminated and IMRF and TRS deductions were incorrectly classified.
Action Steps:	Management plans to review procedures and make sure that District has controls in place to correct these issues going forward.
Contact Person:	Jeffrey Schubert Chief School Business Official 779-244-1000
Anticipated Completion Date:	6/30/2024



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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2023-002

Finding Synopsis: The July 1, 2023 pay run was posted as an expense in fiscal year 2024. However, the checks cleared the bank and direct deposit was pulled from the District's accounts on June 30, 2023 due to following handbook policy wording. Since the District is on the cash basis of accounting, these expenses should have been recorded in fiscal year 2023.

Action Steps: Management plans on adjusting handbook policies addressing the paying of payroll at year-end when July 1st falls on a weekend.

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

Anticipated Completion Date: 6/30/2024



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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2023-004

Finding Synopsis: During the audit, we determined that in a population of 4 error prone applications selected for verification, exceptions were noted on 2 of the applications selected for verification. One of the exceptions stemmed from verification documentation received determined the student should be changed from reduced lunch to paid lunch and this change was not made. The other exception also resulted from verification documentation received determined the student should be changed from free lunch to reduced lunch and this change was not made.

Action Steps: The District will implement review procedures to ensure the free or reduced lunch status is properly calculated and updated during the application verification process.

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

Anticipated Completion Date: 6/30/2024



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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number:	2023-005
Finding Synopsis:	During the audit, we determined that the District did not complete the 3% verification of applications procedures by the due date.
Action Steps:	The District will update the timelines used on the verification letters being sent to families so they are in line with what ISBE recommends so that verification testing can be completed by the deadline.
Contact Person:	Jeffrey Schubert Chief School Business Official 779-244-1000
Anticipated Completion Date:	6/30/2024



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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2023-006

Finding Synopsis: During the audit, we determined that the District did not accurately report data submitted to the State for the LEA Data Collection Form. We also determined that the District did not properly document their review process for quarterly expenditure reports.

Action Steps: The District will implement procedures including reconciling amounts between underlying data, quarterly expenditure reports, and annual data collection reports. Additionally, all reports and supporting documentation will be reviewed and documented by a second person before submission.

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

Anticipated Completion Date: 6/30/2024



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Fiscal Year 2023

McHenry Community Consolidated School District No. 15

Corrective Action Plan

Finding Number: 2023-007

Finding Synopsis: During the audit, we determined that the District was not properly reviewing Special Education Cluster expenditure reports and were unable to provide documentation showing the specific expenditures being submitted for reimbursement.

Action Steps: The District will implement a process to properly track grant expenditures and create an improved review process.

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

Anticipated Completion Date: 6/30/2024