

**HAZEL CREST SCHOOL DISTRICT 152.5**

**HAZEL CREST, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED  
JUNE 30, 2022

 **John Kasperek Co.**  

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**CERTIFIED PUBLIC ACCOUNTANTS**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Hazel Crest School District 152.5  
Hazel Crest, Illinois

### Report on the Audit of Financial Statements

#### *Qualified Opinions*

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Hazel Crest School District 152.5 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinions section of our report, the modified cash basis financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2022, and the changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### *Basis for Qualified Opinions*

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

#### *Matter Giving Rise to Qualified Opinions on Governmental Activities and Each Major Fund*

The Thornton Township School Treasurer maintains custody of the District's cash and investments within bank accounts as authorized by the Thornton Township School Treasurer's Office Trustees. The bank reconciliation procedures were not performed in a timely manner by the Thornton Township School Treasurer's Office and we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the District's cash and investments. The impact to the basic financial statements of not timely preparing the bank reconciliations has not been determined.

#### *Matter Giving Rise to Qualified Opinions on Governmental Activities*

The District does not maintain detailed records of historical costs to the capital assets, thus, we are unable to express an opinion on the capital assets. The amount by which this departure would affect the assets, net position, and expenditures of the Governmental Activities has not been determined.

#### *Emphasis of Matter- Basis of Accounting*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter- Leases***

As discussed in Note 14 to the financial statements, in 2022 the District adopted new accounting guidance, *GASBS No. 87, Leases*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Supplementary Information***

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the consolidated year-end financial report for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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, except for the effects on the supplementary information of the qualified opinions on the basic financial statements as explained in the Basis for Qualified Opinion sections, the combining and individual fund financial statements and schedules and the consolidated year-end financial report are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and the other supplementary information as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of Hazel Crest School District 152.5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Calumet City, Illinois  
June 30, 2023

## HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

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### Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

#### District-wide financial statements

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

The district-wide financial statements present the District's functions that are principally supported by property taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services and non-programmed charges. The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The statement of net position presents information about the District's assets and liabilities. The difference between the total assets and liabilities is reported as total net position. The ending net position balance relates largely to the net change in capital assets and long-term debt as reported. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information about how the District's net position changed during the fiscal year. In addition, the statement of activities presents the District in a functional format to identify the different activities that are accounted for in the various fund statements. All changes in net position are reported when revenue is received and expenses are paid. Depreciation expense on capital assets is included in the related functional segment where the asset is primarily in use.

The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

#### Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The District considers all governmental funds to be major funds.

The District adopts an annual budget for each fund. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with its budget.

# HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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## Notes to the financial statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The statements are followed by a section of other supplementary information that further explains and supports the financial statements including a comparison of the District's budget verses actual results of operations for the year.

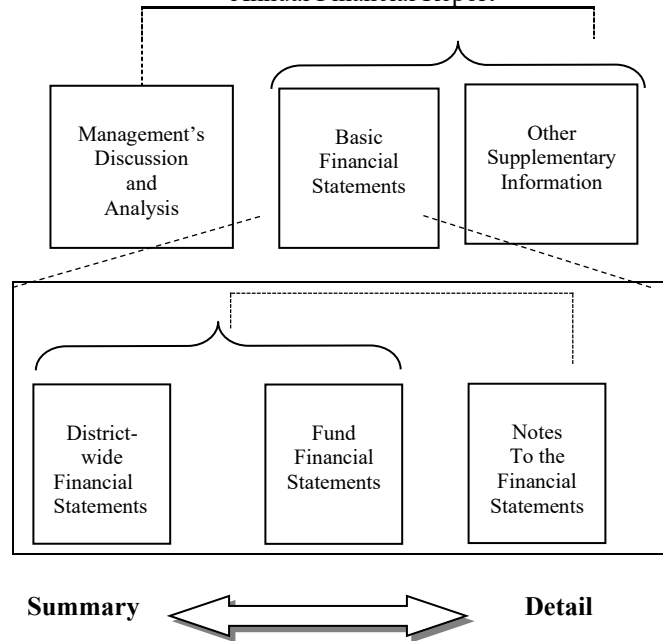
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

## Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the District's progress in funding its obligation to provide pension and other post-retirement medical plan to its employees under IMRF.

Figure A-1 shows how the various parts of this annual report are arranged and how they relate to one another.

Figure A-1. Organization of Hazel Crest School District No. 152.5's Annual Financial Report





## HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this section of management's discussion and analysis highlights the structure and contents of each of the statements.

<i>FIGURE A-2</i>		
<i>Major Features of the District-wide and Fund Financial Statements</i>		
	District-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary, such as Educational and Operations & Maintenance.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance.</li> </ul>
Accounting basis and measurement focus.	Modified Cash basis of accounting and economic resources focus.	Cash basis of accounting and current financial resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.
Type of inflow/outflow Information	All revenues received and expenses paid during year, modified to include capital assets, net of accumulated depreciation & long term debt.	Revenues for which amounts are received and recorded; expenditures when goods or services have been paid.

This section of the District's annual financial report presents its discussion and analysis of its financial performance during the year ending June 30, 2022. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999, as amended.

# HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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## Financial Highlights

### On the District Fund Financial Statements

- The District State and Federal (outside of Evidence Based Funding) revenue received in FY22 decreased by \$822,691 in comparison to FY21 revenue received.
- The District Evidence Based Funding received in FY22 increased by \$812,504 in comparison to FY21 revenue received.
- The District Property Tax and Replacement tax revenue received in FY22 increased by \$1,007,162 in comparison to FY21 revenue received.
- The District expenditures disbursed (excluding capital outlay) in FY22 increased by \$3,514,142 under Instruction and Support in comparison to FY21 expenditures disbursed. This was due to increases in Elementary and Secondary School Emergency Relief (ESSER) grant expenditures and a new collective bargaining agreement for teachers, resulting in raises and more benefits offered.

### Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$13,533,486. Revenues from the District's statement of revenues, expenditures and changes in fund balances were \$19,018,596. Expenditures from the District's statement of revenues, expenditures and changes in fund balances were \$18,847,794.

### Governmental Budgetary Highlights

The original budget as passed by the Board of Education was not amended during the year. The District's final budget for the Governmental Funds (General, Debt Service, Transportation, Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety), anticipated that revenues would exceed expenditures by approximately \$3,527,049; however, the actual reports for the year show revenues exceeding expenditures by \$170,802 (See page 17). See more budget information under notes to supplementary information page 52.

<b>Table 1</b>			
<b>Budgetary highlights</b>			
<i>Anticipated revenues over expenditures</i>			
	<u>Revenue</u>	<u>Expenditures</u>	<u>Anticipated</u>
General	\$ 17,910,104	\$ 15,871,055	\$ 2,039,049
Debt Services	1,325,000	2,000	1,323,000
Transportation	1,330,000	1,300,000	30,000
Municipal Retirements/Social Security	135,000	-	135,000
Capital Projects	-	-	-
Fire Prevention and Safety	-	-	-
Total	<u>\$ 20,700,104</u>	<u>\$ 17,173,055</u>	<u>\$ 3,527,049</u>

## HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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### District-Wide Financial Analysis

#### Statement of Net Position:

The District's net position is \$54,260,327.

The District's financial position is the product of many factors. However, several events of the last year stand out:

- Current assets consist of cash and investments of \$12,847,008 which is in a shared pool of investments managed by the township's treasurer, \$679,380 in restricted cash and \$7,098 cash at the district.
- Net capital assets at June 30, 2022 totaled \$42,912,858.
- Current liabilities the portion of the outstanding bonds and leases due within the next fiscal year of \$1,090,000 and \$51,737, respectively.
- Long-term liabilities include the portion of the outstanding bonds and leases due after one year of \$1,095,000 and \$109,461, respectively.

<b>Table 2</b>	
<b>Statement of Net Position- Modified Cash Basis</b>	
	<b>2022</b>
Current and other assets	\$ 13,533,486
Capital assets, net	42,912,858
Lease assets, net	160,181
<b>Total assets</b>	<b>56,606,525</b>
Current liabilities	1,141,737
Noncurrent liabilities	1,204,461
<b>Total liabilities</b>	<b>2,346,198</b>
Net position:	
Net invested in capital assets	40,727,858
Restricted	7,128,838
Unrestricted	6,403,631
<b>Total net position</b>	<b>\$ 54,260,327</b>

Only the current year is presented, as the previous fiscal year was presented on a regulatory basis of accounting. Comparative information will be provided beginning in the next year's report.

# HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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## Statement of Activities:

The District's total general revenues were \$15,866,751, of which taxes represent \$7,316,610, and evidence-based funding of \$8,353,577.

District charges for services along with State and Federal aid for specific programs brought in \$3,151,845 in revenues (includes on-behalf contributions from the State of Illinois of \$653,138).

The total cost of all programs and services was \$19,185,086. The District's expenses are predominantly related to instruction and support services. Other major expenses were incurred to cover the cost of outside special education services, building operations and transportation (includes on-behalf contributions from the State of Illinois of \$653,138).

<b>Table 3</b>	
<b>Statement of Activities- Modified Cash Basis</b>	
	<b>2022</b>
<b>Revenues:</b>	
Program revenues:	
Charges for Services	\$ 85,683
Operating Grants & Contributions	3,035,119
Capital Grants & Contributions	31,043
	<u>3,151,845</u>
General revenues:	
Taxes	7,316,610
Evidence based Funding	8,353,577
Other	196,564
	<u>15,866,751</u>
<b>Total revenue</b>	<u>19,018,596</u>
<b>Expenses:</b>	
Instruction	7,761,270
Support Services	9,917,895
Community Services	933
Non-programmed Charges	1,106,122
Other	398,866
<b>Total expenses</b>	<u>19,185,086</u>
Change in net position	(166,490)
Net Position – Beginning	<u>54,426,817</u>
Net Position - Ending	<u>\$ 54,260,327</u>

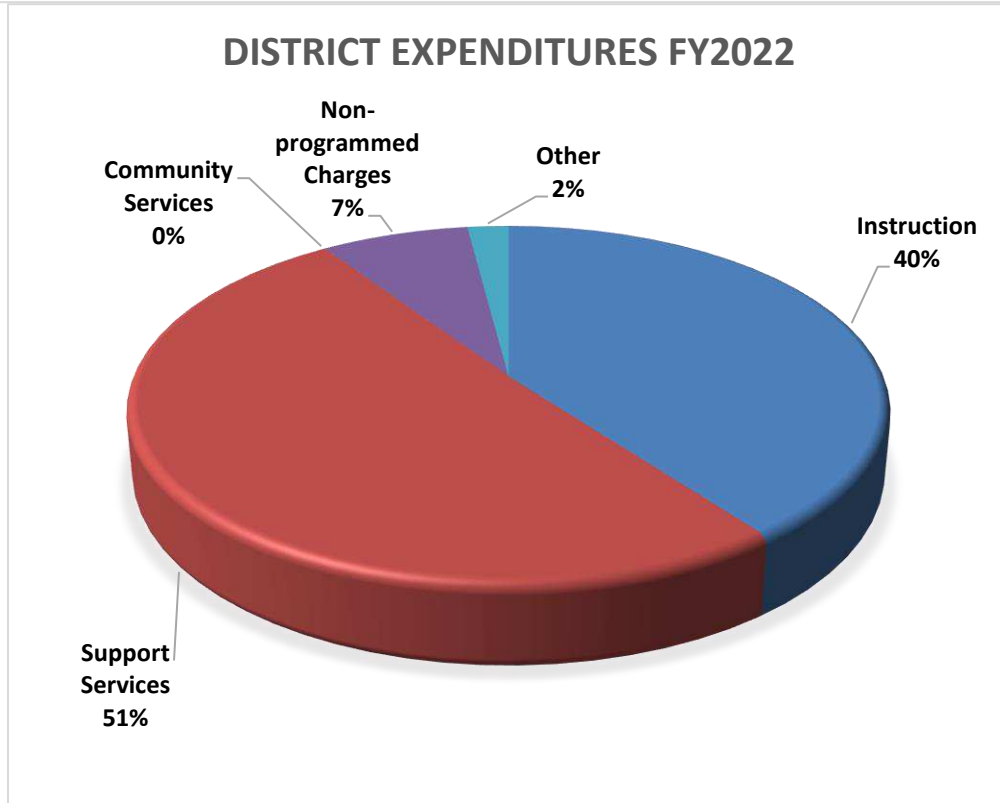
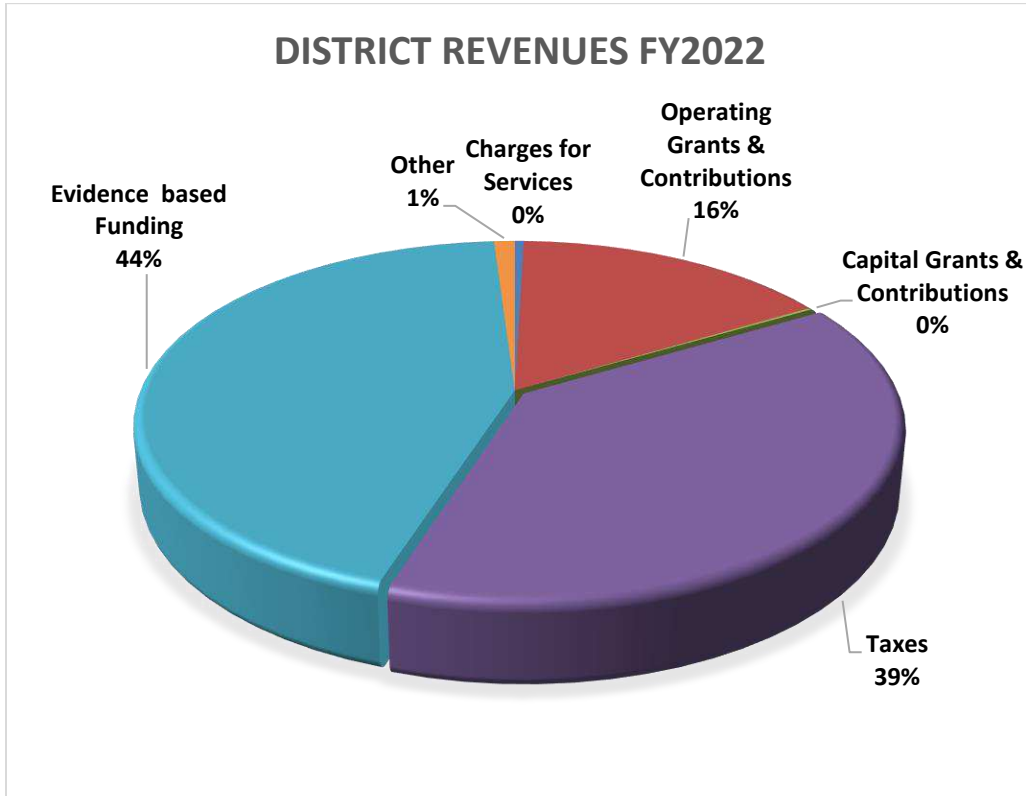
Only the current year is presented, as the previous fiscal year was presented on a regulatory basis of accounting. Comparative information will be provided beginning in the next year's report.

# HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

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# HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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## Capital Asset and Debt Administration

### Capital assets

As of June 30, 2022, the District has invested \$42,912,858 (net of depreciation) in a broad range of capital assets, including land, buildings, site improvement, and property and equipment (i.e. computer, audio-visual, transportation and maintenance equipment and furniture). This amount represents a net decrease (including additions and deductions) of \$1,139,798. See financial statement footnote 3 for more information.

<b>Table 4</b>		
<b>Capital Assets (net of depreciation)</b>		
	<u>2022</u>	<u>2021</u>
Land	\$ 280,244	\$ 280,244
Depreciable buildings	50,726,725	50,726,725
Site Improvements	626,100	626,100
Property and equipment	1,558,521	1,496,626
Total	<u>53,191,590</u>	<u>53,129,695</u>
Total accumulated depreciation	<u>10,278,732</u>	<u>9,077,039</u>
Net Capital Assets	<u>\$ 42,912,858</u>	<u>\$ 44,052,656</u>

### Lease assets

The following are the leased assets added to the financial statements under GASB 87 Leases.

<b>Table 5</b>	
<b>Lease Assets (net of amortization)</b>	
	<u>2022</u>
Office equipment	<u>\$ 160,181</u>
Total	<u>\$ 160,181</u>

## HAZEL CREST SCHOOL DISTRICT NO. 152.5

Management's Discussion and Analysis (Unaudited)  
For the Year Ended June 30, 2022

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### Long-term debt

As of June 30, 2022, the District had \$2,185,000 in general obligation bonds and \$161,198 in leases outstanding. See financial statement footnote 4 for more information.

<b>Table 6</b>		
<b>Outstanding Long-Term Debt</b>		
	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 2,185,000	\$ 2,988,523
Lease liability	161,198	-
Total	<u>\$ 2,346,198</u>	<u>\$ 2,988,523</u>

- The state limits the amount of general obligation debt that the District can issue to 6.9% of the assessed value of all taxable property within the District's limits.

### Factors bearing on the District's Future

- The District relies on state funding via Evidence Based Funding for operational purposes as they are a Tier I school district.
- On October 17, 2022, the District approved a new collective bargaining agreement for SEIU Local No. 73 covering 2022-2025.
- The District will continue pursuing future grant opportunities towards enhancing classroom development and student learning growth.

### Request for Information

This financial report is designed to provide a general overview of the District's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Business Services, 1910 W. 170<sup>th</sup> Street, Hazel Crest, Illinois 60429.

**BASIC FINANCIAL STATEMENTS**



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**JUNE 30, 2022**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments - pooled accounts	\$ 12,847,008
Restricted cash	679,380
Cash at district	7,098
Capital assets not being depreciated	280,244
Capital assets (net of accumulated depreciation)	42,632,614
Lease assets (net of accumulated amortization)	<u>160,181</u>
 Total Assets	 <u>56,606,525</u>
<b>LIABILITIES</b>	
Noncurrent liabilities	
Due within one year	
Bonds payable	1,090,000
Leases	51,737
Due in more than one year	
Bonds payable	1,095,000
Leases	<u>109,461</u>
 Total Liabilities	 <u>2,346,198</u>
<b>NET POSITION</b>	
Net investment in capital assets	40,727,858
Restricted for	
Liability insurance	294,747
Transportation	3,776,050
Employee retirement	2,241,257
Debt service	686,229
Capital projects	920
Life safety	118,635
Unrestricted	<u>6,414,631</u>
 Total Net Position	 <u>\$ 54,260,327</u>

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities					
Instructional services					
Regular programs	\$ 6,535,582	\$ 3,056	\$ 860,581	\$ 6,373	\$ (5,665,572)
Special programs	581,436	-	522,100	-	(59,336)
Other instructional programs	98,881	-	-	-	(98,881)
Student activities	90,844	54,595	-	-	(36,249)
State retirement contributions	454,527	-	454,527	-	-
Support services					
Pupils	1,008,397	-	-	-	(1,008,397)
Instructional staff	1,120,057	-	58,197	-	(1,061,860)
General administration	1,373,730	-	-	-	(1,373,730)
School administration	1,126,040	-	-	-	(1,126,040)
Business	1,073,963	-	668,600	-	(405,363)
Operation and maintenance of facilities	3,054,200	28,032	-	24,670	(3,001,498)
Transportation	961,006	-	272,503	-	(688,503)
Other support	1,891	-	-	-	(1,891)
State retirement contributions	198,611	-	198,611	-	-
Community services	933	-	-	-	(933)
Nonprogrammed charges	1,106,122	-	-	-	(1,106,122)
Interest, bonds costs, and amortization on long-term liabilities	398,866	-	-	-	(398,866)
Total governmental activities	<u>\$ 19,185,086</u>	<u>\$ 85,683</u>	<u>\$ 3,035,119</u>	<u>\$ 31,043</u>	<u>(16,033,241)</u>

**General revenues**

Property taxes levied for	
Current operating purposes	5,665,239
Debt service	1,091,487
Personal property replacement taxes	559,884
Evidence-based funding	8,353,577
Earnings on investments	109,775
Miscellaneous	86,789
Total general revenues	<u>15,866,751</u>
Change in net position	(166,490)
Net position, beginning of year	<u>54,426,817</u>
Net position, end of year	<u>\$ 54,260,327</u>

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General	Transportation	Municipal Retirement/ Social Security	Debt Service	Capital Projects	Fire Prevention and Safety	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments - pooled accounts	\$ 6,692,297	\$ 3,776,050	\$ 2,252,257	\$ 6,849	\$ 920	\$ 118,635	\$ 12,847,008
Restricted cash	-	-	-	679,380	-	-	679,380
Cash at district	7,098	-	-	-	-	-	7,098
<b>Total Assets</b>	<b>\$ 6,699,395</b>	<b>\$ 3,776,050</b>	<b>\$ 2,252,257</b>	<b>\$ 686,229</b>	<b>\$ 920</b>	<b>\$ 118,635</b>	<b>\$ 13,533,486</b>
<b>FUND BALANCES</b>							
Restricted							
Liability insurance	\$ 294,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,747
Transportation	-	3,776,050	-	-	-	-	3,776,050
Employee retirement	-	-	2,241,257	-	-	-	2,241,257
Debt service	-	-	-	686,229	-	-	686,229
Capital projects	-	-	-	-	920	-	920
Life safety	-	-	-	-	-	118,635	118,635
Assigned							
Student activities	7,098	-	-	-	-	-	7,098
Employee retirement	-	-	11,000	-	-	-	11,000
Unassigned	6,397,550	-	-	-	-	-	6,397,550
<b>Total Fund Balances</b>	<b>6,699,395</b>	<b>3,776,050</b>	<b>2,252,257</b>	<b>686,229</b>	<b>920</b>	<b>118,635</b>	<b>13,533,486</b>
<b>Total Fund Balances</b>	<b>\$ 6,699,395</b>	<b>\$ 3,776,050</b>	<b>\$ 2,252,257</b>	<b>\$ 686,229</b>	<b>\$ 920</b>	<b>\$ 118,635</b>	<b>\$ 13,533,486</b>

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2022

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Total fund balances - governmental funds	\$ 13,533,486
Amounts reported for governmental activities in the statement of net position - modified cash basis are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	42,912,858
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	160,181
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(2,185,000)
Lease Liability	<u>(161,198)</u>
Net position of governmental activities	<u><u>\$ 54,260,327</u></u>

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,**  
**AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General	Transportation	Municipal Retirement/ Social Security	Debt Service	Capital Projects	Fire Prevention and Safety	Total Governmental Funds
<b>REVENUES RECEIVED</b>							
Local sources							
Property taxes	\$ 4,105,242	\$ 1,225,437	\$ 90,834	\$ 1,256,645	\$ -	\$ 78,568	\$ 6,756,726
Personal property replacement taxes	548,884	-	11,000	-	-	-	559,884
Contributions and donations	22,000	-	-	-	-	-	22,000
Refund of prior year expenditures	63,279	-	-	-	-	-	63,279
Earnings on investments	60,249	29,222	19,632	328	7	337	109,775
Student activities	54,595	-	-	-	-	-	54,595
Other	32,598	-	-	-	-	-	32,598
Evidence based funding	7,683,577	-	-	670,000	-	-	8,353,577
Restricted state aid	435,035	272,503	-	-	-	-	707,538
Restricted federal aid	1,705,486	-	-	-	-	-	1,705,486
State retirement contributions	653,138	-	-	-	-	-	653,138
<b>Total Revenues Received</b>	<b>15,364,083</b>	<b>1,527,162</b>	<b>121,466</b>	<b>1,926,973</b>	<b>7</b>	<b>78,905</b>	<b>19,018,596</b>
<b>EXPENDITURES DISBURSED</b>							
Current							
Instruction	7,650,690	-	110,580	-	-	-	7,761,270
Support services	7,508,647	952,056	203,551	-	-	-	8,664,254
Community services	933	-	-	-	-	-	933
Non-programmed charges	1,106,122	-	-	-	-	-	1,106,122
Capital outlay	61,895	-	-	-	-	-	61,895
Debt service							
Principal	-	-	-	854,454	-	-	854,454
Interest and fiscal charges	-	-	-	398,866	-	-	398,866
<b>Total Expenditures Disbursed</b>	<b>16,328,287</b>	<b>952,056</b>	<b>314,131</b>	<b>1,253,320</b>	<b>-</b>	<b>-</b>	<b>18,847,794</b>
Net change in fund balances	(964,204)	575,106	(192,665)	673,653	7	78,905	170,802
Fund balances at beginning of year	7,663,599	3,200,944	2,444,922	12,576	913	39,730	13,362,684
Fund balances at end of year	<u>\$ 6,699,395</u>	<u>\$ 3,776,050</u>	<u>\$ 2,252,257</u>	<u>\$ 686,229</u>	<u>\$ 920</u>	<u>\$ 118,635</u>	<u>\$ 13,533,486</u>

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
 RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED,  
 EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 2022

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Net change in fund balances - total governmental funds	\$	170,802
<p>Amounts reported for governmental activities in the statement of activities - modified cash basis are different because:</p>		
<p>Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities. Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds:</p>		
Capital outlays	\$	61,895
Depreciation expense		(1,201,693)
Amortization expense		(51,948)
		(1,191,746)
<p>The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:</p>		
Repayment of bond and loan principal		803,523
Repayment of lease liability		50,931
		854,454
Change in net position of governmental activities	\$	(166,490)

*The accompanying notes are an integral part of the financial statements.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**A. REPORTING ENTITY**

Hazel Crest School District 152.5 (the “District”) operates as a public school system governed by an elected seven-member board. The District is organized under The School Code of State of Illinois, as amended. The District serves the communities of Hazel Crest, East Hazel Crest, Markham, and South Harvey, Illinois.

The accompanying financial statements of the District have been prepared in conformity with the modified cash basis of accounting, which is a special purpose framework other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Although these financial statements are not prepared in accordance with generally accepted accounting principles, they follow the presentation format and include similar disclosures required by GAAP.

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

**B. BASIS OF PRESENTATION**

Government-wide Financial Statements: The statements of net position - modified cash basis and the statement of activities - modified cash basis display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements present governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities - modified cash basis presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All of the District's governmental funds are considered major funds.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources, and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The *General Fund* is the general operating fund of the District. It accounts for all financial resources except those accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state and government aid. The General Fund includes the Educational, Operations and Maintenance, Working Cash and Tort Immunity sub funds.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION (CONTINUED)**

The *Transportation Fund* is a special revenue fund used to account for the costs of transporting pupils for any purpose. Revenue is derived primarily from a separate tax levy and state grants.

The *Municipal Retirement/Social Security Fund* is a special revenue fund created when a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits and/or social security and medicare payment for covered employees.

The *Debt Service Fund* is maintained to account for separate taxes levied to provide cash to retire bonds and to pay the interest and other related costs on them. The primary revenue source is local property taxes, bond proceeds, or transfers from other funds.

The *Capital Projects Fund* is created to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Fire Prevention and Safety Fund* is a capital projects fund created when a tax is levied or bonds issued for fire prevention, safety, energy conservation or school security purposes. The moneys received from the levy or the proceeds of the bonds issued may only be used for the purposes stipulated in Section 17-2.11 of the School Code.

**C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus. Basis of accounting refers to when revenues and expenses are recognized in the accounts and how they are reported on the financial statements. The government-wide financial statements are reported in these financial statements using the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is collected.

In the same manner expenses, except for depreciation, are recognized and recorded upon the payments of cash. Assets are only recorded when a right to collect cash exists which arises from a previous cash transaction or upon the payments of cash to acquire capital assets. Liabilities, similarly, result from previous cash transactions. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

The presentation in these financial statements differs from generally accepted accounting principles, which require that the government-wide financial statements be reported using the accrual basis of accounting. Under the accrual basis of accounting revenues would be recorded when earned and expenses would be recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations.

On an accrual basis, revenue from property taxes would be recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations would be recognized in the fiscal year in which all eligibility requirements have been satisfied.



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)**

Governmental Fund Financial Statements

Governmental funds are reported in these financial statements using the current financial resources measurement focus and the cash basis of accounting. The financial statements of all governmental funds 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 statements of assets and liabilities arising from cash transactions. Their reported fund balance is considered a measure of available spendable resources. Governmental fund operating statements present increases (cash collected and other financing sources) and decreases (cash payments and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. General capital asset acquisitions are reported as expenditures disbursed in governmental funds upon the payments of cash or the acquisition of a lease. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

The governmental funds presented in these financial statements are reported on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is collected. In the same manner expenditures are recognized and recorded upon the payments of cash. Assets of a fund are only recorded when a right to collect cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

The presentation in these financial statements differs from generally accepted accounting principles, which require that the governmental fund financial statements be reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues would be recognized when measurable and available. Expenditures would be recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which would be recognized as expenditures to the extent they have matured.

**D. CASH AND INVESTMENTS**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at fair market value. All other investments are reported at fair value. Investments are placed according to guidelines provided by the Illinois Compiled Statutes.

Under Illinois law, the District is restricted to investing funds in specific types of investments instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued and guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 270 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Public Treasurers' Investment Pool.
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. CAPITAL ASSETS

Capital assets which include land, buildings, improvements, and other equipment, are reported in the Statement of Net Position. Capital assets are defined as assets with an initial individual cost of more than \$5,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized in the government-wide financial statements. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building	50 years
Improvements	20 years
Equipment	10 years

E. ESTIMATES

The preparation of financial statements in accordance with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

F. PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement tax revenues are first allocated to funds where taxes were automatically abated by county clerk and to the Municipal Retirement Fund, with the balance allocated to the remaining funds at the discretion of the District.

G. NET POSITION/FUND BALANCE

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

- *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.
- *Restricted net position* – Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. NET POSITION/FUND BALANCE (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance is reported in the fund financial statements in the following five categories:

- Nonspendable: includes amounts not in spendable form or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarship).
- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation (e.g. restrictions imposed by creditors, grantors, and contributors).
- Committed: fund balances that contain self-imposed constraints of the District from its highest level of decision-making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to constraints, may be determined in the subsequent period. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
- Assigned: fund balances that contain self-imposed constraints of the District to be used for a particular purpose. Intent should be expressed by a) the governing body itself or b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned: includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

It is the District's policy to consider restricted resources to have been spent first when expenditures are incurred, followed by committed and then assigned. Finally, unassigned amounts are used only after the other resources have been used.

Minimum Fund Balance Policy

The District has adopted a policy to maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenditures. The District seeks to maintain a year end fund balances to revenue ratio of no less than 15-20 percent, as calculated under the Illinois State Board of Education's School District Financial Profile.

I. ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 2. DEPOSITS AND INVESTMENTS**

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

Cash and investments, other than the student activity, imprest funds, petty cash, and bond escrow are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments is distributed annually based on the District's percentage participation in the pool.

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

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2022, the amount of cash and investments held by the Thornton Township School Treasurer for the District was \$12,847,008.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all bank balances fully insured or collateralized. As of June 30, 2022, the bank balance of the District's deposits was \$12,853 was fully insured. The District also held at June 30, 2022 \$679,380 in an escrow account restricted for the purpose of debt service.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2022 are below.

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 280,244	\$ -	\$ -	\$ 280,244
Total capital assets not being depreciated	<u>280,244</u>	<u>-</u>	<u>-</u>	<u>280,244</u>
Capital assets being depreciated				
Buildings	50,726,725	-	-	50,726,725
Improvements	626,100	-	-	626,100
Equipment	1,496,626	61,895	-	1,558,521
Total capital assets being depreciated	<u>52,849,451</u>	<u>61,895</u>	<u>-</u>	<u>52,911,346</u>
Less accumulated depreciation for				
Buildings	7,338,723	1,014,535	-	8,353,258
Improvements	341,083	31,305	-	372,388
Equipment	1,397,233	155,853	-	1,553,086
Total accumulated depreciation	<u>9,077,039</u>	<u>1,201,693</u>	<u>-</u>	<u>10,278,732</u>
Total capital assets being depreciated, net	<u>43,772,412</u>	<u>(1,139,798)</u>	<u>-</u>	<u>42,632,614</u>
Governmental activities capital assets, net	<u>\$ 44,052,656</u>	<u>\$ (1,139,798)</u>	<u>\$ -</u>	<u>\$ 42,912,858</u>
Lease Assets				
Office equipment	\$ 212,129	\$ -	\$ -	\$ 212,129
Less Accumulated amortization for				
Office equipment	-	51,948	-	51,948
Total lease assets being amortized, net	<u>\$ 212,129</u>	<u>\$ (51,948)</u>	<u>\$ -</u>	<u>\$ 160,181</u>

Depreciation and amortization expense is reported on the Statement of Activities - Modified Cash Basis and is allocated to specific functions/programs of the District as follows: \$1,201,693 of depreciation is charged to operations and maintenance of facilities, and \$51,948 of amortization is charged to business.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4. LONG-TERM LIABILITIES**

Changes in long-term liabilities are summarized as follows:

	Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
General obligation bond	\$ 2,988,523	\$ -	\$ (803,523)	\$ 2,185,000	\$ 1,090,000
Lease liability	212,129	-	(50,931)	161,198	51,737
<b>Total</b>	<b>\$ 3,200,652</b>	<b>\$ -</b>	<b>\$ (854,454)</b>	<b>\$ 2,346,198</b>	<b>\$ 1,141,737</b>

As of June 30, 2022, the District's legal debt margin remaining is \$4,758,530 based on a debt limitation of \$6,943,530 equal to 6.9% of the 2021 equalized assessed valuation of \$100,630,871 and outstanding debt of \$2,185,000.

General obligation bonds payable at June 30, 2022 are comprised of the following individual issue:

Bonds Payable:

Bond Issue of August 1, 2013 Series 2013A	\$ 2,185,000
Original Amount: \$4,880,000	
Principal payable on December 1	
Interest Payable on June 1 and December 1, starting December 1, 2013	
Interest rate 5.00%	
 Total Bonds Payable	 <u>\$ 2,185,000</u>

At June 30, 2022, the annual cash flow requirements of bond principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,090,000	\$ 82,000	\$ 1,172,000
2024	1,095,000	27,375	1,122,375
	<u>\$ 2,185,000</u>	<u>\$ 109,375</u>	<u>\$ 2,294,375</u>

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5. LEASE COMMITMENTS**

The District leases equipment under a lease agreement through July 2025 with an option to purchase at fair market value. All copier lease payments are paid out of the debt service fund. As of June 30, 2022, the District has recognized lease assets of \$212,129 and related accumulated amortization of \$51,948. Future payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 51,737	\$ 1,375	\$ 53,112
2024	52,257	855	53,112
2025	52,782	330	53,112
2026	4,422	4	4,426
Total	\$ 161,198	\$ 2,564	\$ 163,762

**NOTE 6. PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by the Illinois Department of Revenue to bring the aggregate County level toward the statutory standard of 33-1/3 of fair market value.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in August or September. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The District considers that the first installment of the 2021 levy is to be used to finance operations in fiscal 2022. The District has determined that the second installment of the 2021 levy is to be used to finance operations in fiscal 2023.

For taxing districts in Cook County, including the District, the tax rate limit is required to be applied to the equalized assessed valuation (EAV) of property for the levy year prior to the levy year for which taxes are then being extended. The actual levy rate is stated based on the current EAV of property. As a result, a tax rate may be at its maximum for the levy year even though less than its corresponding limit.

The Board passed the current levy on December 13, 2021. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of equalized assessed valuation.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 6. PROPERTY TAXES (CONTINUED)**

	Limit	Actual 2021 Levy	Actual 2020 Levy
Educational	As needed	4.2466	4.1352
Operations and Maintenance	0.5500	0.5466	0.5148
Debt service	As needed	1.3347	1.2755
Transportation	As needed	1.6397	1.3384
Municipal Retirement	As needed	0.0656	0.0463
Social Security	As needed	0.0656	0.0458
Working Cash	0.0500	0.0500	0.0412
Tort Immunity	As needed	0.0557	0.0463
Fire Prevention and Safety	0.1000	0.1000	0.0910
Levy Adjustment PA102-0519	As needed	0.2181	-
		8.3226	7.5345
Equalized Assessed Valuation (EAV)		\$ 100,630,871	\$ 106,844,370

**NOTE 7. JOINT AGREEMENTS**

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public-school districts for the purpose of providing special education services to the children of its member districts.

The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 205th Street, South Holland, Illinois 60473. The District paid \$969,837 to ECHO for tuition and services during the year ended June 30, 2022.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2021, the most recent information available:

Total assets-modified cash basis	\$ 48,905,763	Revenues received	\$ 44,763,586
Total liabilities-modified cash basis	\$ 15,342,955	Expenditures disbursed	\$ 41,552,092
Net investment in capital assets	\$ 3,787,487	Net change in fund balance	\$ 3,211,494
Unrestricted net position - modified cash basis	\$ 16,715,078		
Restricted net position - modified cash basis	\$ 13,060,243		
Total net position-modified cash basis	\$ 33,562,808		

**NOTE 8. CONTINGENCIES**

The District has received funding from State and Federal grants in the current and prior years which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9. RISK MANAGEMENT**

The District is exposed to various risks of loss including general liability, property and casualty, errors and omissions, workers' compensation, unemployment compensation and employee health and accident. In lieu of paying unemployment contributions, the District has elected to reimburse the State of Illinois for the actual amount of benefits paid to their former workers. The District has joined together with other school districts to form various pools through which to manage certain risks of loss. The District is a member of the Collective Liability Insurance Cooperative (CLIC) for its general liability, property and casualty, errors and omissions coverage and workers' compensation coverage. These public risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool. There were no insurance coverages that had significant reductions. The District had no claims that exceeded coverage in the past three fiscal years.

**NOTE 10. TEACHERS' RETIREMENT SYSTEM**

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 <https://www.trsil.org/financial/acfrs/fy2021>; by writing to TRS at 2815 W. Washington Street, P.O. Box 19253, Springfield, Illinois 62794; or by calling (888) 678-3675, option 2.

Benefits provided

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

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

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

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 10. TEACHERS' RETIREMENT SYSTEM (CONTINUED)**

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 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 are funded by bonds issued by the State of Illinois.

Contributions

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

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2022, State of Illinois contributions recognized by the District were based on the state's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of \$595,783 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$36,956.

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

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

For the year ended June 30, 2022, the District's pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$592,920 were paid from federal and special trust funds that required employer contributions of \$61,130.

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

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

TRS fiduciary net position

Detailed information about TRS's fiduciary net position as of June 30, 2021 is available in the separately issued IRS Annual Comprehensive Financial Report.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND**

Plan Description

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

Benefit Provided

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96.

Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	205
Inactive Plan Members entitled to but not yet receiving benefits	127
Active Plan Members	<u>57</u>
Total	<u><u>389</u></u>

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

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 2021 was 5.02%. For the fiscal year ended June 30, 2022, the District contributed \$74,247 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.

Net Pension Asset/Liability

The District's net pension (asset)/liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of that date. Since the net pension (asset)/liability, deferred outflows of resources, and deferred inflows of resources related to the pension are not the result of cash transactions, the modified cash basis of accounting does not allow for these to be recorded on the government-wide financial statements. Information regarding the District's change in fiduciary net position, as well as information provided by the Fund's actuary, are available at the District's administrative offices.

**NOTE 12. TEACHER HEALTH INSURANCE SECURITY**

Plan and Benefit 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 State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) required that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67 % of each teacher's salary.

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. Employer and non-employer contributing entity contributions are recognized as revenue when due pursuant to statutory or contractual requirements.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 12. TEACHER HEALTH INSURANCE SECURITY (CONTINUED)**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS fund from active members which were .90 percent of pay during the year ended June 30, 2022. State of Illinois contributions were \$57,345, and the District recognized revenue and expenditures of this amount during the year.

The District made contributions to the THIS Fund during the year ended June 30, 2022. For the year ended June 30, 2022, the District paid \$46,066 to the THIS Fund, which was 100 percent of the required contribution.

Net Other Postemployment Benefits Liability

The District's total other postemployment benefits liability was determined by an actuarial valuation measured as of June 30, 2021. The THIS fund allocated the total other postemployment benefits liability to the employers and the State of Illinois, as the non-employer contributing entity, based on the allocation percentages calculated within the Schedule of Employer Allocations. Since the total other postemployment benefits liability, deferred outflows of resources, and deferred inflows of resources related to the other postemployment benefits are not the result of cash transactions, the modified cash basis of accounting does not allow for these to be recorded on the government-wide financial statements.

Further information on the THIS Fund

The audit report is available on the office of the Auditor General website at [www.auditor.illinois.gov](http://www.auditor.illinois.gov), which includes the financial statements of the Department of Central Management Services. Questions regarding the financial statements can be addressed to the Department of Central Management Services at 401 South Spring, Springfield, Illinois, 62706. A copy of the actuarial valuation report will be made available by the Commission on Government Forecasting and Accountability on its website at <https://cgfa.ilga.gov/>.

**NOTE 13. HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES**

The District has evaluated its responsibilities for reporting under Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, for certain postemployment health benefits provided by the District apart from the Teachers' Health Insurance Security Fund. At the District's cost, continued health and dental insurance coverage is provided to a single former employee until that individual reaches age 65 or otherwise becomes eligible for Medicare, a period of time expected not to exceed 5 years. The District has not obtained an actuarial valuation report to measure the related postemployment benefit liability as of June 30, 2022.

**NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE**

The District has implemented GASB Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, the District is required to recognize a lease liability and an intangible right-to-use lease asset with no changes to the beginning net position. One lease was recognized as under the statement which resulted in a restatement of beginning capital assets in note 3 and beginning long term liabilities in note 4.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 15. RECENT GASB PRONOUNCEMENTS**

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements," will be effective for reporting periods beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB Statement No. 100, "Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62" will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**COMBINING BALANCE SHEET - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**JUNE 30, 2022**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity Account	Total General Fund
<b>ASSETS</b>					
Cash and investments - pooled accounts	\$ 5,965,149	\$ 303,982	\$ 128,419	\$ 294,747	\$ 6,692,297
Cash at district	7,098	-	-	-	7,098
Total Assets	<u>\$ 5,972,247</u>	<u>\$ 303,982</u>	<u>\$ 128,419</u>	<u>\$ 294,747</u>	<u>\$ 6,699,395</u>
<b>FUND BALANCES</b>					
Restricted					
Liability insurance	\$ -	\$ -	\$ -	\$ 294,747	\$ 294,747
Assigned					
Student activities	7,098	-	-	-	7,098
Unassigned	5,965,149	303,982	128,419	-	6,397,550
Total Fund Balances	<u>5,972,247</u>	<u>303,982</u>	<u>128,419</u>	<u>294,747</u>	<u>6,699,395</u>
Total Fund Balances	<u>\$ 5,972,247</u>	<u>\$ 303,982</u>	<u>\$ 128,419</u>	<u>\$ 294,747</u>	<u>\$ 6,699,395</u>

*See independent auditor's report.*



**HAZEL CREST SCHOOL DISTRICT 152.5**  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2022

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Immunity Account	Total General Fund
<b>REVENUES RECEIVED</b>					
Local sources					
Property taxes	\$ 3,583,682	\$ 441,929	\$ 37,686	\$ 41,945	\$ 4,105,242
Personal property replacement taxes	548,884	-	-	-	548,884
Contributions and donations	22,000	-	-	-	22,000
Refund of prior year expenditures	12,280	50,999	-	-	63,279
Earnings on investments	56,500	-	855	2,894	60,249
Student activities	54,595	-	-	-	54,595
Other	1,510	31,088	-	-	32,598
Evidence based funding	5,833,577	1,850,000	-	-	7,683,577
Restricted state aid	435,035	-	-	-	435,035
Restricted federal aid	1,705,486	-	-	-	1,705,486
State retirement contribution	653,138	-	-	-	653,138
<b>Total Revenues Received</b>	<b>12,906,687</b>	<b>2,374,016</b>	<b>38,541</b>	<b>44,839</b>	<b>15,364,083</b>
<b>EXPENDITURES DISBURSED</b>					
Current					
Instruction	7,650,690	-	-	-	7,650,690
Support services	5,562,586	1,807,736	-	138,325	7,508,647
Community services	933	-	-	-	933
Non-programmed charges	1,106,122	-	-	-	1,106,122
Capital outlay	61,895	-	-	-	61,895
<b>Total Expenditures Disbursed</b>	<b>14,382,226</b>	<b>1,807,736</b>	<b>-</b>	<b>138,325</b>	<b>16,328,287</b>
Net change in fund balances	(1,475,539)	566,280	38,541	(93,486)	(964,204)
Fund balances (deficit) at beginning of year	7,447,786	(262,298)	89,878	388,233	7,663,599
Fund balances at end of year	<u>\$ 5,972,247</u>	<u>\$ 303,982</u>	<u>\$ 128,419</u>	<u>\$ 294,747</u>	<u>\$ 6,699,395</u>

*See independent auditor's report.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
General levy	\$ 3,375,000	\$ 3,583,682	\$ 208,682
Personal property replacement taxes	150,000	548,884	398,884
Earnings on investments	125,000	56,500	(68,500)
Contributions and donations	-	22,000	22,000
Refund of prior years' expenditures	25,000	12,280	(12,720)
Student activities	-	54,595	54,595
Other	20,000	1,510	(18,490)
	<u>3,695,000</u>	<u>4,279,451</u>	<u>584,451</u>
State aid			
Unrestricted			
Evidence-based funding	6,656,804	5,833,577	(823,227)
Restricted			
Special education			
Private facility tuition	11,000	2,558	(8,442)
Orphanage - individual	-	33,874	33,874
State free lunch and breakfast	14,000	13,164	(836)
Education block grant	345,000	385,439	40,439
State retirement contributions	-	653,138	653,138
Other grants-in-aid	676,700	-	(676,700)
	<u>7,703,504</u>	<u>6,921,750</u>	<u>(781,754)</u>
Federal aid			
Restricted			
School lunch programs	-	381,934	381,934
Special breakfast program	225,000	205,795	(19,205)
Child adult care food program	20,000	38,635	18,635
Food service - summer food service program	450,000	29,072	(420,928)
Title I - low income	1,350,000	471,008	(878,992)
Title IV- safe and drug free school	-	10,507	10,507
Federal - special education			
I.D.E.A - Pre-school	22,500	722	(21,778)
I.D.E.A - flow through	200,000	368,866	168,866
Title II - teacher quality	68,000	58,197	(9,803)
Medicaid matching/ administrative outreach			
	25,000	58,941	33,941
Medicaid matching/fee-for-service	30,000	57,324	27,324
ESSER grants	2,200,000	24,485	(2,175,515)
	<u>4,590,500</u>	<u>1,705,486</u>	<u>(2,885,014)</u>
Total federal aid			
	<u>4,590,500</u>	<u>1,705,486</u>	<u>(2,885,014)</u>
Total Revenues Received	<u>15,989,004</u>	<u>12,906,687</u>	<u>(3,082,317)</u>

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>EXPENDITURES DISBURSED</b>			
Instruction			
Regular programs			
Salaries	\$ 4,530,000	\$ 4,411,432	\$ (118,568)
Employee benefits	700,000	613,756	(86,244)
Purchased services	350,000	350,174	174
Supplies and materials	550,000	1,076,431	526,431
Capital outlay	10,000	61,895	51,895
Other objects	2,500	668	(1,832)
Total regular programs	<u>6,142,500</u>	<u>6,514,356</u>	<u>371,856</u>
Special education programs			
Salaries	600,000	442,279	(157,721)
Employee benefits	60,000	107,303	47,303
Purchased services	10,000	603	(9,397)
Supplies and materials	5,000	6,922	1,922
Capital outlay	1,000	-	(1,000)
Other objects	500	411	(89)
Total special education programs	<u>676,500</u>	<u>557,518</u>	<u>(118,982)</u>
Interscholastic programs			
Salaries	100,000	84,653	(15,347)
Employee benefits	20,000	809	(19,191)
Purchased services	7,000	2,624	(4,376)
Supplies and materials	25,000	4,884	(20,116)
Capital outlay	5,000	-	(5,000)
Other objects	-	2,370	2,370
Total interscholastic programs	<u>157,000</u>	<u>95,340</u>	<u>(61,660)</u>
Other programs			
Student activities	-	90,844	90,844
Total other programs	<u>-</u>	<u>90,844</u>	<u>90,844</u>
State retirement contributions	-	454,527	454,527
Total instruction	<u>6,976,000</u>	<u>7,712,585</u>	<u>736,585</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	115,000	89,749	(25,251)
Employee benefits	7,500	10,600	3,100
Purchased services	-	2,500	2,500
Total attendance and social work services	<u>122,500</u>	<u>102,849</u>	<u>(19,651)</u>

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>EXPENDITURES DISBURSED (CONTINUED)</b>			
Support services (continued)			
Pupils (continued)			
Guidance services			
Salaries	\$ -	\$ 163,951	\$ 163,951
Employee benefits	-	33,624	33,624
Supplies and materials	-	49,347	49,347
Total guidance services	-	246,922	246,922
Health services			
Salaries	160,000	155,366	(4,634)
Employee benefits	10,000	20,788	10,788
Purchased services	140,000	62,074	(77,926)
Supplies and materials	2,000	3,224	1,224
Total health services	312,000	241,452	(70,548)
Psychological services			
Salaries	115,000	61,174	(53,826)
Employee benefits	7,500	989	(6,511)
Purchased services	7,555	31,150	23,595
Total psychological services	130,055	93,313	(36,742)
Speech pathology and audiology services			
Salaries	102,000	52,443	(49,557)
Employee benefits	6,000	7,278	1,278
Purchased services	5,000	-	(5,000)
Supplies and materials	500	-	(500)
Total speech pathology and audiology services	113,500	59,721	(53,779)
Other support services			
Salaries	87,000	197,696	110,696
Employee benefits	8,500	24,691	16,191
Purchased services	4,000	382	(3,618)
Total other support services	99,500	222,769	123,269
Total pupils	777,555	967,026	189,471
Instructional staff			
Improvement of instruction services			
Salaries	75,000	80,828	5,828
Employee benefits	5,000	10,100	5,100
Purchased services	200,000	71,224	(128,776)
Supplies and materials	40,000	2,736	(37,264)
Total improvement of instruction services	320,000	164,888	(155,112)

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>EXPENDITURES DISBURSED (CONTINUED)</b>			
Support services (continued)			
Instructional staff			
Educational media services			
Salaries	\$ 275,000	\$ 239,663	\$ (35,337)
Employee benefits	15,000	21,962	6,962
Purchased services	95,200	284,494	189,294
Supplies and materials	240,000	206,752	(33,248)
Capital outlay	25,000	-	(25,000)
Total educational media services	<u>650,200</u>	<u>752,871</u>	<u>102,671</u>
Assessment and testing			
Salaries	120,000	147,120	27,120
Employee benefits	8,000	13,724	5,724
Purchased services	60,000	-	(60,000)
Supplies and materials	15,000	4,754	(10,246)
Other objects	1,000	2,809	1,809
Total assessment and testing	<u>204,000</u>	<u>168,407</u>	<u>(35,593)</u>
Total instructional staff	<u>1,174,200</u>	<u>1,086,166</u>	<u>(88,034)</u>
General administration			
Board of Education services			
Salaries	10,000	6,813	(3,187)
Employee benefits	500,000	(5,000)	(505,000)
Purchased services	225,000	270,636	45,636
Supplies and materials	50,000	58,608	8,608
Other objects	15,000	9,617	(5,383)
Total Board of Education services	<u>800,000</u>	<u>340,674</u>	<u>(459,326)</u>
Executive administration services			
Salaries	400,000	397,477	(2,523)
Employee benefits	80,000	229,173	149,173
Purchased services	50,000	1,472	(48,528)
Supplies and materials	10,000	4,482	(5,518)
Other objects	20,000	11,908	(8,092)
Total executive administration services	<u>560,000</u>	<u>644,512</u>	<u>84,512</u>
Special area administration services			
Salaries	155,000	192,973	37,973
Employee benefits	20,000	16,502	(3,498)
Supplies and materials	5,000	1,593	(3,407)
Other objects	500	5,990	5,490
Total special area administration services	<u>180,500</u>	<u>217,058</u>	<u>36,558</u>
Total general administration	<u>1,540,500</u>	<u>1,202,244</u>	<u>(338,256)</u>

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>EXPENDITURES DISBURSED (CONTINUED)</b>			
Support services (continued)			
School administration			
Office of the principal services			
Salaries	\$ 700,000	\$ 829,042	\$ 129,042
Employee benefits	70,000	242,255	172,255
Supplies and materials	30,000	22,234	(7,766)
Other objects	1,000	1,298	298
Total office of the principal services	<u>801,000</u>	<u>1,094,829</u>	<u>293,829</u>
Total school administration	<u>801,000</u>	<u>1,094,829</u>	<u>293,829</u>
Business			
Direction of business support services			
Salaries	265,000	268,031	3,031
Employee benefits	10,000	13,111	3,111
Purchased services	100,000	73,697	(26,303)
Supplies and materials	5,000	4,307	(693)
Other object	1,000	9,182	8,182
Total direction of business support services	<u>381,000</u>	<u>368,328</u>	<u>(12,672)</u>
Operation and maintenance of plant services			
Salaries	-	3,139	3,139
Total operation and maintenance of plant services	<u>-</u>	<u>3,139</u>	<u>3,139</u>
Pupil transportation services			
Purchased services	20,000	8,950	(11,050)
Total pupil transportation services	<u>20,000</u>	<u>8,950</u>	<u>(11,050)</u>
Food services			
Salaries	50,000	18,652	(31,348)
Employee benefits	4,500	-	(4,500)
Purchased services	530,000	604,125	74,125
Supplies and materials	9,000	8,625	(375)
Total food services	<u>593,500</u>	<u>631,402</u>	<u>37,902</u>
Total business	<u>994,500</u>	<u>1,011,819</u>	<u>17,319</u>
Central			
Planning, research, development and evaluation services			
Purchased services	3,300	-	(3,300)
Total planning, research, development and evaluation services	<u>3,300</u>	<u>-</u>	<u>(3,300)</u>

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**EDUCATIONAL ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>EXPENDITURES DISBURSED (CONTINUED)</b>			
Support services (continued)			
Central (continued)			
Staff services			
Salaries	\$ 93,000	\$ -	\$ (93,000)
Employee benefits	35,000	-	(35,000)
Total staff services	128,000	-	(128,000)
Total central	131,300	-	(131,300)
Other support services			
Supplies and materials	5,000	1,891	(3,109)
Total other support services	5,000	1,891	(3,109)
State retirement contributions	-	198,611	198,611
Total support services	5,424,055	5,562,586	138,531
Community services			
Purchased services	-	764	764
Supplies and materials	-	169	169
Total community services	-	933	933
Non-programmed charges			
Payments for special education programs	1,350,000	1,106,122	(243,878)
Total non-programmed charges	1,350,000	1,106,122	(243,878)
Total Expenditures Disbursed	13,750,055	14,382,226	632,171
Net change in fund balance	\$ 2,238,949	(1,475,539)	\$ (3,714,488)
Fund balance at beginning of year		7,447,786	
Fund balance at end of year		\$ 5,972,247	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Operations and maintenance levy	\$ 450,000	\$ 441,929	\$ (8,071)
Earnings on investments	5,000	-	(5,000)
Rental income	410,000	28,032	(381,968)
Refund of prior years' expenditures	10,000	50,999	40,999
Other	20,000	3,056	(16,944)
Total local sources	<u>895,000</u>	<u>524,016</u>	<u>(370,984)</u>
State aid			
Unrestricted			
Evidence-based funding	825,000	1,850,000	1,025,000
School maintenance funding	50,000	-	(50,000)
Other grants-in-aid	41,000	-	(41,000)
Total state aid	<u>916,000</u>	<u>1,850,000</u>	<u>934,000</u>
Total Revenues Received	<u>1,811,000</u>	<u>2,374,016</u>	<u>563,016</u>
<b>EXPENDITURES DISBURSED</b>			
Support services			
Facilities acquisition and construction			
Capital outlay	125,000	-	(125,000)
Total facilities acquisition and construction	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Operation and maintenance of plant services			
Salaries	416,000	379,525	(36,475)
Employee benefits	80,000	60,889	(19,111)
Purchased services	850,000	1,013,203	163,203
Supplies and materials	345,000	354,119	9,119
Capital outlay	5,000	-	(5,000)
Total operation and maintenance of plant services	<u>1,696,000</u>	<u>1,807,736</u>	<u>111,736</u>
Total Expenditures Disbursed	<u>1,821,000</u>	<u>1,807,736</u>	<u>(13,264)</u>
Net change in fund balance	<u>\$ (10,000)</u>	566,280	<u>\$ 576,280</u>
Fund balance (deficit) at beginning of year		<u>(262,298)</u>	
Fund balance at end of year		<u>\$ 303,982</u>	

*See independent auditor's report and accompanying notes to supplementary information.*



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**WORKING CASH ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>REVENUES RECEIVED</b>			
Local sources			
Working cash levy	\$ 37,500	\$ 37,686	\$ 186
Earnings on investments	1,000	855	(145)
	<u>38,500</u>	<u>38,541</u>	<u>41</u>
Total Revenues Received	<u>38,500</u>	<u>38,541</u>	<u>41</u>
Net change in fund balance	<u>\$ 38,500</u>	38,541	<u>\$ 41</u>
Fund balance at beginning of year		<u>89,878</u>	
Fund balance at end of year		<u>\$ 128,419</u>	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**TORT IMMUNITY ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Tort immunity levy	\$ 60,000	\$ 41,945	\$ (18,055)
Earnings on investments	11,600	2,894	(8,706)
Total local sources	<u>71,600</u>	<u>44,839</u>	<u>(26,761)</u>
Total Revenues Received	<u>71,600</u>	<u>44,839</u>	<u>(26,761)</u>
<b>EXPENDITURES DISBURSED</b>			
Support services			
General administration			
Tort immunity services			
Purchased services	<u>300,000</u>	<u>138,325</u>	<u>(161,675)</u>
Total support services	<u>300,000</u>	<u>138,325</u>	<u>(161,675)</u>
Total Expenditures Disbursed	<u>300,000</u>	<u>138,325</u>	<u>(161,675)</u>
Net change in fund balance	<u>\$ (228,400)</u>	(93,486)	<u>\$ 134,914</u>
Fund balance at beginning of year		<u>388,233</u>	
Fund balance at end of year		<u>\$ 294,747</u>	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**TRANSPORTATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Transportation levy	\$ 900,000	\$ 1,225,437	\$ 325,437
Earnings on investments	15,000	29,222	14,222
Total local sources	<u>915,000</u>	<u>1,254,659</u>	<u>339,659</u>
State aid			
Restricted			
Transportation	415,000	272,503	(142,497)
Total state aid	<u>415,000</u>	<u>272,503</u>	<u>(142,497)</u>
Total Revenues Received	<u>1,330,000</u>	<u>1,527,162</u>	<u>197,162</u>
<b>EXPENDITURES DISBURSED</b>			
Support services			
Business			
Pupil transportation services			
Purchased services	1,300,000	952,056	(347,944)
Total Expenditures Disbursed	<u>1,300,000</u>	<u>952,056</u>	<u>(347,944)</u>
Net change in fund balance	<u>\$ 30,000</u>	575,106	<u>\$ 545,106</u>
Fund balance at beginning of year		<u>3,200,944</u>	
Fund balance at end of year		<u>\$ 3,776,050</u>	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Municipal retirement/social security levy	\$ 110,000	\$ 90,834	\$ (19,166)
Personal property replacement taxes	-	11,000	11,000
Earnings on investments	25,000	19,632	(5,368)
Total local sources	135,000	121,466	(13,534)
Total Revenues Received	135,000	121,466	(13,534)
<b>EXPENDITURES DISBURSED</b>			
Instruction			
Regular programs	-	83,121	83,121
Special education programs	-	23,918	23,918
Interscholastic programs	-	3,541	3,541
Total instruction	-	110,580	110,580
Support services			
Pupils			
Attendance and social work services	-	1,340	1,340
Guidance services	-	2,285	2,285
Health services	-	8,496	8,496
Psychological services	-	875	875
Speech pathology and audiology services	-	6,019	6,019
Other support services	-	22,356	22,356
Total pupils	-	41,371	41,371
Instructional staff			
Improvement of instruction services	-	1,319	1,319
Educational media services	-	26,786	26,786
Assessment and testing	-	5,786	5,786
Total instructional staff	-	33,891	33,891
General administration			
Board of Education services	-	976	976
Executive administration services	-	23,181	23,181
Special area administration services	-	9,004	9,004
Total general administration	-	33,161	33,161

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>EXPENDITURES DISBURSED (CONTINUED)</b>			
Support services (Continued)			
School administration			
Office of the principal services	\$ -	\$ 31,211	\$ 31,211
Total school administration	<u>-</u>	<u>31,211</u>	<u>31,211</u>
Business			
Direction of business support services	-	20,136	20,136
Operation and maintenance of plant services	-	41,632	41,632
Food services	-	2,149	2,149
Total business	<u>-</u>	<u>63,917</u>	<u>63,917</u>
Total support services	<u>-</u>	<u>203,551</u>	<u>203,551</u>
Total Expenditures Disbursed	<u>-</u>	<u>314,131</u>	<u>314,131</u>
Net change in fund balance	<u>\$ 135,000</u>	(192,665)	<u>\$ (327,665)</u>
Fund balance at beginning of year		<u>2,444,922</u>	
Fund balance at end of year		<u>\$ 2,252,257</u>	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Bond and interest levy	\$ 1,325,000	\$ 1,256,645	\$ (68,355)
Earnings on investments	-	328	328
Total local sources	<u>1,325,000</u>	<u>1,256,973</u>	<u>(68,027)</u>
State aid			
Unrestricted			
Evidence based funding	-	670,000	670,000
Total state aid	<u>-</u>	<u>670,000</u>	<u>670,000</u>
Total Revenues Received	<u>1,325,000</u>	<u>1,926,973</u>	<u>601,973</u>
<b>EXPENDITURES DISBURSED</b>			
Debt Service			
Principal	-	854,454	854,454
Interest and fiscal charges	2,000	398,866	396,866
Total Expenditures Disbursed	<u>2,000</u>	<u>1,253,320</u>	<u>1,251,320</u>
Net change in fund balance	<u>\$ 1,323,000</u>	673,653	<u>\$ (649,347)</u>
Fund balance at beginning of year		<u>12,576</u>	
Fund balance at end of year		<u>\$ 686,229</u>	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES RECEIVED</b>			
Local sources			
Earnings on investments	\$ -	\$ 7	\$ 7
Total Revenues Received	-	7	7
Net change in fund balance	\$ -	7	\$ 7
Fund balance at beginning of year		913	
Fund balance at end of year		\$ 920	

*See independent auditor's report and accompanying notes to supplementary information.*

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**FIRE PREVENTION AND SAFETY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/(Under)</u>
<b>REVENUES RECEIVED</b>			
Local sources			
Fire prevention and safety levy	\$ -	\$ 78,568	\$ 78,568
Earnings on investments	-	337	337
	-	78,905	78,905
Total local sources	-	78,905	78,905
Total Revenues Received	-	78,905	78,905
Net change in fund balance	\$ -	78,905	\$ 78,905
Fund balance at beginning of year		39,730	
Fund balance at end of year		\$ 118,635	

*See independent auditor's report and accompanying notes to supplementary information.*



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

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**NOTE 1. BUDGET AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting, except that the budget basis excludes on-behalf payments for which the District is not legally responsible. This difference has no effect on the excess (deficiency) of revenues received and other financing sources (uses) over (under) expenditures disbursed because on-behalf revenues received and expenditures disbursed are equal.

The budget, which was not amended, was passed on September 20, 2021. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

- Prior to July 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 disbursed and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally adopted through passage of a resolution.
- Formal budgetary integration is employed as a management control device during the year.
- 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.
- The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

Over-expenditure of Budget

Expenditures disbursed exceeded the budget in the following individual funds:

Fund	Budget	Actual	Over-expended Budget
Educational Account	\$ 13,750,055	\$ 14,382,226	\$ 632,171 *
Municipal Retirement/Social Security Fund	-	314,131	314,131
Debt Service Fund	2,000	1,253,320	1,251,320

\* Includes on-behalf contributions from the State of Illinois of \$653,138.

**OTHER SUPPLEMENTARY INFORMATION**

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST CALENDAR YEAR**

	December 31, 2021
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 140,964
Interest	446,198
Differences between expected and actual experience	59,958
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	<u>(368,808)</u>
Net change in total pension liability	278,312
Total pension liability - beginning	<u>6,268,383</u>
Total pension liability - ending (A)	<u><u>\$ 6,546,695</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions-employer	\$ 84,577
Contributions-employee	75,861
Net investment income	1,275,546
Benefit payments, including refunds of employee contributions	(368,808)
Other	<u>(3,518)</u>
Net change in plan fiduciary net position	1,063,658
Plan fiduciary net position - beginning	<u>7,448,517</u>
Plan fiduciary net position - ending (B)	<u><u>\$ 8,512,175</u></u>
<b>NET PENSION LIABILITY (ASSET) - ENDING (A) - (B)</b>	<u><u>\$ (1,965,480)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	130.02%
Covered-employee payroll	\$ 1,684,803
Net pension liability as a percentage of covered-employee payroll	-116.66%

**Notes to schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Changes in assumptions:**

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST FISCAL YEAR**

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	2022
District's proportion of the net pension liability	0.0005866263%
District's proportionate share of the net pension liability	\$ 457,635
State's proportionate share of the net pension liability associated with the District	38,354,656
Total	\$ 38,812,291
District's covered-employee payroll	N/A
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	45.10%

**Notes to schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The amounts presented have a measurement date of the previous fiscal year.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**LAST FISCAL YEAR**

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	2022
District's proportion of the net OPEB liability	0.020269%
District's proportionate share of the net OPEB liability	\$ 4,470,365
State's proportionate share of the net OPEB liability associated with the District	6,061,163
Total	\$ 10,531,528
District's covered-employee payroll	\$ 6,371,714
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	70.16%
Plan fiduciary net position as a percentage of the total OPEB liability	1.40%

**Notes to schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The amounts presented have a measurement date of the previous fiscal year.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST FISCAL YEAR**

	June 30
	2022
Actuarially determined contribution	\$ 74,221
Contributions in relation to the actuarially determined contribution	74,247
Contribution deficiency (excess)	\$ (26)
 Covered-employee payroll	 \$ 1,861,655
Contributions as a percentage of covered-employee payroll	3.99%

**Valuation date:**

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

**Methods and assumptions used to determine 2021 contribution rates:**

Actuarial cost method:	Aggregate entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	Taxing bodies (Regular, SLEP, and ECO groups): 22-year closed period Early Retirement Incentive Plan liabilities; a period up to 10 years selected by the Employer upon adoption of ERI
Asset valuation method:	5-year smoothed market; 20% corridor
Wage growth:	3.25%
Price inflation:	2.5%
Salary increases:	3.35% to 14.25%, including inflation
Investment rate of return:	7.25%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other information:**

Notes

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST FISCAL YEAR**

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	2022
Statutorily-required contribution	\$ 98,086
Contributions in relation to the statutorily-required contribution	74,595
Contribution deficiency (excess)	\$ 23,491
 Covered-employee payroll	 \$ 6,371,714
 Contributions as a percentage of covered-employee payroll	 1.17%

**Notes to schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Changes of assumptions: For the 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**LAST TWO FISCAL YEARS**

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	2022
Statutorily-required contribution	\$ 42,690
Contributions in relation to the statutorily-required contribution	46,066
Contribution deficiency (excess)	\$ (3,376)
 Covered-employee payroll	\$ 6,371,714
 Contributions as a percentage of covered-employee payroll	0.72%

**Notes to schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF CHANGES IN STUDENT ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	Balance July 1, 2022	Revenue	Expenditures	Balance June 30, 2022
Cash	\$ 43,347	\$ 54,595	\$ 90,844	\$ 7,098
Student activities	\$ 34,688	\$ 37,539	\$ 71,446	\$ 781
Flex Spending	8,659	17,056	19,398	6,317
Total student activities	\$ 43,347	\$ 54,595	\$ 90,844	\$ 7,098

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES EXTENDED AND COLLECTIONS**  
**JUNE 30, 2022**

	2021 Levy	2020 Levy	2019 Levy
Equalized assessed valuation	\$ 100,630,871	\$ 106,844,370	\$ 95,020,959
Tax rates (per \$100 of assessed valuation)			
Educational	4.2466	4.1352	4.4206
Operations and maintenance	0.5466	0.5148	0.4499
Debt service	1.3347	1.2755	1.4415
Transportation	1.6397	1.3384	1.2311
Municipal retirement	0.0656	0.0463	0.0474
Social security	0.0656	0.0458	0.0474
Working cash	0.0500	0.0412	0.0409
Tort immunity	0.0557	0.0463	0.0474
Fire Prevention and safety	0.1000	0.0910	-
Levy adjustment PA 102-0519	0.2181	-	-
	<u>8.3226</u>	<u>7.5345</u>	<u>7.7262</u>
Extended tax levy			
Educational	\$ 4,273,823	\$ 4,418,813	\$ 4,201,228
Operations and maintenance	550,000	550,000	427,499
Debt service	1,343,160	1,362,760	1,369,760
Transportation	1,650,000	1,430,000	1,169,803
Municipal retirement	66,000	49,500	45,039
Social security	66,000	48,950	45,039
Working cash	50,315	44,000	38,863
Tort immunity	56,100	49,500	45,039
Fire Prevention and safety	100,631	97,200	-
Levy adjustment PA 102-0519	219,478	-	-
	<u>\$ 8,375,507</u>	<u>\$ 8,050,723</u>	<u>\$ 7,342,270</u>
Taxes collected year ended:			
June 30, 2022	\$ 2,893,661	\$ 3,792,967	\$ 70,098
June 30, 2021	-	2,728,304	3,429,801
Prior year tax collections	-	-	2,616,542
Total collected	<u>\$ 2,893,661</u>	<u>\$ 6,521,271</u>	<u>\$ 6,116,441</u>
Percent collected	<u>34.55%</u>	<u>81.00%</u>	<u>83.30%</u>

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2022**

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<u>Year Ended June 30,</u>	G.O. Limited Bonds Series 2013A		
	August 1, 2013		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,090,000	\$ 82,000	\$ 1,172,000
2024	<u>1,095,000</u>	<u>27,375</u>	<u>1,122,375</u>
	<u>\$ 2,185,000</u>	<u>\$ 109,375</u>	<u>\$ 2,294,375</u>

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**DEBT SERVICE SCHEDULE BY LEVY YEAR**  
**JUNE 30, 2022**

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Due Date	08/01/2013		Levy Year
	G.O. Limited Bonds Series 2013A	Total	
12/1/22	\$ 1,144,625	\$ 1,144,625	2021
	<u>1,144,625</u>	<u>1,144,625</u>	
6/1/23	27,375	27,375	2022
12/1/23	1,122,375	1,122,375	
	<u>1,149,750</u>	<u>1,149,750</u>	
Total	<u>\$ 2,294,375</u>	<u>\$ 2,294,375</u>	

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**SCHEDULE OF LEGAL DEBT MARGIN**  
**JUNE 30, 2022**

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Equalized assessed valuation	\$ 100,630,871
Limiting rate	<u>6.9%</u>
General obligation debt limit	6,943,530
Outstanding debt	<u>2,185,000</u>
Remaining debt margin	<u>\$ 4,758,530</u>

**HAZEL CREST SCHOOL DISTRICT 152.5**  
**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT**  
**CONSOLIDATED YEAR-END FINANCIAL REPORT**  
**JUNE 30, 2022**

CSFA #	Program Name	State	Federal	Other	Total
478-00-0251	Medical assistance program	\$ -	\$ 40,545	\$ -	\$ 40,545
586-18-0406	School breakfast program	-	263,300	-	263,300
586-18-0407	National school lunch program	-	486,479	-	486,479
586-18-0407	ARP- NSLP- nutrition PEBT funding	-	614	-	614
586-18-0407	CRRSA- NSLP- child nutrition emergency funding	-	335	-	335
586-18-0409	Child and adult care food program (CACFP)	-	38,635	-	38,635
586-18-0410	Summer food service program for children	-	29,072	-	29,072
586-18-0868	Early childhood block grant: preschool for all 3-5	370,474	-	-	370,474
586-43-2483	Elementary and secondary relief - digital equity formula	-	54,559	-	54,559
586-57-0420	Special education - preschool grants (IDEA preschool)	-	3,835	-	3,835
586-62-0414	Title I grants to local educational agencies (Title I, part A of the ESEA)	-	780,056	-	780,056
586-62-0430	Supporting effective instruction state grant (formerly improving teacher quality state grant)	-	89,614	-	89,614
586-62-1588	Student support and academic enrichment program	-	26,155	-	26,155
586-62-2402	CARES/CRRSAA - elementary and secondary school relief grant	-	277,229	-	277,229
586-64-0417	Special education grants to states- IDEA flow through	-	108,366	-	108,366
586-64-0417	Special education grants to states	-	7,000	-	7,000
586-73-1082	Title I grants to local educational agencies (school improvement)	-	23,600	-	23,600
586-84-1531	After school programs	5,910	-	-	5,910
N/A	Emergency connectivity fund program	-	135,957	-	135,957
586-18-2330	Non-cash commodity value	-	48,907	-	48,907
N/A	All other costs not allocated	-	-	16,449,003	16,449,003
N/A	Less: Elementary and secondary relief - digital equity formula (see note below)	-	-	(54,559)	(54,559)
<b>Total expenditures</b>		<u>\$ 376,384</u>	<u>\$ 2,414,258</u>	<u>\$ 16,394,444</u>	<u>\$ 19,185,086</u>

Note: There were FY21 federal expenditures of which the District did not capture on the prior year Schedule of Federal Awards (SEFA) because the application had not been approved. On December 2, 2021, the District was approved for funding for their Elementary and Secondary School Relief -Digital Equity Formula Grant. An expenditure claim was submitted on November 18, 2022 for \$54,559 of expenditures incurred and paid during the prior fiscal year (2021). Compliance testing was performed on the \$54,559 of prior year expenditures claimed and this amount was properly captured on the FY22 SEFA. Furthermore, since the \$54,559 was recorded in FY21 and listed within "All Other Costs Not Allocated", we subtracted them from above so the total FY22 expenditures agree to the District's Statement of Activities-Modified Cash Basis total expenses listed on page 14 of the report.