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

***ANNUAL FINANCIAL REPORT***

***JUNE 30, 2021***

eder, casella & co

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2021, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting 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 law as described in Note 1. 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1 of 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.

## **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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of McHenry Community Consolidated School District No. 15 as of June 30, 2021, or changes in financial position for the year then ended.

## **Unmodified Opinion on Regulatory Cash Basis of Accounting**

In our opinion, the financial statements referred to above 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, 2021, 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.

## **Change in Accounting Principle**

As described in Note 19 to the financial statements, the District implemented GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by 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. Such 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, on the basis of accounting described in Note 1.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 18, 2021 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering McHenry Community Consolidated School District No. 15's internal control over financial reporting and compliance.

### **Restriction on Use**

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

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 18, 2021



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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, 2021, 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 October 18, 2021. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of McHenry Community Consolidated School District No. 15's internal control. Accordingly, we do not express an opinion on the effectiveness of McHenry Community Consolidated School District No. 15's internal control.

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

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

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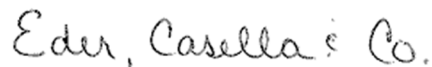
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether McHenry Community Consolidated School District No. 15's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of McHenry Community Consolidated School District No. 15 in a separate letter dated October 18, 2021.

## **Purpose of this Report**

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



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 18, 2021



## 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, 2021

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 33,288,464	\$ 9,504,150	\$ 1,115,617	\$ 6,578,142	\$ 1,065,789	\$ 2,220,092
Investments	7,447,782	1,986,075	-	496,519	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	-	-
Total Assets	<u>\$ 40,736,246</u>	<u>\$ 11,490,225</u>	<u>\$ 1,115,617</u>	<u>\$ 7,074,661</u>	<u>\$ 1,065,789</u>	<u>\$ 2,220,092</u>
<u>LIABILITIES AND FUND BALANCE</u>						
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Reserved	54,770	-	-	-	-	-
Unreserved						
Designated	22,724,059	2,825,884	-	1,087,102	869,946	-
Undesignated	17,957,417	8,664,341	1,115,617	5,987,559	195,843	2,220,092
Total Fund Balance	<u>\$ 40,736,246</u>	<u>\$ 11,490,225</u>	<u>\$ 1,115,617</u>	<u>\$ 7,074,661</u>	<u>\$ 1,065,789</u>	<u>\$ 2,220,092</u>
Total Liabilities and Fund Balance	<u>\$ 40,736,246</u>	<u>\$ 11,490,225</u>	<u>\$ 1,115,617</u>	<u>\$ 7,074,661</u>	<u>\$ 1,065,789</u>	<u>\$ 2,220,092</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, 2021

	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 5,126,663	\$ 730,616	\$ 139,187	\$ -	\$ -	\$ 59,768,720
Investments	-	-	-	-	-	9,930,376
Capital Assets						
Land	-	-	-	1,262,074	-	1,262,074
Building and Building Improvements	-	-	-	97,162,342	-	97,162,342
Site Improvements and Infrastructure	-	-	-	2,174,474	-	2,174,474
Capitalized Equipment	-	-	-	12,728,884	-	12,728,884
Amount Available in Debt Services Fund	-	-	-	-	1,115,617	1,115,617
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	(1,115,617)	(1,115,617)
Total Assets	<u>\$ 5,126,663</u>	<u>\$ 730,616</u>	<u>\$ 139,187</u>	<u>\$ 113,327,774</u>	<u>\$ -</u>	<u>\$ 183,026,870</u>
<u>LIABILITIES AND FUND BALANCE</u>						
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 113,327,774	\$ -	\$ 113,327,774
Fund Balance						
Reserved	-	-	-	-	-	54,770
Unreserved						
Designated	255,581	271,651	6,727	-	-	28,040,950
Undesignated	4,871,082	458,965	132,460	-	-	41,603,376
Total Fund Balance	<u>\$ 5,126,663</u>	<u>\$ 730,616</u>	<u>\$ 139,187</u>	<u>\$ 113,327,774</u>	<u>\$ -</u>	<u>\$ 183,026,870</u>
Total Liabilities and Fund Balance	<u>\$ 5,126,663</u>	<u>\$ 730,616</u>	<u>\$ 139,187</u>	<u>\$ 113,327,774</u>	<u>\$ -</u>	<u>\$ 183,026,870</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, 2021

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 44,281,881	\$ 5,980,001	\$ 1,029	\$ 3,346,972	\$ 2,122,324
State Sources	5,987,000	-	-	1,626,099	-
Federal Sources	4,205,521	-	-	-	-
On-Behalf Payments	27,643,957	-	-	-	-
	<u>\$ 82,118,359</u>	<u>\$ 5,980,001</u>	<u>\$ 1,029</u>	<u>\$ 4,973,071</u>	<u>\$ 2,122,324</u>
EXPENDITURES DISBURSED					
Instruction	\$ 37,090,646	\$ -	\$ -	\$ -	\$ 763,202
Support Services	14,733,364	2,475,576	-	5,038,343	1,364,661
Community Services	23,759	-	-	-	-
Payments to Other Districts and Governmental Units	1,041,954	-	-	-	-
On-Behalf Payments	27,643,957	-	-	-	-
	<u>\$ 80,533,680</u>	<u>\$ 2,475,576</u>	<u>\$ -</u>	<u>\$ 5,038,343</u>	<u>\$ 2,127,863</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ 1,584,679	\$ 3,504,425	\$ 1,029	\$ (65,272)	\$ (5,539)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 1,584,679	\$ 3,504,425	\$ 1,029	\$ (65,272)	\$ (5,539)
FUND BALANCE - JULY 1, 2020	39,098,199	7,985,800	1,114,588	7,139,933	1,071,328
FUND BALANCE ADJUSTMENT (Note 19)	<u>53,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2021	<u>\$ 40,736,246</u>	<u>\$ 11,490,225</u>	<u>\$ 1,115,617</u>	<u>\$ 7,074,661</u>	<u>\$ 1,065,789</u>

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, 2021

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 258,797	\$ 530,984	\$ 819,906	\$ 13,678	\$ 57,355,572
State Sources	4,000,000	-	-	-	11,613,099
Federal Sources	-	-	-	-	4,205,521
On-Behalf Payments	-	-	-	-	27,643,957
	<u>\$ 4,258,797</u>	<u>\$ 530,984</u>	<u>\$ 819,906</u>	<u>\$ 13,678</u>	<u>\$ 100,818,149</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 37,853,848
Support Services	2,927,883	-	615,831	-	27,155,658
Community Services	-	-	-	-	23,759
Payments to Other Districts and Governmental Units	-	-	-	-	1,041,954
On-Behalf Payments	-	-	-	-	27,643,957
	<u>\$ 2,927,883</u>	<u>\$ -</u>	<u>\$ 615,831</u>	<u>\$ -</u>	<u>\$ 93,719,176</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ 1,330,914	\$ 530,984	\$ 204,075	\$ 13,678	\$ 7,098,973
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 1,330,914	\$ 530,984	\$ 204,075	\$ 13,678	\$ 7,098,973
FUND BALANCE - JULY 1, 2020	889,178	4,595,679	526,541	125,509	62,546,755
FUND BALANCE ADJUSTMENT (Note 19)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,368</u>
FUND BALANCE - JUNE 30, 2021	<u>\$ 2,220,092</u>	<u>\$ 5,126,663</u>	<u>\$ 730,616</u>	<u>\$ 139,187</u>	<u>\$ 69,699,096</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, 2021

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 41,321,028	\$ 5,724,339	\$ -	\$ 2,202,168	\$ 881,165
Special Education Purpose Levy	2,202,168	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	881,165
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	261,910	-	-	-	261,911
Tuition					
Special Education Tuition from Other Districts (In State)	122,708	-	-	-	-
Interest on Investments	87,302	38,915	1,029	32,591	602
Gain or Loss on Sale of Investments	1,200	-	-	-	-
Food Service					
Sales to Pupils - Lunch	18,368	-	-	-	-
District/School Activity Income					
Admissions - Athletic	250	-	-	-	-
Student Activity Fund Revenues	32,437	-	-	-	-
Textbooks					
Rentals - Regular Textbook	193,355	-	-	-	-
Rentals	-	2,131	-	-	-
Annexation Fund	-	-	-	-	-
Impact Fees From Municipal or County Governments	-	-	-	-	-
Refund of Prior Years' Expenditures	29,656	70,683	-	4,948	-
Payments from Other Districts	-	-	-	1,107,265	887
Other Local Revenues	11,499	143,933	-	-	96,594
Total Local Sources	<u>\$ 44,281,881</u>	<u>\$ 5,980,001</u>	<u>\$ 1,029</u>	<u>\$ 3,346,972</u>	<u>\$ 2,122,324</u>
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 5,703,025	\$ -	\$ -	\$ -	\$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	195,076	-	-	-	-
Orphanage - Individual	78,454	-	-	-	-
State Free Lunch and Breakfast	4,137	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	769,626	-
Special Education	-	-	-	856,473	-
Other Restricted Revenue from State Sources	6,308	-	-	-	-
Total State Sources	<u>\$ 5,987,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626,099</u>	<u>\$ -</u>
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 2,037	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	1,227	-	-	-	-
Summer Food Service Admin/Program	1,380,171	-	-	-	-
Title I					
Low Income	620,543	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	51,115	-	-	-	-
IDEA - Flow Through/Low Incidence	893,409	-	-	-	-
IDEA - Room and Board	227,384	-	-	-	-
Title III - English Language Acquisition	58,117	-	-	-	-
Title II - Teacher Quality	81,162	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	157,468	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	213,257	-	-	-	-
Cares Act/ESSER Funds	519,631	-	-	-	-
Total Federal Sources	<u>\$ 4,205,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 54,474,402</u>	<u>\$ 5,980,001</u>	<u>\$ 1,029</u>	<u>\$ 4,973,071</u>	<u>\$ 2,122,324</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, 2021

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 517,861	\$ 550,420	\$ 13,600	\$ 51,210,581
Special Education Purpose Levy	-	-	-	-	2,202,168
FICA/Medicare Only Purposes Levy	-	-	-	-	881,165
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	523,821
Tuition					
Special Education Tuition from Other Districts (In State)	-	-	-	-	122,708
Interest on Investments	1,087	13,123	137	78	174,864
Gain or Loss on Sale of Investments	-	-	-	-	1,200
Food Service					
Sales to Pupils - Lunch	-	-	-	-	18,368
District/School Activity Income					
Admissions - Athletic	-	-	-	-	250
Student Activity Fund Revenues	-	-	-	-	32,437
Textbooks					
Rentals - Regular Textbook	-	-	-	-	193,355
Rentals	-	-	-	-	2,131
Annexation Fund	56,465	-	-	-	56,465
Impact Fees From Municipal or County Governments	201,245	-	-	-	201,245
Refund of Prior Years' Expenditures	-	-	269,349	-	374,636
Payments from Other Districts	-	-	-	-	1,108,152
Other Local Revenues	-	-	-	-	252,026
Total Local Sources	\$ 258,797	\$ 530,984	\$ 819,906	\$ 13,678	\$ 57,355,572
State Sources					
Unrestricted Grants-In-Aid					
Evidence Based Funding	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 9,703,025
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	195,076
Orphanage - Individual	-	-	-	-	78,454
State Free Lunch and Breakfast	-	-	-	-	4,137
Transportation					
Regular/Vocational	-	-	-	-	769,626
Special Education	-	-	-	-	856,473
Other Restricted Revenue from State Sources	-	-	-	-	6,308
Total State Sources	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 11,613,099
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 2,037
School Breakfast Program	-	-	-	-	1,227
Summer Food Service Admin/Program	-	-	-	-	1,380,171
Title I					
Low Income	-	-	-	-	620,543
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	51,115
IDEA - Flow Through/Low Incidence	-	-	-	-	893,409
IDEA - Room and Board	-	-	-	-	227,384
Title III - English Language Acquisition	-	-	-	-	58,117
Title II - Teacher Quality	-	-	-	-	81,162
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	157,468
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	213,257
Cares Act/ESSER Funds	-	-	-	-	519,631
Total Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ 4,205,521
Total Direct Revenue	\$ 4,258,797	\$ 530,984	\$ 819,906	\$ 13,678	\$ 73,174,192

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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	\$ 18,890,000	\$ 11,671,859
Employee Benefits	3,415,000	1,871,604
Purchased Services	166,000	328,188
Supplies and Materials	848,000	867,912
Capital Outlay	1,169,000	503,307
Other Objects	-	3,565
Non-Capitalized Equipment	366,000	188,074
	<u>\$ 24,854,000</u>	<u>\$ 15,434,509</u>
Pre-K Programs		
Salaries	\$ -	\$ 7,166,554
Employee Benefits	-	824,428
Purchased Services	-	107,658
Supplies and Materials	-	283,180
Capital Outlay	-	140,936
Other Objects	-	1,725
Non-Capitalized Equipment	-	94,084
	<u>\$ -</u>	<u>\$ 8,618,565</u>
Special Education Programs		
Salaries	\$ 7,152,000	\$ 6,886,080
Employee Benefits	538,000	1,129,811
Purchased Services	82,000	99,633
Supplies and Materials	78,000	63,211
Non-Capitalized Equipment	-	5,796
	<u>\$ 7,850,000</u>	<u>\$ 8,184,531</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 744,000	\$ 347,477
Employee Benefits	-	35,866
Purchased Services	36,000	24,807
Supplies and Materials	148,000	341,055
Non-Capitalized Equipment	10,000	-
	<u>\$ 938,000</u>	<u>\$ 749,205</u>
Interscholastic Programs		
Salaries	\$ 229,000	\$ 155,818
Employee Benefits	2,000	2,071
Purchased Services	18,000	3,300
Supplies and Materials	44,000	7,299
Other Objects	4,000	1,745
Non-Capitalized Equipment	3,000	-
	<u>\$ 300,000</u>	<u>\$ 170,233</u>
Summer School Programs		
Supplies and Materials	\$ -	\$ 5,237
	<u>\$ -</u>	<u>\$ 5,237</u>
Gifted Programs		
Supplies and Materials	\$ -	\$ 80
	<u>\$ -</u>	<u>\$ 80</u>
Bilingual Programs		
Salaries	\$ 2,381,000	\$ 2,698,644
Employee Benefits	69,000	366,276
Purchased Services	11,000	12,794
Supplies and Materials	30,000	22,035
Other Objects	1,000	208
Non-Capitalized Equipment	1,000	-
	<u>\$ 2,493,000</u>	<u>\$ 3,099,957</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Private Tuition - Other Objects		
Special Education Programs K-12	\$ 900,000	\$ 797,294
	<u>\$ 900,000</u>	<u>\$ 797,294</u>
Student Activity Funds		
Other Objects	\$ -	\$ 31,035
	<u>\$ -</u>	<u>\$ 31,035</u>
Total Instruction	<u>\$ 37,335,000</u>	<u>\$ 37,090,646</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,322,000	\$ 1,317,376
Employee Benefits	-	147,690
	<u>\$ 1,322,000</u>	<u>\$ 1,465,066</u>
Health Services		
Salaries	\$ 714,000	\$ 1,152,141
Employee Benefits	16,000	141,014
Purchased Services	193,000	21,195
Supplies and Materials	71,000	56,612
Other Objects	5,000	2,371
Non-Capitalized Equipment	4,000	-
	<u>\$ 1,003,000</u>	<u>\$ 1,373,333</u>
Psychological Services		
Salaries	\$ 759,000	\$ 776,652
Employee Benefits	9,000	81,867
Purchased Services	28,000	13,539
Supplies and Materials	1,000	-
	<u>\$ 797,000</u>	<u>\$ 872,058</u>
Speech Pathology and Audiology Services		
Salaries	\$ 1,303,000	\$ 1,268,671
Employee Benefits	-	119,428
Purchased Services	7,000	1,125
Supplies and Materials	1,000	-
	<u>\$ 1,311,000</u>	<u>\$ 1,389,224</u>
Total Support Services - Pupils	<u>\$ 4,433,000</u>	<u>\$ 5,099,681</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 265,000	\$ 279,321
Employee Benefits	43,000	38,629
Purchased Services	131,000	67,876
Supplies and Materials	59,000	269,132
Other Objects	-	190
	<u>\$ 498,000</u>	<u>\$ 655,148</u>
Educational Media Services		
Supplies and Materials	\$ 44,000	\$ 32,872
	<u>\$ 44,000</u>	<u>\$ 32,872</u>
Assessment and Testing		
Purchased Services	\$ 31,000	\$ 16,186
Supplies and Materials	10,000	49,634
	<u>\$ 41,000</u>	<u>\$ 65,820</u>
Total Support Services - Instructional Staff	<u>\$ 583,000</u>	<u>\$ 753,840</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
General Administration		
Board of Education Services		
Purchased Services	\$ 139,000	\$ 199,822
Supplies and Materials	4,000	-
Other Objects	35,000	18,189
	<u>\$ 178,000</u>	<u>\$ 218,011</u>
Executive Administration Services		
Salaries	\$ 531,000	\$ 476,837
Employee Benefits	66,000	32,031
Purchased Services	44,000	39,423
Supplies and Materials	48,000	18,878
Other Objects	18,000	4,501
Non-Capitalized Equipment	1,000	-
	<u>\$ 708,000</u>	<u>\$ 571,670</u>
Total Support Services - General Administration	<u>\$ 886,000</u>	<u>\$ 789,681</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 2,184,000	\$ 2,108,919
Employee Benefits	444,000	379,937
Purchased Services	4,000	32
Other Objects	17,000	8,762
	<u>\$ 2,649,000</u>	<u>\$ 2,497,650</u>
Other Support Services - School Administration		
Salaries	\$ 112,000	\$ 117,040
Employee Benefits	16,000	26,193
Purchased Services	1,000	264
Supplies and Materials	-	159
Other Objects	4,000	2,109
	<u>\$ 133,000</u>	<u>\$ 145,765</u>
Total Support Services - School Administration	<u>\$ 2,782,000</u>	<u>\$ 2,643,415</u>
Business		
Direction of Business Support Services		
Salaries	\$ 162,000	\$ 161,856
Employee Benefits	33,000	28,506
Purchased Services	4,000	170
Supplies and Materials	14,000	18,879
Other Objects	4,000	1,609
	<u>\$ 217,000</u>	<u>\$ 211,020</u>
Fiscal Services		
Salaries	\$ 293,000	\$ 345,002
Employee Benefits	29,000	50,007
Purchased Services	6,000	6,186
Supplies and Materials	9,000	8,460
Other Objects	1,000	1,080
Non-Capitalized Equipment	2,000	-
	<u>\$ 340,000</u>	<u>\$ 410,735</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 2,051,000	\$ 1,831,086
Employee Benefits	399,000	394,053
Purchased Services	11,000	10,758
	<u>\$ 2,461,000</u>	<u>\$ 2,235,897</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Food Services		
Salaries	\$ 817,000	\$ 563,885
Employee Benefits	117,000	94,091
Purchased Services	15,000	13,813
Supplies and Materials	721,000	467,489
Capital Outlay	100,000	-
Other Objects	3,000	1,253
Non-Capitalized Equipment	12,000	1,197
	<u>\$ 1,785,000</u>	<u>\$ 1,141,728</u>
Total Support Services - Business	<u>\$ 4,803,000</u>	<u>\$ 3,999,380</u>
Central		
Information Services		
Supplies and Materials	\$ -	\$ 7,211
	<u>\$ -</u>	<u>\$ 7,211</u>
Data Processing Services		
Salaries	\$ 658,000	\$ 662,557
Employee Benefits	80,000	83,786
Purchased Services	190,000	276,290
Supplies and Materials	-	417,498
Capital Outlay	170,000	-
Other Objects	1,000	25
	<u>\$ 1,099,000</u>	<u>\$ 1,440,156</u>
Total Support Services - Central	<u>\$ 1,099,000</u>	<u>\$ 1,447,367</u>
Total Support Services	<u>\$ 14,586,000</u>	<u>\$ 14,733,364</u>
Community Services		
Salaries	\$ -	\$ 3,352
Purchased Services	57,000	20,407
Total Community Services	<u>\$ 57,000</u>	<u>\$ 23,759</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 312,000	\$ 267,478
	<u>\$ 312,000</u>	<u>\$ 267,478</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 312,000</u>	<u>\$ 267,478</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ 790,000	\$ 774,476
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 790,000</u>	<u>\$ 774,476</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,102,000</u>	<u>\$ 1,041,954</u>
Total Direct Expenditures	<u>\$ 53,080,000</u>	<u>\$ 52,889,723</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 32,000	\$ -
Supplies and Materials	1,000	-
Capital Outlay	1,090,000	-
	<u>\$ 1,123,000</u>	<u>\$ -</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 135,000	\$ 151,935
Purchased Services	1,627,000	1,161,271
Supplies and Materials	1,209,000	999,527
Capital Outlay	4,000	57,812
Other Objects	1,000	640
Non-Capitalized Equipment	42,000	104,391
	<u>\$ 3,018,000</u>	<u>\$ 2,475,576</u>
 Total Support Services - Business	 <u>\$ 4,141,000</u>	 <u>\$ 2,475,576</u>
 Total Support Services	 <u>\$ 4,141,000</u>	 <u>\$ 2,475,576</u>
 Total Direct Expenditures	 <u><u>\$ 4,141,000</u></u>	 <u><u>\$ 2,475,576</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Business		
Pupil Transportation Services		
Salaries	\$ 2,381,000	\$ 2,508,088
Employee Benefits	173,000	95,035
Purchased Services	505,000	385,346
Supplies and Materials	571,000	286,413
Capital Outlay	30,000	102,748
Other Objects	2,585,000	1,654,796
Non-Capitalized Equipment	31,000	5,917
Total Support Services - Business	<u>\$ 6,276,000</u>	<u>\$ 5,038,343</u>
 Total Support Services	 <u>\$ 6,276,000</u>	 <u>\$ 5,038,343</u>
 Provision for Contingencies	 <u>\$ 12,000</u>	 <u>\$ -</u>
 Total Direct Expenditures	 <u><u>\$ 6,288,000</u></u>	 <u><u>\$ 5,038,343</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 281,000	\$ 205,299
Pre-K Programs		
Employee Benefits	-	106,245
Special Education Programs		
Employee Benefits	443,000	358,829
Remedial and Supplemental Programs - K-12		
Employee Benefits	10,000	5,031
Interscholastic Programs		
Employee Benefits	6,000	3,748
Bilingual Programs		
Employee Benefits	42,000	84,050
Total Instruction	<u>\$ 782,000</u>	<u>\$ 763,202</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 19,000	\$ 18,598
Health Services		
Employee Benefits	1,000	159,556
Psychological Services		
Employee Benefits	18,000	18,348
Speech Pathology and Audiology Services		
Employee Benefits	19,000	18,156
Total Supports Services - Pupils	<u>\$ 57,000</u>	<u>\$ 214,658</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 15,000	\$ 15,345
Total Support Services - Instructional Staff	<u>\$ 15,000</u>	<u>\$ 15,345</u>
General Administration		
Board of Education Services		
Executive Administration Services		
Employee Benefits	\$ 42,000	\$ 46,496
Total Support Services - General Administration	<u>\$ 42,000</u>	<u>\$ 46,496</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 94,000	\$ 94,579
Other Support Services - School Administration		
Employee Benefits	2,000	20,110
Total Support Services - School Administration	<u>\$ 96,000</u>	<u>\$ 114,689</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Employee Benefits	\$ 2,000	\$ 2,366
Fiscal Services		
Employee Benefits	51,000	50,237
Operation and Maintenance of Plant Services		
Employee Benefits	365,000	330,110
Pupil Transportation Services		
Employee Benefits	517,000	423,985
Food Services		
Employee Benefits	368,000	93,132
Total Support Services - Business	<u>\$ 1,303,000</u>	<u>\$ 899,830</u>
Central		
Data Processing Services		
Employee Benefits	<u>\$ 75,000</u>	<u>\$ 73,643</u>
Total Support Services - Central	<u>\$ 75,000</u>	<u>\$ 73,643</u>
Total Support Services	<u>\$ 1,588,000</u>	<u>\$ 1,364,661</u>
Total Direct Expenditures	<u><u>\$ 2,370,000</u></u>	<u><u>\$ 2,127,863</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Capital Outlay	\$ 4,000,000	\$ 2,927,883
Total Support Services - Business	<u>\$ 4,000,000</u>	<u>\$ 2,927,883</u>
 Total Support Services	 \$ 4,000,000	 \$ 2,927,883
 Total Direct Expenditures	 <u>\$ 4,000,000</u>	 <u>\$ 2,927,883</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Risk Management and Claims Services Payments		
Purchased Services	\$ 633,000	\$ 615,831
	<u>\$ 633,000</u>	<u>\$ 615,831</u>
 Total Support Services - General Administration	 \$ 633,000	 \$ 615,831
 Total Support Services	 \$ 633,000	 \$ 615,831
 Total Direct Expenditures	 <u>\$ 633,000</u>	 <u>\$ 615,831</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, 2021

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Supplies and Materials	\$ 8,000	\$ -
Total Support Services - Business	<u>\$ 8,000</u>	<u>\$ -</u>
 Total Support Services	 <u>\$ 8,000</u>	 <u>\$ -</u>
 Total Direct Expenditures	 <u><u>\$ 8,000</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, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. *Principles Used to Determine Scope of Entity***

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

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

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

**B. *Basis of Presentation – Fund Accounting***

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

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

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District. The District currently has no long-term debt outstanding.

### Measurement Focus

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

### General Fixed Assets and General Long-Term Debt Account Groups

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

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

### *C. Basis of Accounting*

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time 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 22, 2020 and was not amended.

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

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

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

### E. *Cash and Cash Equivalents and Investments*

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

No District fund had a cash overdraft at June 30, 2021.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

### F. *Inventories*

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

### G. *Interfund Activity*

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

### H. *General Fixed Assets*

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

### I. *Governmental Fund Balances*

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

### 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 2020 tax levy was passed by the Board on November 2, 2020. The 2019 tax levy was passed by the Board on November 19, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

### K. *Total Memorandum Only*

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

#### *Investments*

As of June 30, 2021 the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 36,282,264	\$ 36,282,264	\$ -	\$ -	\$ -
	<u>\$ 36,282,264</u>	<u>\$ 36,282,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**Credit Risk.** State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2021, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

### NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level	6/30/2021	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	\$ 9,930,376	\$ -	\$ 9,930,376
Limited Term Duration Pool	10,002,000	-	10,002,000
Total Investments by fair value level	<u>\$ 19,932,376</u>	<u>\$ -</u>	<u>\$ 19,932,376</u>

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

### NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Land	\$ 1,262,074	\$ -	\$ -	\$ 1,262,074
Building and Building Improvements	94,243,958	2,927,883	9,499	97,162,342
Site Improvements and Infrastructure	2,174,474	-	-	2,174,474
Capitalized Equipment	11,924,081	804,803	-	12,728,884
	<u>\$ 109,604,587</u>	<u>\$ 3,732,686</u>	<u>\$ 9,499</u>	<u>\$ 113,327,774</u>

### 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.

#### 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, \$54,770, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is reserved for future student activity fund disbursements.

### NOTE 6 - DESIGNATED FUND BALANCE

#### A. *Property Tax Receipts*

The District has designated receipts from the 2020 tax levy for expenditures to be incurred during fiscal year 2022. At June 30, 2021 the following balances were designated:

Fund	Amount
Educational	\$ 21,485,244
Operations and Maintenance	2,825,884
Transportation	1,087,102
Illinois Municipal Retirement/Social Security	869,946
Working Cash	255,581
Tort	271,651
Fire Prevention and Safety	6,727
	<u>\$ 26,802,135</u>

#### B. *Health Insurance*

The District has established a separate bank account to be designated 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, 2021 the following balances were designated:

Fund	Amount
Educational	<u>\$ 1,238,815</u>

### NOTE 7 - DEFICIT FUND BALANCE

No fund had a deficit fund balance at June 30, 2021.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2020 (\$26,802,135) and 2019 (\$27,491,779) tax levies.

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

#### McHENRY COUNTY

Tax Year	2020		2019		2018	
Assessed Valuation	\$1,142,721,462		\$1,083,660,065		\$1,018,072,808	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.4931	\$ 39,916,221	3.5739	\$ 38,729,263	3.7142	\$ 37,813,698
Tort Immunity	0.0465	531,583	0.0476	515,779	0.0494	503,193
Special Education	0.1862	2,127,302	0.1905	2,064,080	0.1979	2,014,715
Operations and Maintenance	0.4839	5,529,846	0.4951	5,365,418	0.5145	5,238,249
Transportation	0.1862	2,127,302	0.1905	2,064,080	0.1979	2,014,716
Municipal Retirement	0.0745	851,179	0.0762	825,825	0.0792	805,886
Debt Service	0.0000	-	0.0000	-	0.5526	5,626,288
Social Security	0.0745	851,179	0.0762	825,825	0.0792	805,886
Fire Prevention and Safety	0.0012	13,164	0.0012	12,798	0.0012	11,789
Working Cash	0.0438	500,135	0.0448	485,263	0.0465	473,699
	4.5899	\$ 52,447,911	4.6960	\$ 50,888,330	5.4326	\$ 55,308,120

#### LAKE COUNTY

Tax Year	2020		2019		2018	
Assessed Valuation	\$20,036,264		\$18,711,300		\$17,284,578	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.4889	\$ 699,054	3.5693	\$ 667,864	3.7142	\$ 641,992
Tort Immunity	0.0465	9,310	0.0475	8,894	0.0494	8,543
Special Education	0.1859	37,255	0.1902	35,594	0.1979	34,205
Operations and Maintenance	0.4833	96,844	0.4945	92,524	0.5145	88,934
Transportation	0.1859	37,255	0.1902	35,594	0.1979	34,205
Municipal Retirement	0.0744	14,907	0.0761	14,241	0.0792	13,682
Debt Service	0.0000	-	0.0000	-	0.5582	96,477
Social Security	0.0744	14,907	0.0761	14,241	0.0792	13,682
Fire Prevention and Safety	0.0012	231	0.0012	221	0.0012	200
Working Cash	0.0437	8,759	0.0447	8,368	0.0465	8,042
	4.5842	\$ 918,522	4.6898	\$ 877,540	5.4382	\$ 939,963

### NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2021, no fund had expenditures that exceeded the budget.

### NOTE 10 - OPERATING LEASES, AS LESSEE

The District, as lessee, leases buses, copiers, and chrome books.

Estimated minimum annual rentals are as follows:

Year Ending June 30	Amount
2022	\$ 1,641,598
2023	1,174,060
2024	668,128
2025	619,619
2026	943,767
2027	422,396
	<u>\$ 5,469,568</u>

Rental expense for all operating leases for the year ended June 30, 2021 was \$2,135,348.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 11 - RETIREMENT FUND COMMITMENTS

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

##### *General Information About the Pension Plan*

###### Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

###### Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 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 20 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. Disability and death benefits are also provided.

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. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2020 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, 2021, 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 \$27,247,102 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021 were \$192,439.

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, 2021, the District pension contribution was 10.41% of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$349,607 were paid from federal and special trust funds that required District contributions of \$36,394.

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, 2021, the District paid \$29,646 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 a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](http://www.imrf.org).

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Benefits Provided

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

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

### 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 rate for calendar year 2020 was 9.87%. For the fiscal year ended June 30, 2021, the District contributed \$945,665 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS

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

##### *General Information About the OPEB Plan*

##### Plan Description

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

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Contributions

For the fiscal year ended June 30, 2021, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to .92% of each teacher's salary. For the fiscal year ended June 30, 2020, the employee contribution was 1.24% of salary and the employer contribution was .92% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Total employer contributions for the fiscal year ended June 30, 2021 were \$305,248.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2021, 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 \$396,855 in benefit contributions from the State of Illinois.

### *B. Retiree Insurance Plan*

#### Plan Overview

In addition to the retirement plans described in Note 11, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

##### Medical Coverage

###### Retirees - IMRF (Pre-65 Coverage)

IMRF employees may remain on District insurance in retirement. Admin and support staff retirees must pay the full cost of coverage with no additional cost to the District. Eligible spouse/dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs with the eligible spouse/dependent paying the full cost of coverage.

###### Retirees - IMRF (Post-65 Coverage)

Retirees may remain on District insurance in retirement past Medicare eligibility, but they pay the full cost of coverage with no additional cost to the District. Eligible spouse/dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs with the eligible spouse/dependent paying the full cost of coverage. District insurance is secondary to Medicare once eligible.

###### Retirees - TRS (Pre-65 Coverage)

TRS members may remain on District insurance in retirement or they can seek outside coverage such as that offered through the Teachers' Retirement Insurance Program (TRIP). 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 insurance 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. Eligible spouse/dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs with the eligible spouse/dependent paying the full cost of coverage.

###### Retirees - TRS (Post-65 Coverage)

TRS members cannot remain on District insurance once Medicare eligible in retirement. Admin and non-admin retirees no longer receive the potential District stipend toward premium costs once Medicare eligible.

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

### Eligibility

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

### IMRF Regular Plan Tier 1 - Full-Time District employees

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

### IMRF Regular Plan Tier 2 - Full-Time District employees

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 10 years of service (Full Pension)

### TRS Regular Plan Tier 1 - Full-Time District employees

- Age 55 with at least 20 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 10 years of service (Full Pension)
- Age 62 with at least 5 years of service (Full Pension)

### TRS Regular Plan Tier 2 - Full-Time District employees

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 67 with at least 10 years of service (Full Pension)

## 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 \$25,200.

## **NOTE 13 - INTERFUND TRANSFERS**

There were no interfund transfers during the year ended June 30, 2021.

## **NOTE 14 - JOINT VENTURE**

### *A. Special Education District of McHenry County (SEDAOM)*

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, 2020 (most recent information available) is as follows:

Assets	<u>\$ 9,999,206</u>
Liabilities	<u>\$ 25,193</u>
Fund Equity	<u>9,974,013</u>
	<u>\$ 9,999,206</u>
Revenues Received	<u>\$ 5,635,048</u>
Expenditures Disbursed	<u>5,680,430</u>
Net Increase/(Decrease) in Fund Balance	<u>\$ (45,382)</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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 15 - RISK MANAGEMENT

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

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

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

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

The District carries health insurance through Northern Illinois Health Insurance Program (NIHIP), which is a self-funded cooperative. A summary of claim transactions for the fiscal year ended June 30, 2021 is as follows:

Incurred Claims (Total Allowed)	\$ 3,833,208
Payments on Claims	(3,357,813)

During the year ended June 30, 2021, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. 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, 2021, there were no significant adjustments in premiums based on actual experience.

### NOTE 16 - 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 17 - 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:

2020 EAV	\$ 1,162,757,726
Rate	6.90%
Debt Margin	\$ 80,230,283
Current Debt	-
Remaining Debt Margin	<u>\$ 80,230,283</u>



## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 18 - CONSTRUCTION COMMITMENTS**

At June 30, 2021 the District has ongoing contracts for site improvements work to school buildings in the district along with interior renovations at multiple sites. The projects have outstanding commitments of \$1,201,873 that have not been included as expenses in these financial statements.

### **NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE**

The District has implemented GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes financial reporting standards related to fiduciary activities of the District. Implementation of this standard resulted in the Student Activity Funds no longer being reported as a separate fiduciary fund for the District and a fund balance adjustment of \$53,368 being made to reclassify the Student Activity Funds fund balance to the Educational Fund.

### **NOTE 20 - SUBSEQUENT EVENTS**

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various governments and has continued to impact these organizations. The District was not impacted during the year ended June 30, 2021. However, the extent of any additional impact on the organization is uncertain and cannot be reasonably estimated at this time.

## SUPPLEMENTAL FINANCIAL INFORMATION

McHENRY COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 15  
COMPUTATION OF OPERATING EXPENSE PER PUPIL  
AND PER CAPITA TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2021

<b>OPERATING EXPENSE PER PUPIL</b>			
<b>EXPENDITURES:</b>			
ED	Total Expenditures	\$	52,858,688
O&M	Total Expenditures		2,475,576
TR	Total Expenditures		5,038,343
MR/SS	Total Expenditures		2,127,863
TORT	Total Expenditures		615,831
	<b>Total Expenditures</b>	<b>\$</b>	<b>63,116,301</b>

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

ED	Pre-K Programs	\$	8,383,545
ED	Summer School Programs		5,237
ED	Special Education Programs K-12 - Private Tuition		797,294
ED	Community Services		23,759
ED	Total Payments to Other District & Govt Units		1,041,954
ED	Capital Outlay		644,243
ED	Non-Capitalized Equipment		289,151
O&M	Capital Outlay		57,812
O&M	Non-Capitalized Equipment		104,391
TR	Capital Outlay		102,748
TR	Non-Capitalized Equipment		5,917
MR/SS	Pre-K Programs		106,245
	<b>Total Deductions</b>	<b>\$</b>	<b>11,562,296</b>
	<b>Total Operating Expenses (Regular K-12)</b>		<b>51,554,005</b>
<b>ADA from Average Daily Attendance - Student Information System (SIS) in IWAS-preliminary ADA 2020-2021</b>			<b>3,812.70</b>
	<b>Estimated OEPP</b>	<b>\$</b>	<b>13,521.65</b>

**PER CAPITA TUITION CHARGE**

<b>LESS OFFSETTING RECEIPTS/REVENUES:</b>			
ED	Total Food Service	\$	18,368
ED-O&M	Total District/School Activity Income		250
ED	Rentals - Regular Textbooks		193,355
ED-O&M	Rentals		2,131
ED-O&M-DS-TR-MR/SS	Payment from Other Districts		1,108,152
ED-O&M-TR	Total Special Education		273,530
ED	State Free Lunch & Breakfast		4,137
ED-O&M-TR-MR/SS	Total Transportation		1,626,099
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources		6,308
ED-MR/SS	Total Food Service		1,383,435
ED-O&M-TR-MR/SS	Total Title I		620,543
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence		893,409
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board		227,384
ED-TR-MR/SS	Title III - Language Inst Program - Limited Eng (LIPLEP)		58,117
ED-O&M-TR-MR/SS	Title II - Teacher Quality		81,162
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach		157,468
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program		213,257
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)		519,631
ED-TR-MR/SS	Special Education Contributions from EBF Funds		1,966,511
ED-MR/SS	English Learning (Bilingual) Contributions from EBF Funds		261,424
	<b>Total Allowance for PCTC Computation</b>	<b>\$</b>	<b>9,614,671</b>
	<b>Net Operating Expense for PCTC Computation</b>		<b>41,939,334</b>
	<b>Total Depreciation Allowance (from page 26, Line 18 Col I)</b>		<b>3,931,952</b>
	<b>Total Allowance for PCTC Computation</b>		<b>45,871,286</b>
	<b>9 Mo ADA</b>		<b>3,812.70</b>
	<b>Total Estimated PCTC</b>	<b>\$</b>	<b>12,031.18</b>

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**

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, 2021. 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of McHenry Community Consolidated School District No. 15's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about McHenry Community Consolidated School District No. 15's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on McHenry Community Consolidated School District No. 15's compliance.

**Opinion on Each Major Federal Program**

In our opinion, McHenry Community Consolidated School District No. 15 complied, in all material respects, with the types of 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, 2021.

## Report on Internal Control Over Compliance

Management of McHenry Community Consolidated School District No. 15 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered McHenry Community Consolidated School District No. 15's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of McHenry Community Consolidated School District No. 15's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 18, 2021

**McHenry Community Consolidated School Dist. 15**  
**44-063-0150-04**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2021**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/19-6/30/20 (C)	0 Year 7/1/20-6/30/21 (D)	Year 7/1/19-6/30/20 (E)	Year 7/1/19-6/30/20 Pass through to Subrecipients	Year 7/1/20-6/30/21 (F)	Year 7/1/20-6/30/21 Pass through to Subrecipients			
CHILD NUTRITION CLUSTER											
U.S. Department of Agriculture passed through Illinois State Board of Education											
Food Donation Program (M)	10.555	21-4299-00		56,695			56,695			56,695	n/a
National School Lunch Program (M) +	10.555	20-4210-00	451,560	2,037	451,560		2,037			453,597	n/a
U.S. Department of Defense passed through Illinois State Board of Education											
Food Donation Program (M)	10.555	21-4299-00		67,988			67,988			67,988	n/a
Subtotal CFDA 10.555			451,560	126,720	451,560		126,720			578,280	
U.S. Department of Agriculture passed through Illinois State Board of Education											
School Breakfast Program (M) +	10.553	20-4220-00	72,526	1,228	72,526		1,228			73,754	n/a
Subtotal CFDA 10.553			72,526	1,228	72,526		1,228			73,754	
Summer Food Service Program (M) +	10.559	20-4225-00	157,150	164,343	207,163		114,329			321,492	n/a
Summer Food Service Program (M) +	10.559	21-4225-00		1,215,828			1,239,984			1,239,984	n/a
Subtotal CFDA 10.559			157,150	1,380,171	207,163		1,354,313			1,561,476	
Total Child Nutrition Cluster			681,236	1,508,119	731,249		1,482,261			2,213,510	
Total CFDA "10"			681,236	1,508,119	731,249		1,482,261			2,213,510	
U.S. Department of Education passed through Illinois State Board of Education											
Title I - Low Income	84.010	20-4300-00	429,747	152,904	582,651					582,651	635,850
Title I - Low Income	84.010	21-4300-00		467,639			713,337			713,337	746,763
Subtotal CFDA 84.010			429,747	620,543	582,651		713,337			1,295,988	
Title III - LIPEP *	84.365	20-4909-00	40,108	27,695	63,554		4,249			67,803	69,300
Title III - LIPEP *	84.365	21-4909-00		30,422			38,383			38,383	55,727
Subtotal CFDA 84.365			40,108	58,117	63,554		42,632			106,186	

**McHenry Community Consolidated School Dist. 15**  
**44-063-0150-04**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2021**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/19-6/30/20 (C)	0 Year 7/1/20-6/30/21 (D)	Year 7/1/19-6/30/20 (E)	Year 7/1/19-6/30/20 Pass through to Subrecipients	Year 7/1/20-6/30/21 (F)	Year 7/1/20-6/30/21 Pass through to Subrecipients			
Title II - Teacher Quality	84.367	20-4932-00	98,646	11,570	110,216		0			110,216	121,587
Title II - Teacher Quality	84.367	21-4932-00		69,592			87,845			87,845	94,880
Subtotal CFDA 84.367			98,646	81,162	110,216		87,845			198,061	
COVID-19 - Elementary and Secondary Emergency Relief Fund (M) +	84.425D	20-4998-ER		477,377			477,377			477,377	482,512
COVID-19 - Elementary and Secondary Emergency Relief Fund (M) +	84.425D	21-4998-E2		42,254			251,079			251,079	1,889,375
Subtotal CFDA 84.425			0	519,631	0		728,456			728,456	
SPECIAL EDUCATION CLUSTER											
Special Education - IDEA - Room and Board *	84.027	20-4625-XC		24,548			24,548			24,548	n/a
Special Education - IDEA - Room and Board *	84.027	20-4625-00	160,215	126,832	184,987		102,060			287,047	n/a
Special Education - IDEA - Room and Board *	84.027	21-4625-00		76,003			76,003			76,003	n/a
Special Education - Grants to States	84.027	21-4620-00		644,396			876,661			876,661	1,255,381
U.S. Department of Education Passed Through Special Education District of McHenry County											
Special Education - Grants to States	84.027	20-4620-00	785,461	249,013	1,034,474		0			1,034,474	1,145,897
Subtotal CFDA 84.027			945,676	1,120,792	1,219,461		1,079,272			2,298,733	
U.S. Department of Education passed through Illinois State Board of Education											
Special Education - Preschool	84.173	21-4600-00		39,157			53,371			53,371	72,050
U.S. Department of Education Passed Through Special Education District of McHenry County											
Special Education - Preschool	84.173	20-4600-00	41,432	11,958	53,390		0			53,390	68,578
Subtotal CFDA 84.173			41,432	51,115	53,390		53,371			106,761	
Total Special Education Cluster			987,108	1,171,907	1,272,851		1,132,643			2,405,494	
Total CFDA "84"			1,555,609	2,451,360	2,029,272		2,704,913			4,734,185	



**McHenry Community Consolidated School Dist. 15**  
**44-063-0150-04**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2021**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/19-6/30/20 (C)	0 Year 7/1/20-6/30/21 (D)	Year 7/1/19-6/30/20 (E)	Year 7/1/19-6/30/20 Pass through to Subrecipients	Year 7/1/20-6/30/21 (F)	Year 7/1/20-6/30/21 Pass through to Subrecipients			
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	20-4991-00	92,160	68,678	160,838		0			160,838	n/a
Medicaid Matching Funds - Admin Outreach	93.778	21-4991-00		95,351			218,737			218,737	n/a
Subtotal CFDA 93.778			92,160	164,029	160,838		218,737			379,575	
Total Medicaid Cluster			92,160	164,029	160,838		218,737			379,575	
Total CFDA "93"			92,160	164,029	160,838		218,737			379,575	
Total Federal Assistance			2,329,005	4,123,508	2,921,359		4,405,911			7,327,270	

+ Project YE 9/30

\* Project YE 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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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)

<sup>4</sup> 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, 2021

**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, 2021. 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, 2021.

**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, 2021

- 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) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
  - c) No instances of noncompliance material to the financial statements of McHenry Community Consolidated School District No. 15, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
  - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
  - e) The auditor's report on compliance for the major federal award programs for the McHenry Community Consolidated School District No. 15 expressed an unmodified opinion on all major federal programs.
  - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
  - g) The programs tested as major programs were: Child Nutrition Cluster (CFDA #10.553, 10.555, 10.559) and COVID-19 Elementary and Secondary Emergency Relief Fund (CFDA #84.425D).
  - h) The dollar threshold to distinguish 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) There were no findings related to the financial statements which are required to be reported.
- 3) There were no findings related to federal awards which are required to be reported.

McHenry Community Consolidated School Dist. 15

44-063-0150-04

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ending June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:<sup>11</sup>

2021- N/A

2. THIS FINDING IS:

☐

New

☐

Repeat from Prior Year?

Year originally reported? \_\_\_\_\_

3. Criteria or specific requirement

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

9. Management's response<sup>13</sup>

<sup>11</sup> 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 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> 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.

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

McHenry Community Consolidated School Dist. 15  
44-063-0150-04  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2021- N/A 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_

4. Project No.: \_\_\_\_\_ 5. CFDA No.: \_\_\_\_\_

6. Passed Through: \_\_\_\_\_

7. Federal Agency: \_\_\_\_\_

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

9. Condition<sup>15</sup>

10. Questioned Costs<sup>16</sup>

11. Context<sup>17</sup>

12. Effect

13. Cause

14. Recommendation

15. Management's response<sup>18</sup>

<sup>14</sup> See footnote 11.

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

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

<sup>17</sup> See footnote 12.

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

**McHenry Community Consolidated School Dist. 15**  
**44-063-0150-04**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2021**

[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> <sup>20</sup>
2020-001	There is a lack of review process to ensure Collateral requirements	Resolved
2020-002	There is a lack of review process to ensure Treasurer's bond requirements.	Resolved

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

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> 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.