



***HAWTHORN SCHOOL DISTRICT NO. 73
LAKE COUNTY, ILLINOIS***

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Hawthorn School District No. 73
Vernon Hills, Illinois

Report on the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities and each major fund of

Hawthorn School District No. 73

as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position - modified cash basis thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of 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 Hawthorn School District No. 73 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.

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 comprehensive 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.

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 Hawthorn School District No. 73's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hawthorn School District No. 73's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawthorn School District No. 73's ability to continue as a going concern for a reasonable period of time.

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

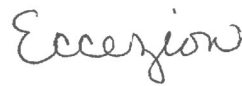
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the average daily attendance figure included in the computation of operating expenses per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of Hawthorn School District No. 73'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 Hawthorn School District No. 73's internal control over financial reporting and compliance.



Eccezion
Strategic Business Solutions

McHenry, Illinois
October 1, 2024



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

To the Board of Education
Hawthorn School District No. 73
Vernon Hills, Illinois

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

Hawthorn School District No. 73

as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Hawthorn School District No. 73's basic financial statements, and have issued our report thereon dated October 1, 2024. Our opinion was qualified because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hawthorn School District No. 73's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hawthorn School District No. 73's internal control. Accordingly, we do not express an opinion on the effectiveness of Hawthorn School District No. 73's internal control.

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

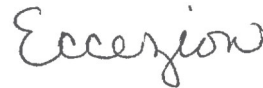
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawthorn School District No. 73's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Eccezion
Strategic Business Solutions

McHenry, Illinois
October 1, 2024

SUPPLEMENTAL INFORMATION

HAWTHORN SCHOOL DISTRICT NO. 73
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The Management's Discussion and Analysis of Hawthorn School District No. 73's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2024. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-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 Statement of Net Position – Modified Cash Basis presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the District's net position changed during the fiscal year being reported. All changes in net position are reported on the cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurs.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). 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 District's governmental activities include instructional services (regular education, special education and other), supporting services, operations and maintenance, and transportation services.

The government-wide financial statements can be found in this report as noted in the table of contents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds (the District maintains no proprietary funds).

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-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 evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet – Modified Cash Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet - Modified Cash Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, and Tort Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is supplemental information, has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found in this report as noted in the table of contents.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report as noted in the table of contents.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information concerning the District's progress in meeting its obligation to provide as fully adequate as possible educational services and extracurricular activities to all of its resident's students.

Supplemental information can be found in this report as noted in the table of contents.

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$87,583,191 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2024 and 2023:

Hawthorn School District No. 73's Net Position at Year-End

	Governmental Activities	
	FY 2024	FY 2023
Assets		
Current and Other Assets	\$ 57,017,718	\$ 62,093,816
Capital Assets	111,337,813	99,940,334
Total Assets	\$ 168,355,531	\$ 162,034,150
Deferred Outflows of Resources	\$ 295,302	\$ 1,069,770
Liabilities		
Long-Term Liabilities Outstanding	\$ 80,934,981	\$ 81,260,362
Other Liabilities	132,661	145,953
Total Liabilities	\$ 81,067,642	\$ 81,406,315
Net Position		
Net Investment in Capital Assets	\$ 30,698,134	\$ 20,655,671
Restricted	6,945,998	6,196,405
Unrestricted	49,939,059	54,845,529
Total Net Position	\$ 87,583,191	\$ 81,697,605

The net investment in capital assets (35% of total net position) represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (57%) may be used to meet the District's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The District's net position increased by \$5,885,586.

Governmental Activities

Governmental activities increased the District's net position by \$5,885,586. Key elements of this increase are as follows:

Hawthorn School District No. 73's Change in Net Position

	Governmental Activities	
	FY 2024	FY 2023
Revenues:		
Program Revenues		
Charges for Services	\$ 1,427,967	\$ 975,292
Operating Grants and Contributions	23,541,529	22,575,426
General Revenues:		
Property Taxes	60,956,296	58,831,249
Other Taxes	767,224	1,164,799
Grants and Contributions not Restricted to Specific Activities	4,501,268	4,441,171
Unrestricted Investment Earnings	2,151,210	1,261,258
Other	731,070	546,844
Total Revenues	<u>\$ 94,076,564</u>	<u>\$ 89,796,039</u>
Expenses:		
Instruction	\$ 48,870,801	\$ 45,320,421
Support Services	26,389,227	25,635,497
Community Services	106,483	117,897
Intergovernmental Payments	2,033,078	2,276,986
Debt Services	6,860,403	7,852,325
Depreciation - Unallocated	3,930,986	3,197,863
Total Expenses	<u>\$ 88,190,978</u>	<u>\$ 84,400,989</u>
Increase/(Decrease) in Net Position	\$ 5,885,586	\$ 5,395,050
Net Position - Beginning	<u>81,697,605</u>	<u>76,302,555</u>
Net Position - Ending	<u>\$ 87,583,191</u>	<u>\$ 81,697,605</u>

Total revenues increased year-to-year primarily due to increased property tax, investment earnings, and operating grants. The property tax increase was due to the timing of payments. Less was received from the 2022 levy before year-end in the prior year compared to amounts received from the 2023 levy before year-end in the current year. Total expenses increased due to increases in instruction and support services expenditures and depreciation expense.

Financial Analysis of the District's Funds

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

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

As of June 30, 2024, the District's funds reported combined ending fund balances of \$56,885,057, a decrease of \$5,062,806 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2024, fund balance was \$39,685,112 (\$39,536,795 of which is unassigned). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60% of total General Fund expenditures and total fund balance represents 60% of total General Fund expenditures.

The General Fund's fund balance decreased \$602,756 and includes outgoing transfers of \$6,000,000 to the Capital Projects Fund and \$688,672 to the Debt Services Fund.

The Operations and Maintenance Fund's fund balance increased \$353,980 in comparison with the prior year. The increase primarily was due to increases in property tax revenue offset by a decrease in expenditures.

The Debt Services Fund's fund balance increased \$282,029 in comparison to prior year and includes an incoming transfer of \$688,672 from the General Fund. The increase is due to a transfer in offset by a decrease in expenditures.

The Transportation Fund's fund balance increased \$54,721 in comparison with the prior year. The increase was the result of a significant increase to the transportation property tax levy and state aid, which was offset by significant increases to transportation contracted services.

The Illinois Municipal Retirement/Social Security Fund's fund balance increased \$441,188 in comparison with the prior year. Property tax revenue decreased from the prior year however total expenditures were consistent with the prior year and are more in line with revenue received.

The Capital Projects Fund's fund balance decreased \$5,850,593 and includes an incoming transfer of \$6,000,000 from the General Fund. This decrease was due to increased capital outlay expenses in comparison to the prior year, which was due to planned capital projects.

The Tort Fund's fund balance increased \$258,625 in comparison with the prior year. Fund balance increased in the current year due to an increase in property tax receipts.

General Fund Budgetary Highlights

The budget was not amended during the year ended June 30, 2024; therefore, the amounts shown as original and final are the same.

Significant differences between the budget and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$20,806,174 (favorable) and was due to state retirement contributions that were not budgeted for and property taxes, earnings on investments, and federal aid revenue all higher than anticipated.
- The difference between budgeted expenditures and actual expenditures was \$15,583,598 (unfavorable) and was due to state retirement contributions that were not budgeted for.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the District had invested \$111,337,813 in a broad range of capital assets, including land, buildings, improvements other than buildings, equipment other than transportation/food service, transportation equipment, and construction in progress. Total depreciation expense for the year was \$3,962,078.

Major capital asset events during the current fiscal year included the following:

- Middle School South project for \$702,406
- District office project for \$1,699,758
- Apple MacBook and iPads purchase of \$2,856,284
- Elementary South project for \$823,869
- Aspen Elementary project for \$125,549

- Townline Elementary project for \$243,001
- Construction in Progress, which consists of Elementary North renovations and building automation system, for \$8,625,713

Hawthorn School District No. 73's Capital Assets (net of depreciation)

	Governmental Activities	
	FY 2024	FY 2023
Land	\$ 1,480,528	\$ 1,480,528
Construction in Progress	10,105,736	20,863,031
Buildings	71,314,823	64,390,288
Improvements Other than Buildings	23,292,932	10,658,898
Equipment Other than Transportation/Food Service	4,989,989	2,444,481
Transportation Equipment	151,774	100,496
Food Service Equipment	2,031	2,612
Total	<u>\$ 111,337,813</u>	<u>\$ 99,940,334</u>

For more detail on the District's capital assets, see Note 3 in the Notes to the Financial Statements.

Long-Term Debt

At June 30, 2024, the District had \$80,934,981 in long-term debt.

Hawthorn School District No. 73's Outstanding Debt

	Governmental Activities	
	FY 2024	FY 2023
General Obligation Bonds	\$ 63,215,000	\$ 64,737,311
General Obligation Refunding Bonds	12,180,000	12,180,000
Lease/Purchase Agreements	1,543,819	-
Unamortized Bond Premium	4,026,949	4,382,635
Unamortized Bond Discount	(30,787)	(39,584)
Total	<u>\$ 80,934,981</u>	<u>\$ 81,260,362</u>

Significant debt activity for the year ended June 30, 2024 was as follows:

- Principal payments on all debt were \$2,210,011
- New finance purchase agreements in the amount of \$2,231,519

For more detail on the District's long-term debt, see Note 4 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

Hawthorn School District No. 73's student population continues to decrease. The ISBE 2024 fall housing data reflects enrollment at 3,508 students compared to 2023 enrollment at 3,557. For reference, the same report reflected an enrollment of 3,601 in 2022 and 3,748 in 2021.

The Board considered these factors in preparing the District's budget for fiscal year 2025:

- The estimated local revenue for FY25 is anticipated to increase 3.4% over prior year as CPI for December 2022 used for 2023 levy remained high for the second year in a row.
- At the state level, Hawthorn 73 continues to be categorized as a Tier III district, with a 93% funding adequacy level with the budgeted revenue for EBF remaining flat.
- Total Federal Revenue continues to decrease as ESSER funding comes to an end.

- Total salary and benefit budget increased approximately 6.9% due to increased FTE, 111 licensed staff receiving double steps and 7% medical insurance renewal.
- The District negotiated a 1-year transportation contract extension with an annual increase of 6% due to market conditions that include higher wage and benefit costs. Fuel costs also remain volatile and difficult to predict.
- On an annual basis the District pays down existing bond debt. This year \$7.7 million is estimated to be the amount due.
- The final phase of construction funded by the 2018 referendum has been completed at Elementary North and local funds will be used to pay the remaining invoices.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District at the following address:

Hawthorn School District No. 73
841 W. End Court
Vernon Hills, IL 60061

BASIC FINANCIAL STATEMENTS

HAWTHORN SCHOOL DISTRICT NO. 73
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 23,757,232
Investments	33,260,027
Other Receivable	459
Capital Assets:	
Land	1,480,528
Construction in Progress	10,105,736
Depreciable Buildings, Property, and Equipment, net of depreciation	<u>99,751,549</u>
Total Assets	<u>\$ 168,355,531</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Unamortized Charge on Bond Refunding	<u>\$ 295,302</u>
Total Deferred Outflows of Resources	<u>\$ 295,302</u>
 LIABILITIES	
Payroll Liabilities	\$ 132,661
Long-Term Liabilities	
Due Within One Year	5,161,889
Due in More Than One Year	<u>75,773,092</u>
Total Liabilities	<u>\$ 81,067,642</u>
 NET POSITION	
Net Investment in Capital Assets	\$ 30,698,134
Restricted for:	
Operations and Maintenance	50,000
Debt Service	4,659,689
Transportation	149,329
Retirement	1,742,030
Tort	196,633
Student Activity Funds	148,317
Unrestricted/(Deficit)	<u>49,939,059</u>
Total Net Position	<u><u>\$ 87,583,191</u></u>

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

HAWTHORN SCHOOL DISTRICT NO. 73
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs	Expenses			
Governmental Activities				
Instruction				
Regular Programs	\$ 21,463,478	\$ 574,857	\$ 1,606,993	\$ (19,281,628)
Pre-K Programs	740,504	-	-	(740,504)
Special Education Programs	7,401,894	104,955	934,980	(6,361,959)
Special Education Programs Pre-K	150,039	-	-	(150,039)
Other Instructional Programs	3,006,902	192,465	-	(2,814,437)
Student Activity Fund	93,760	90,338	-	(3,422)
State Retirement Contributions	16,014,224	-	16,014,224	-
Support Services				
Pupil	4,332,354	-	754,329	(3,578,025)
Instructional Staff	2,579,619	-	120,661	(2,458,958)
General Administration	1,282,167	-	-	(1,282,167)
School Administration	3,440,356	-	-	(3,440,356)
Business	890,929	-	-	(890,929)
Facilities Acquisition and Construction Services	75,109	-	-	(75,109)
Operations and Maintenance	4,005,781	18,870	102,971	(3,883,940)
Transportation	5,836,200	24,900	2,616,057	(3,195,243)
Food Services	1,231,042	421,582	730,707	(78,753)
Central	2,606,605	-	10,317	(2,596,288)
Other Support Services	109,065	-	-	(109,065)
Community Services	106,483	-	9,065	(97,418)
Debt Services				
Interest and Fees	6,860,403	-	-	(6,860,403)
Intergovernmental Payments				
Payments to Other Districts and Governmental Units	2,033,078	-	641,225	(1,391,853)
Depreciation Unallocated	3,930,986	-	-	(3,930,986)
Total Governmental Activities	<u>\$ 88,190,978</u>	<u>\$ 1,427,967</u>	<u>\$ 23,541,529</u>	<u>\$ (63,221,482)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 52,882,028
Property Taxes, Levied for Debt Service				8,074,268
Personal Property Replacement Taxes				767,224
Grants and Contributions not Restricted to Specific Activities				4,501,268
Unrestricted Investment Earnings				2,151,210
Miscellaneous Income				731,070
Total General Revenues				<u>\$ 69,107,068</u>
Change in Net Position				\$ 5,885,586
Net Position - July 1, 2023				<u>81,697,605</u>
Net Position - June 30, 2024				<u>\$ 87,583,191</u>

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

HAWTHORN SCHOOL DISTRICT NO. 73
FUND FINANCIAL STATEMENTS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 16,616,934	\$ 1,549,810	\$ 2,144,790	\$ 459,648	\$ 723,007	\$ 2,181,412	\$ 81,631	\$ 23,757,232
Investments	23,200,839	2,183,358	3,021,562	647,547	1,018,566	3,073,153	115,002	33,260,027
Other Receivable	-	-	-	-	459	-	-	459
Total Assets	\$ 39,817,773	\$ 3,733,168	\$ 5,166,352	\$ 1,107,195	\$ 1,742,032	\$ 5,254,565	\$ 196,633	\$ 57,017,718
LIABILITIES								
Current Liabilities								
Payroll Liabilities	\$ 132,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,661
Total Current Liabilities	\$ 132,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,661
Total Liabilities	\$ 132,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,661
FUND BALANCE								
Restricted								
Operations and Maintenance	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Debt Service	-	-	4,659,689	-	-	-	-	4,659,689
Transportation	-	-	-	149,329	-	-	-	149,329
Illinois Municipal Retirement Fund	-	-	-	-	1,276,804	-	-	1,276,804
Social Security	-	-	-	-	465,226	-	-	465,226
Tort	-	-	-	-	-	-	196,633	196,633
Student Activity Funds	148,317	-	-	-	-	-	-	148,317
Assigned								
Operations and Maintenance	-	3,683,168	-	-	-	-	-	3,683,168
Debt Service	-	-	506,663	-	-	-	-	506,663
Transportation	-	-	-	957,866	-	-	-	957,866
Illinois Municipal Retirement Fund	-	-	-	-	2	-	-	2
Capital Projects	-	-	-	-	-	5,254,565	-	5,254,565
Unassigned	39,536,795	-	-	-	-	-	-	39,536,795
Total Fund Balance	\$ 39,685,112	\$ 3,733,168	\$ 5,166,352	\$ 1,107,195	\$ 1,742,032	\$ 5,254,565	\$ 196,633	\$ 56,885,057
Total Liabilities and Fund Balance	\$ 39,817,773	\$ 3,733,168	\$ 5,166,352	\$ 1,107,195	\$ 1,742,032	\$ 5,254,565	\$ 196,633	\$ 57,017,718

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

HAWTHORN SCHOOL DISTRICT NO. 73
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2024

Total Fund Balances - Governmental Funds	\$	56,885,057
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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.

Capital Assets	\$	162,824,239	
Accumulated Depreciation on Capital Assets		<u>(51,486,426)</u>	
			111,337,813

Deferred charges and credits for debt issue discounts or premiums and other
debt issue costs are not financial resources and therefore are not reported
in the funds.

Deferred Loss on Refunding, net of amortization	\$	295,302	
Bond Premiums, net of amortization		(4,026,949)	
Bond Discount, net of amortization		<u>30,787</u>	
			(3,700,860)

Some liabilities are not due and payable in the current period and therefore
are not reported in the funds.

Financed Purchases Payable	\$	(1,543,819)	
Bonds Payable		<u>(75,395,000)</u>	
			<u>\$ (76,938,819)</u>

Net Position of Governmental Activities	\$	<u><u>87,583,191</u></u>
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The Notes to Financial Statements are an integral part of this statement.

HAWTHORN SCHOOL DISTRICT NO. 73
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Total Governmental Funds
REVENUES								
Property Taxes	\$ 43,521,309	\$ 3,680,340	\$ 8,074,268	\$ 3,047,095	\$ 1,867,444	\$ -	\$ 765,840	\$ 60,956,296
Payments in Lieu of Taxes	-	767,224	-	-	-	-	-	767,224
Tuition	203,963	-	-	-	-	-	-	203,963
Transportation Fees	-	-	-	24,900	-	-	-	24,900
Earnings on Investments	1,476,542	111,548	161,925	34,731	-	366,464	-	2,151,210
Food Services	421,582	-	-	-	-	-	-	421,582
District/School Activity Income	245,986	-	-	-	-	-	-	245,986
Textbooks	512,666	-	-	-	-	-	-	512,666
Other Local Sources	787,444	24,686	-	-	-	-	-	812,130
State Aid	5,705,440	50,000	-	2,603,925	-	-	-	8,359,365
Federal Aid	3,607,018	-	-	-	-	-	-	3,607,018
State Retirement Contributions	16,014,224	-	-	-	-	-	-	16,014,224
Total Revenues	<u>\$ 72,496,174</u>	<u>\$ 4,633,798</u>	<u>\$ 8,236,193</u>	<u>\$ 5,710,651</u>	<u>\$ 1,867,444</u>	<u>\$ 366,464</u>	<u>\$ 765,840</u>	<u>\$ 94,076,564</u>
EXPENDITURES								
Current								
Instruction								
Regular Programs	\$ 20,973,409	\$ -	\$ -	\$ -	\$ 239,551	\$ -	\$ -	\$ 21,212,960
Pre-K Programs	691,008	-	-	-	49,496	-	-	740,504
Special Education Programs	7,099,651	-	-	-	302,243	-	-	7,401,894
Special Education Programs Pre-K	143,372	-	-	-	6,667	-	-	150,039
Other Instructional Programs	2,936,185	-	-	-	70,717	-	-	3,006,902
Student Activity Fund	93,760	-	-	-	-	-	-	93,760
State Retirement Contributions	16,014,224	-	-	-	-	-	-	16,014,224
Support Services								
Pupil	4,253,591	-	-	-	78,763	-	-	4,332,354
Instructional Staff	2,515,705	-	-	-	63,914	-	-	2,579,619
General Administration	769,522	-	-	-	5,430	-	507,215	1,282,167
School Administration	3,308,726	-	-	-	131,630	-	-	3,440,356
Business	803,802	-	-	-	87,127	-	-	890,929
Facilities Acquisition and Construction Services	-	46,649	-	-	-	28,460	-	75,109
Operations and Maintenance	11,663	3,891,575	-	-	102,543	-	-	4,005,781
Transportation	145,158	-	-	5,655,930	4,601	-	-	5,805,689
Food Services	1,215,583	-	-	-	14,878	-	-	1,230,461
Central	2,438,053	-	-	-	168,552	-	-	2,606,605
Other Support Services	96,653	-	-	-	12,412	-	-	109,065
Community Services	94,900	-	-	-	11,583	-	-	106,483
Debt Services								
Principal	-	-	2,210,011	-	-	-	-	2,210,011
Interest and Fees	-	-	6,432,825	-	-	-	-	6,432,825
Capital Outlay	991,858	198,100	-	-	-	12,188,597	-	13,378,555
Intergovernmental Payments								
Payments to Other Districts and Governmental Units	1,813,435	143,494	-	-	76,149	-	-	2,033,078
Total Expenditures	<u>\$ 66,410,258</u>	<u>\$ 4,279,818</u>	<u>\$ 8,642,836</u>	<u>\$ 5,655,930</u>	<u>\$ 1,426,256</u>	<u>\$ 12,217,057</u>	<u>\$ 507,215</u>	<u>\$ 99,139,370</u>

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

HAWTHORN SCHOOL DISTRICT NO. 73
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Total Governmental Funds
Continued								
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,085,916	\$ 353,980	\$ (406,643)	\$ 54,721	\$ 441,188	\$ (11,850,593)	\$ 258,625	\$ (5,062,806)
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	(6,688,672)	-	688,672	-	-	6,000,000	-	-
NET CHANGE IN FUND BALANCES	\$ (602,756)	\$ 353,980	\$ 282,029	\$ 54,721	\$ 441,188	\$ (5,850,593)	\$ 258,625	\$ (5,062,806)
FUND BALANCE - JULY 1, 2023	40,287,868	3,379,188	4,884,323	1,052,474	1,300,844	11,105,158	(61,992)	61,947,863
FUND BALANCE - JUNE 30, 2024	<u>\$ 39,685,112</u>	<u>\$ 3,733,168</u>	<u>\$ 5,166,352</u>	<u>\$ 1,107,195</u>	<u>\$ 1,742,032</u>	<u>\$ 5,254,565</u>	<u>\$ 196,633</u>	<u>\$ 56,885,057</u>

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

HAWTHORN SCHOOL DISTRICT NO. 73
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (5,062,806)
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Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay on the funds exceeds depreciation expense in the current period.

Depreciation Expense	\$ (3,962,078)	
Capital Outlays	<u>13,378,556</u>	9,416,478

In the Statement of Activities - Modified Cash Basis, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	(250,518)
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Some expenses reported in the Statement of Activities - Modified Cash Basis do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of Deferred Loss on Refunding	\$ (774,468)	
Amortization on Bond Discounts	(8,797)	
Amortization of Bond Premiums	<u>355,686</u>	(427,579)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis, but the repayment reduces long-term liabilities in the Statement of Net Position - Modified Cash Basis and is therefore not reported in the Statement of Activities - Modified Cash Basis.

Repayment of Long-Term Debt	<u>2,210,011</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 5,885,586</u></u>
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The Notes to Financial Statements are an integral part of this statement.

HAWTHORN SCHOOL DISTRICT NO. 73
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawthorn School District No. 73's (District) financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

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

The government-wide Statement of Activities – Modified Cash Basis reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities – Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, non-programmed services, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District does not allocate indirect costs.

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

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. The District electively made all governmental funds major funds.

The following fund types are used by the District:

Governmental Funds

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

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational, Working Cash, and Special Education levies are included in this fund.

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

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund, and Tort Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and related fees on general long-term debt.

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

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

In the government-wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

NOTES TO FINANCIAL STATEMENTS (Continued)

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

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

E. *Budgetary Process*

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 7, 2023. The modified cash basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

F. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common bank accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at cost due to use of the modified cash basis of accounting. Gains and losses are not recognized until the sale of the investments occurs.

G. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

NOTES TO FINANCIAL STATEMENTS (Continued)

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Land Improvements	20 years
Equipment Other than Transportation/Food Service	5-20 years
Food Service Equipment	10 years
Transportation Equipment	5 years

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet – Modified Cash Basis and Statement of Net Position – Modified Cash Basis will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

K. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position – Modified Cash Basis. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis, rather than expensed in the current year. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year they occur.

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

L. *Government-Wide Fund Net Position*

Government-wide fund net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

NOTES TO FINANCIAL STATEMENTS (Continued)

- Restricted net position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all other net position is reported in this category.

M. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself. All assigned balances are the residual amount of the fund.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative balances in special revenue, debt services, and capital projects funds.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

N. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2023 tax levy was passed by the Board on December 14, 2023. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

NOTES TO FINANCIAL STATEMENTS (Continued)

O. *Leases and Subscription Based IT Agreements*

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

At the commencement of a lease or subscription-based IT agreement, the District initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgments related to leases or subscription-based IT agreements include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases or subscription-based IT agreements.

The term includes the noncancellable period of the lease or subscription-based IT agreement. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease or subscription-based IT agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position – Modified Cash Basis.

NOTE 2 - DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT

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

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. As of June 30, 2024, deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

Investments and Fair Value Measurement

As of June 30, 2024, the District had the following investments, maturities, and fair value measurements:

Types of Investment	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value (NAV)
				Level 1	Level 2	
U.S. Treasury Securities	Not Rated	less than 1 year	\$ 12,191,880	\$ 12,191,880	\$ -	\$ -
State Investment Pool	AAAm	less than 1 year	19,709,311	-	-	19,709,311
Certificates of Deposit	N/A	less than 1 year	21,004,294	-	21,004,294	-
Total Investments			<u>\$ 52,905,485</u>	<u>\$ 12,191,880</u>	<u>\$ 21,004,294</u>	<u>\$ 19,709,311</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided.

Concentration of Credit Risk. The District places no specific limit on the amount the District may invest in any one issuer.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 1,480,528	\$ -	\$ -	\$ 1,480,528
Construction in Progress	20,863,031	8,625,713	19,383,008	10,105,736
Total Capital Assets not being depreciated	\$ 22,343,559	\$ 8,625,713	\$ 19,383,008	\$ 11,586,264
Other Capital Assets				
Buildings	\$ 107,926,415	\$ 9,421,757	\$ 412,089	\$ 116,936,083
Improvements Other than Buildings	13,384,440	13,593,841	-	26,978,281
Equipment Other than Transportation/ Food Service	4,004,699	3,269,983	327,489	6,947,193
Transportation Equipment	288,821	81,789	-	370,610
Food Service Equipment	5,808	-	-	5,808
Total Other Capital Assets at Historical Cost	\$ 125,610,183	\$ 26,367,370	\$ 739,578	\$ 151,237,975
Less Accumulated Depreciation for				
Buildings	\$ 43,536,127	\$ 2,246,703	\$ 161,570	\$ 45,621,260
Improvements Other than Buildings	2,725,542	959,807	-	3,685,349
Equipment Other than Transportation/ Food Service	1,560,218	724,476	327,490	1,957,204
Transportation Equipment	188,325	30,511	-	218,836
Food Service Equipment	3,196	581	-	3,777
Total Accumulated Depreciation	\$ 48,013,408	\$ 3,962,078	\$ 489,060	\$ 51,486,426
Other Capital Assets, Net	\$ 77,596,775	\$ 22,405,292	\$ 250,518	\$ 99,751,549
Governmental Activities Capital Assets, Net	\$ 99,940,334	\$ 31,031,005	\$ 19,633,526	\$ 111,337,813

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 3,930,986
Support Services - Transportation Equipment	30,511
Support Services - Food Service	581
Total Governmental Activities Depreciation Expense	\$ 3,962,078

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 64,737,311	\$ -	\$ 1,522,311	\$ 63,215,000	\$ 1,120,000
General Obligation Refunding Bonds	12,180,000	-	-	12,180,000	3,695,000
Unamortized Bond Premium	4,382,635	-	355,686	4,026,949	355,686
Unamortized Bond Discount	(39,584)	-	(8,797)	(30,787)	(8,797)
Finance Purchase Agreements	-	2,231,519	687,699	1,543,819	-
Total Bonds and Notes Payable	\$ 81,260,362	\$ 2,231,519	\$ 2,556,899	\$ 80,934,981	\$ 5,161,889
Total Governmental Activities					
Long-Term Liabilities	\$ 81,260,362	\$ 2,231,519	\$ 2,556,899	\$ 80,934,981	\$ 5,161,889

Bonds and notes payable consisted of the following at June 30, 2024:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities				
General Obligation Bonds				
Dated 10/4/2018	1/1/2030	2.00% - 4.00%	\$ 6,240,000	\$ 3,740,000
Dated 2/6/2019	1/1/2034	4.00% - 5.00%	26,250,000	26,250,000
Dated 1/9/2020	1/1/2038	3.00% - 4.00%	19,140,000	18,485,000
Dated 12/21/2021	12/1/2040	4.00%	14,740,000	14,740,000
General Obligation Refunding Bonds				
Dated 2/6/2019	1/1/2028	3.23% - 3.53%	12,180,000	12,180,000
Finance Purchase Agreements				
Dated 3/25/24	7/1/2027	0.49%	679,950	509,441
Dated 3/25/24	7/1/2026	0.00%	1,551,569	1,034,378

At June 30, 2024, the annual debt service requirements to cover all outstanding debt attributable to governmental activities are:

Year Ending June 30	Principal	Interest	Total
2025	\$ 4,815,000	\$ 2,870,789	\$ 7,685,789
2026	5,671,172	2,709,323	8,380,495
2027	5,277,002	2,534,846	7,811,848
2028	4,905,645	2,372,911	7,278,556
2029	4,970,000	2,159,862	7,129,862
2030-2034	22,120,000	7,505,812	29,625,812
2035-2039	18,875,000	3,177,665	22,052,665
2040-2041	10,305,000	121,763	10,426,763
	<u>\$ 76,938,819</u>	<u>\$ 23,452,971</u>	<u>\$ 100,391,790</u>

All debt is liquidated by the Debt Services Fund.

NOTE 5 - INTERFUND LOANS

There are no interfund loans at June 30, 2024.

NOTE 6 - NET INVESTMENT IN CAPITAL ASSET CALCULATION

Net investment in capital asset calculation as of June 30, 2024 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$ 111,337,813
Less: Capital Related Debt	(80,934,981)
Plus: Deferred Loss on Refunding	295,302
Investment in Capital Assets	<u>\$ 30,698,134</u>

NOTE 7 - DEFICIT FUND BALANCE

There are no deficit fund balances at June 30, 2024.

NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2023 levy (\$30,895,128) and 2022 and prior levies (\$30,061,168). A summary of the assessed valuations and extensions for tax years 2023, 2022, and 2021 is as follows:

Assessed Valuation	2023		2022		2021	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	2.7900	\$ 42,810,680	2.8186	\$ 40,956,755	2.7461	\$ 38,970,211
Special Education	0.0323	496,087	0.0308	447,343	0.0296	419,299
Tort Immunity	0.0517	793,724	0.0513	745,572	0.0278	394,650
Operations and Maintenance	0.2360	3,621,311	0.2463	3,578,745	0.2364	3,354,408
Debt Service	0.5059	7,762,661	0.5527	8,031,309	0.5721	8,118,614
Transportation	0.3233	4,960,699	0.0708	1,028,892	0.0695	986,596
Municipal Retirement	0.0129	198,450	0.1172	1,702,304	0.1112	1,578,556
Social Security	0.0129	198,450	0.1041	1,513,129	0.0973	1,381,231
SEDOL IMRF	0.0018	27,727	0.0052	76,156	0.0058	81,570
Working Cash	0.0032	49,609	0.0034	49,710	0.0035	49,342
Revenue Recapture	0.0061	94,169	0.0169	245,845	0.0169	239,855
	<u>3.9763</u>	<u>\$ 61,013,567</u>	<u>4.0174</u>	<u>\$ 58,375,760</u>	<u>3.9162</u>	<u>\$ 55,574,332</u>

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2024, the expenditures of the following funds exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General	\$ 50,826,660	\$ 66,410,258	\$ 15,583,598
Debt Services	8,000,000	8,642,836	642,836
Transportation	4,804,782	5,655,930	851,148
Capital Projects	7,500,000	12,217,057	4,717,057

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

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

NOTES TO FINANCIAL STATEMENTS (Continued)

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/acfrs/fy2023>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2023 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2024, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$15,773,194 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2024 were \$159,717.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

For the year ended June 30, 2024, the District pension contribution was 10.60% of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$481,006 were paid from federal and special trust funds that required District contributions of \$50,987.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2024, the District paid \$5,435 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	247
Inactive plan members entitled to but not yet receiving benefits	399
Active plan members	146
Total	<u>792</u>

Contributions

As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar years 2024 and 2023 were 10.33% and 9.94%, respectively. For the fiscal year ended June 30, 2024, the District contributed \$540,011 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. *Social Security*

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

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

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

General Information About the OPEB Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled

NOTES TO FINANCIAL STATEMENTS (Continued)

in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided

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

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

Contributions

For the fiscal year ended June 30, 2024, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. For the fiscal year ended June 30, 2023, the employee contribution was 0.90% of salary and the employer contribution was 0.67% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Total employer contributions for the fiscal year ended June 30, 2024 were \$184,501.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2024, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$241,030 in benefit contributions from the State of Illinois.

B. Retiree Insurance Plan

Plan Overview

In addition to providing the pension benefits described in Note 10, the District provides post-employment benefits other than pensions ("OPEB") for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

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

IMRF Coverage Provisions

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

TRS Coverage Provisions

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

Contribution

The total cash payments made under OPEB plan provisions for the current year were \$107,739.

NOTE 12 - INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2024:

Transfer from	Transfer to	Amount
General Fund	Debt Services Fund	\$ 688,672
General Fund	Capital Projects Fund	6,000,000

The transfer from the General Fund to the Debt Services Fund was made for payments of principal and interest on finance purchase agreements.

The transfer from the General Fund to the Capital Projects Fund was to fund capital expenses.

NOTE 13 - JOINT VENTURE – SPECIAL EDUCATION DISTRICT OF LAKE COUNTY (SEDOL)

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

A summary of the Statement of Net Position of SEDOL at June 30, 2022 (most recent information available) is as follows:

Assets	\$ 80,706,449
Deferred Outflows of Resources	1,684,836
	<u>\$ 82,391,285</u>
Liabilities	\$ 26,072,335
Deferred Inflows of Resources	22,917,725
Net Position	33,401,225
	<u>\$ 82,391,285</u>
Revenues Received	\$ 60,038,859
Expenditures Disbursed	53,139,707
Net Increase/(Decrease) in Net Position	<u>\$ 6,899,152</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and injuries to employees.

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

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

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

During the year ended June 30, 2024, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage for the past three fiscal years. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2024, there were no significant adjustments in premiums based on actual experience.

NOTE 15 - CONTINGENCIES

The District is currently dealing with various property tax objections, none of which were finalized by year-end. The potential liability to the District totals approximately \$600,000. With past experience with PTAB appeals, any liability is likely to be less than that amount.

NOTE 16 - LEGAL DEBT LIMITATION

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

2023 EAV	\$ 1,599,345,080
Rate	6.90%
Debt Margin	<u>\$ 110,354,811</u>
Current Debt	<u>76,938,819</u>
Remaining Debt Margin	<u><u>\$ 33,415,992</u></u>

NOTE 17 - CONSTRUCTION CONTINGENCIES

The District has ongoing contracts for renovations at multiple locations as of June 30, 2024. The projects have the following outstanding commitments that have not been included as expenditures in these financial statements:

Renovations at various schools	<u>\$ 4,373,334</u>
Total	<u><u>\$ 4,373,334</u></u>

SUPPLEMENTAL INFORMATION

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 41,558,780	\$ 43,521,309
Tuition	185,000	203,963
Earnings on Investments	250,000	1,476,542
Food Services	400,000	421,582
District/School Activity Income	175,000	245,986
Textbooks	255,000	512,666
Other Local Sources	265,000	787,444
State Aid		
General State Aid	4,601,220	4,501,268
Special Education	515,000	648,569
State Free Lunch and Breakfast	15,000	8,739
Early Childhood - Block Grant	400,000	543,859
Other Restricted Revenue from State Sources	-	3,005
Federal Aid		
Food Service	980,000	721,968
Title I	330,000	415,856
Title IV	20,000	8,323
Federal Special Education	625,000	927,636
Emergency Immigrant Assistance	54,000	17,448
Title III - English Language Acquisition	73,000	108,425
Title II - Teacher Quality	88,000	55,651
Medicaid Matching Funds - Administrative Outreach	-	89,278
Medicaid Matching Funds - Fee-for-Service Program	100,000	316,894
Other Federal Aid	800,000	945,539
State Retirement Contributions	-	16,014,224
Total Revenues	<u>\$ 51,690,000</u>	<u>\$ 72,496,174</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 16,025,904	\$ 16,217,698
Employee Benefits	2,614,116	3,198,993
Purchased Services	558,393	620,672
Supplies and Materials	1,131,748	877,027
Other Objects	10,000	31,091
Non-Capitalized Equipment	-	27,928
	<u>\$ 20,340,161</u>	<u>\$ 20,973,409</u>
Pre-K Programs		
Salaries	\$ 447,950	\$ 487,031
Employee Benefits	97,261	147,657
Purchased Services	-	16,090
Supplies and Materials	20,000	40,230
Non-Capitalized Equipment	1,000	-
	<u>\$ 566,211</u>	<u>\$ 691,008</u>
Special Education Programs		
Salaries	\$ 4,560,194	\$ 4,219,314
Employee Benefits	1,188,656	1,180,380
Purchased Services	101,750	356,563
Supplies and Materials	100,000	71,035
Other Objects	4,000	10,193
Non-Capitalized Equipment	18,000	10,665
	<u>\$ 5,972,600</u>	<u>\$ 5,848,150</u>
Special Education Programs Pre-K		
Salaries	\$ 159,786	\$ 104,656
Employee Benefits	45,789	35,849
Supplies and Materials	-	2,867
	<u>\$ 205,575</u>	<u>\$ 143,372</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Instruction (Continued)		
Remedial and Supplemental Programs K-12		
Salaries	\$ 365,916	\$ 365,550
Employee Benefits	60,082	48,161
	<u>\$ 425,998</u>	<u>\$ 413,711</u>
Interscholastic Programs		
Salaries	\$ 283,658	\$ 385,274
Employee Benefits	6,045	4,964
Purchased Services	20,000	20,770
Supplies and Materials	93,000	120,021
Other Objects	8,500	8,903
Non-Capitalized Equipment	45,000	61,519
	<u>\$ 456,203</u>	<u>\$ 601,451</u>
Summer School Programs		
Salaries	\$ 229,463	\$ 223,254
Employee Benefits	936	3,082
Supplies and Materials	27,500	23,164
	<u>\$ 257,899</u>	<u>\$ 249,500</u>
Bilingual Programs		
Salaries	\$ 1,239,411	\$ 1,282,124
Employee Benefits	303,706	282,867
Purchased Services	98,525	100,473
Supplies and Materials	200	6,059
	<u>\$ 1,641,842</u>	<u>\$ 1,671,523</u>
Private Tuition		
Special Education Programs K-12		
Other Objects	\$ 1,350,000	\$ 1,251,501
	<u>\$ 1,350,000</u>	<u>\$ 1,251,501</u>
Student Activity Fund		
Other Objects	\$ -	\$ 93,760
	<u>\$ -</u>	<u>\$ 93,760</u>
State Retirement Contributions	\$ -	\$ 16,014,224
	<u>\$ -</u>	<u>\$ -</u>
Total Instruction	<u>\$ 31,216,489</u>	<u>\$ 47,951,609</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Salaries	\$ 1,110,550	\$ 1,047,637
Employee Benefits	145,056	199,385
Purchased Services	100,916	107,700
Non-Capitalized Equipment	58,000	63,948
	<u>\$ 1,414,522</u>	<u>\$ 1,418,670</u>
Guidance Services		
Salaries	\$ 91,242	\$ 212,367
Employee Benefits	19,652	71,066
Purchased Services	104,000	42,262
Supplies and Materials	10,000	7,896
	<u>\$ 224,894</u>	<u>\$ 333,591</u>
Health Services		
Salaries	\$ 351,000	\$ 270,838
Employee Benefits	70,897	39,564
Purchased Services	8,500	312,501
Supplies and Materials	40,000	39,260
	<u>\$ 470,397</u>	<u>\$ 662,163</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupil (Continued)		
Psychological Services		
Salaries	\$ 458,396	\$ 338,162
Employee Benefits	34,982	48,215
Purchased Services	2,500	125,697
	<u>\$ 495,878</u>	<u>\$ 512,074</u>
Speech Pathology and Audiology Services		
Salaries	\$ 1,054,396	\$ 1,042,785
Employee Benefits	190,163	179,903
Purchased Services	12,500	12,442
Non-Capitalized Equipment	-	3,692
	<u>\$ 1,257,059</u>	<u>\$ 1,238,822</u>
Other Support Services - Pupil		
Purchased Services	\$ 5,000	\$ 88,271
	<u>\$ 5,000</u>	<u>\$ 88,271</u>
Total Support Services - Pupil	<u>\$ 3,867,750</u>	<u>\$ 4,253,591</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 1,270,183	\$ 1,132,809
Employee Benefits	334,787	300,902
Purchased Services	365,705	269,870
Supplies and Materials	29,000	38,961
Other Objects	15,000	7,556
	<u>\$ 2,014,675</u>	<u>\$ 1,750,098</u>
Educational Media Services		
Salaries	\$ 528,754	\$ 537,614
Employee Benefits	139,035	153,471
Supplies and Materials	57,404	57,421
	<u>\$ 725,193</u>	<u>\$ 748,506</u>
Assessment and Testing		
Purchased Services	\$ 38,500	\$ -
Supplies and Materials	20,000	17,101
	<u>\$ 58,500</u>	<u>\$ 17,101</u>
Total Support Services - Instructional Staff	<u>\$ 2,798,368</u>	<u>\$ 2,515,705</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 342,700	\$ 286,140
Supplies and Materials	5,000	1,074
Other Objects	2,000	111
	<u>\$ 349,700</u>	<u>\$ 287,325</u>
Executive Administration Services		
Salaries	\$ 215,273	\$ 223,553
Employee Benefits	83,643	76,065
Purchased Services	9,000	532
Supplies and Materials	1,000	218
Other Objects	5,000	8,362
	<u>\$ 313,916</u>	<u>\$ 308,730</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Special Area Administrative Services		
Salaries	\$ 149,972	\$ 152,856
Employee Benefits	-	20,611
	<u>\$ 149,972</u>	<u>\$ 173,467</u>
Total Support Services - General Administration	<u>\$ 813,588</u>	<u>\$ 769,522</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 2,996,633	\$ 2,561,161
Employee Benefits	1,552,726	687,451
Supplies and Materials	30,200	12,584
Other Objects	30,775	45,757
Non-Capitalized Equipment	-	1,773
	<u>\$ 4,610,334</u>	<u>\$ 3,308,726</u>
Total Support Services - School Administration	<u>\$ 4,610,334</u>	<u>\$ 3,308,726</u>
Business		
Direction of Business Support Services		
Salaries	\$ 163,909	\$ 167,061
Employee Benefits	60,967	32,384
Purchased Services	3,000	558
Supplies and Materials	500	23
Other Objects	1,000	175
	<u>\$ 229,376</u>	<u>\$ 200,201</u>
Fiscal Services		
Salaries	\$ 418,384	\$ 480,426
Employee Benefits	84,503	79,125
Purchased Services	7,000	29,247
Supplies and Materials	3,000	2,372
Other Objects	4,175	10,631
Non-Capitalized Equipment	-	1,800
	<u>\$ 517,062</u>	<u>\$ 603,601</u>
Total Support Services - Business	<u>\$ 746,438</u>	<u>\$ 803,802</u>
Operations and Maintenance		
Purchased Services	\$ 20,000	\$ 11,663
Total Support Services - Operations and Maintenance	<u>\$ 20,000</u>	<u>\$ 11,663</u>
Transportation		
Salaries	\$ -	\$ 17,709
Employee Benefits	600	102
Purchased Services	115,000	127,347
Total Support Services - Transportation	<u>\$ 115,600</u>	<u>\$ 145,158</u>
Food Services		
Salaries	\$ 1,821	\$ 194,482
Employee Benefits	8,026	-
Purchased Services	937,000	963,809
Supplies and Materials	10,000	54,641
Other Objects	2,750	2,651
Total Support Services - Food Services	<u>\$ 959,597</u>	<u>\$ 1,215,583</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Central		
Information Services		
Salaries	\$ 722,606	\$ 742,118
Employee Benefits	151,793	143,928
Purchased Services	381,009	515,911
Supplies and Materials	115,000	119,866
Other Objects	6,000	2,004
Non-Capitalized Equipment	390,000	348,750
	<u>\$ 1,766,408</u>	<u>\$ 1,872,577</u>
Staff Services		
Salaries	\$ 416,368	\$ 377,207
Employee Benefits	104,489	90,189
Purchased Services	40,608	54,625
Supplies and Materials	26,000	26,109
Other Objects	4,500	1,626
	<u>\$ 591,965</u>	<u>\$ 549,756</u>
Data Processing Services		
Purchased Services	\$ 30,000	\$ 15,720
	<u>\$ 30,000</u>	<u>\$ 15,720</u>
Total Support Services - Central	<u>\$ 2,388,373</u>	<u>\$ 2,438,053</u>
Other Support Services		
Salaries	\$ 82,391	\$ 74,341
Employee Benefits	27,939	21,612
Supplies and Materials	700	700
Total Support Services - Other Support Services	<u>\$ 111,030</u>	<u>\$ 96,653</u>
Total Support Services	<u>\$ 16,431,078</u>	<u>\$ 15,558,456</u>
Community Services		
Salaries	\$ 58,840	\$ 67,352
Employee Benefits	7,876	8,120
Purchased Services	21,768	10,347
Supplies and Materials	10,609	9,081
Total Community Services	<u>\$ 99,093</u>	<u>\$ 94,900</u>
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	\$ 130,000	\$ 119,065
	<u>\$ 130,000</u>	<u>\$ 119,065</u>
Payments for Special Education Programs		
Purchased Services	\$ 130,000	\$ 119,065
Other Objects	500,000	257,961
	<u>\$ 630,000</u>	<u>\$ 377,026</u>
Other Payments to In-State Govt Units		
Other Objects	\$ 5,000	\$ 268
	<u>\$ 5,000</u>	<u>\$ 268</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 765,000</u>	<u>\$ 496,359</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Intergovernmental Payments (Continued)		
Payments to Other Districts and Governmental Units (Continued)		
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 1,600,000	\$ 1,317,076
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,600,000</u>	<u>\$ 1,317,076</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 2,365,000</u>	<u>\$ 1,813,435</u>
Total Intergovernmental Payments	<u>\$ 2,365,000</u>	<u>\$ 1,813,435</u>
Capital Outlay		
Instruction		
Regular Programs	\$ -	\$ 646,853
Food Services	215,000	178,945
Central	500,000	166,060
Total Capital Outlay	<u>\$ 715,000</u>	<u>\$ 991,858</u>
Total Expenditures	<u>\$ 50,826,660</u>	<u>\$ 66,410,258</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 863,340	\$ 6,085,916
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>-</u>	<u>(6,688,672)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 863,340</u>	<u>\$ (602,756)</u>
FUND BALANCE - JULY 1, 2023		<u>40,287,868</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 39,685,112</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Property Taxes	\$ 3,600,000	\$ 3,680,340
Payments in Lieu of Taxes	1,100,000	767,224
Earnings on Investments	50,000	111,548
Other Local Sources	111,220	24,686
State Aid		
School Infrastructure - Maintenance	-	50,000
Total Revenues	<u>\$ 4,861,220</u>	<u>\$ 4,633,798</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 50,000	\$ 46,649
Non-Capitalized Equipment	225,000	-
Total Support Services - Facilities Acquisition and Construction Services	<u>\$ 275,000</u>	<u>\$ 46,649</u>
Operations and Maintenance		
Salaries	\$ 582,000	\$ 555,718
Employee Benefits	121,168	108,721
Purchased Services	2,152,000	2,084,500
Supplies and Materials	495,590	1,140,301
Other Objects	2,900	2,335
Total Support Services - Operations and Maintenance	<u>\$ 3,353,658</u>	<u>\$ 3,891,575</u>
Total Support Services	<u>\$ 3,628,658</u>	<u>\$ 3,938,224</u>
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Government Units (In-State)		
Payments for Special Education Programs	\$ 140,000	\$ 143,494
Other Objects	\$ 140,000	\$ 143,494
Total Payments to Other Governmental Units (In-State)	<u>\$ 140,000</u>	<u>\$ 143,494</u>
Total Intergovernmental Payments	<u>\$ 140,000</u>	<u>\$ 143,494</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction Services	\$ 861,000	\$ 116,311
Operations and Maintenance	100,000	81,789
Total Capital Outlay	<u>\$ 961,000</u>	<u>\$ 198,100</u>
Total Expenditures	<u>\$ 4,729,658</u>	<u>\$ 4,279,818</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 131,562	\$ 353,980
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 131,562</u>	\$ 353,980
FUND BALANCE - JULY 1, 2023		<u>3,379,188</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 3,733,168</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 8,010,000	\$ 8,074,268
Earnings on Investments	55,000	161,925
Total Revenues	<u>\$ 8,065,000</u>	<u>\$ 8,236,193</u>
EXPENDITURES		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ -	\$ 6,430,450
Total Debt Services - Interest	<u>\$ -</u>	<u>\$ 6,430,450</u>
Payments of Principal on Long-Term Debt		
Other Objects	\$ 8,000,000	\$ 2,210,011
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 8,000,000</u>	<u>\$ 2,210,011</u>
Other		
Other Objects	\$ -	\$ 2,375
Total Debt Services - Other	<u>\$ -</u>	<u>\$ 2,375</u>
Total Debt Services	<u>\$ 8,000,000</u>	<u>\$ 8,642,836</u>
Total Expenditures	<u>\$ 8,000,000</u>	<u>\$ 8,642,836</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 65,000	\$ (406,643)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>-</u>	<u>688,672</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 65,000</u></u>	\$ 282,029
FUND BALANCE - JULY 1, 2023		<u>4,884,323</u>
FUND BALANCE - JUNE 30, 2024		<u><u>\$ 5,166,352</u></u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 2,700,000	\$ 3,047,095
Transportation Fees	20,000	24,900
Earnings on Investments	20,000	34,731
State Aid		
Transportation	2,000,000	2,603,925
Total Revenues	<u>\$ 4,740,000</u>	<u>\$ 5,710,651</u>
EXPENDITURES		
Support Services		
Transportation		
Salaries	\$ 20,000	\$ 21,085
Employee Benefits	30,691	4,206
Purchased Services	4,531,091	5,135,561
Supplies and Materials	220,000	495,078
Total Support Services - Transportation	<u>\$ 4,801,782</u>	<u>\$ 5,655,930</u>
Total Support Services	<u>\$ 4,801,782</u>	<u>\$ 5,655,930</u>
Total Expenditures	<u>\$ 4,804,782</u>	<u>\$ 5,655,930</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (64,782)	\$ 54,721
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (64,782)</u>	\$ 54,721
FUND BALANCE - JULY 1, 2023		<u>1,052,474</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 1,107,195</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 2,870,000	\$ 1,867,444
Total Revenues	<u>\$ 2,870,000</u>	<u>\$ 1,867,444</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 269,944	\$ 239,551
Pre-K Programs		
Employee Benefits	44,663	49,496
Special Education Programs		
Employee Benefits	431,944	302,243
Special Education Programs Pre-K		
Employee Benefits	10,878	6,667
Remedial and Supplemental Programs K-12		
Employee Benefits	5,196	5,177
Interscholastic Programs		
Employee Benefits	11,743	14,299
Summer School Programs		
Employee Benefits	4,044	7,545
Bilingual Programs		
Employee Benefits	54,379	43,696
Total Instruction	<u>\$ 832,791</u>	<u>\$ 668,674</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Employee Benefits	\$ 15,943	\$ 14,586
Guidance Services		
Employee Benefits	-	3,069
Health Services		
Employee Benefits	61,466	41,333
Psychological Services		
Employee Benefits	6,575	4,902
Speech Pathology and Audiology Services		
Employee Benefits	15,437	14,873
Total Support Services - Pupil	<u>\$ 99,421</u>	<u>\$ 78,763</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 30,106	\$ 27,585
Educational Media Services		
Employee Benefits	46,102	36,329
Total Support Services - Instructional Staff	<u>\$ 76,208</u>	<u>\$ 63,914</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 3,242	\$ 3,206
Total Support Services - General Administration	<u>\$ 3,242</u>	<u>\$ 5,430</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 170,521	\$ 131,630
Total Support Services - School Administration	<u>\$ 170,521</u>	<u>\$ 131,630</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 2,422	\$ 2,387
Fiscal Services		
Employee Benefits	97,241	84,740
Total Support Services - Business	<u>\$ 99,663</u>	<u>\$ 87,127</u>
Operations and Maintenance		
Employee Benefits	\$ 198,219	\$ 102,543
Total Support Services - Operations and Maintenance	<u>\$ 198,219</u>	<u>\$ 102,543</u>
Transportation		
Employee Benefits	\$ 11,046	\$ 4,601
Total Support Services - Transportation	<u>\$ 11,046</u>	<u>\$ 4,601</u>
Food Services		
Employee Benefits	\$ 63,631	\$ 14,878
Total Support Services - Food Services	<u>\$ 63,631</u>	<u>\$ 14,878</u>
Central		
Information Services		
Employee Benefits	\$ 166,068	\$ 129,690
Staff Services		
Employee Benefits	37,102	38,862
Total Support Services - Central	<u>\$ 203,170</u>	<u>\$ 168,552</u>
Other Support Services		
Employee Benefits	\$ 18,329	\$ 12,412
Total Support Services - Other Support Services	<u>\$ 18,329</u>	<u>\$ 12,412</u>
Total Support Services	<u>\$ 943,450</u>	<u>\$ 669,850</u>
Community Services		
Employee Benefits	\$ 7,498	\$ 11,583
Total Community Services	<u>\$ 7,498</u>	<u>\$ 11,583</u>
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments for Special Education Programs		
Employee Benefits	\$ -	\$ 76,149
Total Intergovernmental Payments	<u>\$ -</u>	<u>\$ 76,149</u>
Total Expenditures	<u>\$ 1,783,739</u>	<u>\$ 1,426,256</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
(Continued)		
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,086,261	\$ 441,188
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,086,261</u>	\$ 441,188
FUND BALANCE - JULY 1, 2023		<u>1,300,844</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 1,742,032</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Earnings on Investments	\$ -	\$ 366,464
Other Local Sources	200,000	-
Total Revenues	<u>\$ 200,000</u>	<u>\$ 366,464</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 100,000	\$ 28,460
Total Support Services - Facilities Acquisition and Construction Services	<u>\$ 100,000</u>	<u>\$ 28,460</u>
Total Support Services	<u>\$ 100,000</u>	<u>\$ 28,460</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction Services	\$ 7,400,000	\$ 12,188,597
Total Capital Outlay	<u>\$ 7,400,000</u>	<u>\$ 12,188,597</u>
Total Expenditures	<u>\$ 7,500,000</u>	<u>\$ 12,217,057</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (7,300,000)	\$ (11,850,593)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>-</u>	<u>6,000,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (7,300,000)</u></u>	\$ (5,850,593)
FUND BALANCE - JULY 1, 2023		<u>11,105,158</u>
FUND BALANCE - JUNE 30, 2024		<u><u>\$ 5,254,565</u></u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TORT FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 740,000	\$ 765,840
Total Revenues	<u>\$ 740,000</u>	<u>\$ 765,840</u>
EXPENDITURES		
Support Services		
General Administration		
Risk Management and Claims Services Payments		
Purchased Services	\$ 515,000	\$ 507,215
	<u>\$ 515,000</u>	<u>\$ 507,215</u>
Total Support Services - General Administration	<u>\$ 515,000</u>	<u>\$ 507,215</u>
Total Support Services	<u>\$ 515,000</u>	<u>\$ 507,215</u>
Total Expenditures	<u>\$ 515,000</u>	<u>\$ 507,215</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 225,000	\$ 258,625
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 225,000</u></u>	\$ 258,625
FUND BALANCE - JULY 1, 2023		<u>(61,992)</u>
FUND BALANCE - JUNE 30, 2024		<u><u>\$ 196,633</u></u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2024

	Educational Fund	Working Cash Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 11,992,338	\$ 4,624,596	\$ 16,616,934
Investments	16,685,749	6,515,090	23,200,839
Total Assets	<u>\$ 28,678,087</u>	<u>\$ 11,139,686</u>	<u>\$ 39,817,773</u>
LIABILITIES			
Current Liabilities			
Payroll Liabilities	\$ 132,661	\$ -	\$ 132,661
Total Current Liabilities	<u>\$ 132,661</u>	<u>\$ -</u>	<u>\$ 132,661</u>
Total Liabilities	<u>\$ 132,661</u>	<u>\$ -</u>	<u>\$ 132,661</u>
FUND BALANCE			
Restricted			
Student Activity Funds	\$ 148,317	\$ -	\$ 148,317
Unassigned	28,397,109	11,139,686	39,536,795
Total Fund Balance	<u>\$ 28,545,426</u>	<u>\$ 11,139,686</u>	<u>\$ 39,685,112</u>
Total Liabilities and Fund Balance	<u>\$ 28,678,087</u>	<u>\$ 11,139,686</u>	<u>\$ 39,817,773</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 43,470,539	\$ 50,770	\$ 43,521,309
Tuition	203,963	-	203,963
Earnings on Investments	930,632	545,910	1,476,542
Food Services	421,582	-	421,582
District/School Activity Income	245,986	-	245,986
Textbooks	512,666	-	512,666
Other Local Sources	787,444	-	787,444
State Aid	5,705,440	-	5,705,440
Federal Aid	3,607,018	-	3,607,018
State Retirement Contributions	16,014,224	-	16,014,224
Total Revenues	<u>\$ 71,899,494</u>	<u>\$ 596,680</u>	<u>\$ 72,496,174</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 20,973,409	\$ -	\$ 20,973,409
Pre-K Programs	691,008	-	691,008
Special Education Programs	7,099,651	-	7,099,651
Special Education Programs Pre-K	143,372	-	143,372
Other Instructional Programs	2,936,185	-	2,936,185
Student Activity Fund	93,760	-	93,760
State Retirement Contributions	16,014,224	-	16,014,224
Support Services			
Pupil	4,253,591	-	4,253,591
Instructional Staff	2,515,705	-	2,515,705
General Administration	769,522	-	769,522
School Administration	3,308,726	-	3,308,726
Business	803,802	-	803,802
Operations and Maintenance	11,663	-	11,663
Transportation	145,158	-	145,158
Food Services	1,215,583	-	1,215,583
Central	2,438,053	-	2,438,053
Other Support Services	96,653	-	96,653
Community Services	94,900	-	94,900
Capital Outlay	991,858	-	991,858
Intergovernmental Payments			
Payments to Other Districts and Governmental Units	1,813,435	-	1,813,435
Total Expenditures	<u>\$ 66,410,258</u>	<u>\$ -</u>	<u>\$ 66,410,258</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,489,236	\$ 596,680	\$ 6,085,916
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>(688,672)</u>	<u>(6,000,000)</u>	<u>(6,688,672)</u>
NET CHANGE IN FUND BALANCES	\$ 4,800,564	\$ (5,403,320)	\$ (602,756)
FUND BALANCE - JULY 1, 2023	<u>23,744,862</u>	<u>16,543,006</u>	<u>40,287,868</u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 28,545,426</u>	<u>\$ 11,139,686</u>	<u>\$ 39,685,112</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 41,508,780	\$ 43,470,539
Tuition	185,000	203,963
Earnings on Investments	175,000	930,632
Food Services	400,000	421,582
District/School Activity Income	175,000	245,986
Textbooks	255,000	512,666
Other Local Sources	265,000	787,444
State Aid		
General State Aid	4,601,220	4,501,268
Special Education	515,000	648,569
State Free Lunch and Breakfast	15,000	8,739
Early Childhood - Block Grant	400,000	543,859
Other Restricted Revenue from State Sources	-	3,005
Federal Aid		
Food Service	980,000	721,968
Title I	330,000	415,856
Title IV	20,000	8,323
Federal Special Education	625,000	927,636
Emergency Immigrant Assistance	54,000	17,448
Title III - English Language Acquisition	73,000	108,425
Title II - Teacher Quality	88,000	55,651
Medicaid Matching Funds - Administrative Outreach	-	89,278
Medicaid Matching Funds - Fee-for-Service Program	100,000	316,894
Other Federal Aid	800,000	945,539
State Retirement Contributions	-	16,014,224
Total Revenues	\$ 51,565,000	\$ 71,899,494
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 16,025,904	\$ 16,217,698
Employee Benefits	2,614,116	3,198,993
Purchased Services	558,393	620,672
Supplies and Materials	1,131,748	877,027
Other Objects	10,000	31,091
Non-Capitalized Equipment	-	27,928
	\$ 20,340,161	\$ 20,973,409
Pre-K Programs		
Salaries	\$ 447,950	\$ 487,031
Employee Benefits	97,261	147,657
Purchased Services	-	16,090
Supplies and Materials	20,000	40,230
Non-Capitalized Equipment	1,000	-
	\$ 566,211	\$ 691,008
Special Education Programs		
Salaries	\$ 4,560,194	\$ 4,219,314
Employee Benefits	1,188,656	1,180,380
Purchased Services	101,750	356,563
Supplies and Materials	100,000	71,035
Other Objects	4,000	10,193
Non-Capitalized Equipment	18,000	10,665
	\$ 5,972,600	\$ 5,848,150
Special Education Programs Pre-K		
Salaries	\$ 159,786	\$ 104,656
Employee Benefits	45,789	35,849
Supplies and Materials	-	2,867
	\$ 205,575	\$ 143,372

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Instruction (Continued)		
Remedial and Supplemental Programs K-12		
Salaries	\$ 365,916	\$ 365,550
Employee Benefits	60,082	48,161
	<u>\$ 425,998</u>	<u>\$ 413,711</u>
Interscholastic Programs		
Salaries	\$ 283,658	\$ 385,274
Employee Benefits	6,045	4,964
Purchased Services	20,000	20,770
Supplies and Materials	93,000	120,021
Other Objects	8,500	8,903
Non-Capitalized Equipment	45,000	61,519
	<u>\$ 456,203</u>	<u>\$ 601,451</u>
Summer School Programs		
Salaries	\$ 229,463	\$ 223,254
Employee Benefits	936	3,082
Supplies and Materials	27,500	23,164
	<u>\$ 257,899</u>	<u>\$ 249,500</u>
Bilingual Programs		
Salaries	\$ 1,239,411	\$ 1,282,124
Employee Benefits	303,706	282,867
Purchased Services	98,525	100,473
Supplies and Materials	200	6,059
	<u>\$ 1,641,842</u>	<u>\$ 1,671,523</u>
Private Tuition		
Special Education Programs K-12		
Other Objects	\$ 1,350,000	\$ 1,251,501
	<u>\$ 1,350,000</u>	<u>\$ 1,251,501</u>
Student Activity Fund		
Other Objects	\$ -	\$ 93,760
	<u>\$ -</u>	<u>\$ 93,760</u>
State Retirement Contributions	\$ -	\$ 16,014,224
Total Instruction	<u>\$ 31,216,489</u>	<u>\$ 47,951,609</u>
Support Services		
Pupil		
Attendance and Social Work Services		
Salaries	\$ 1,110,550	\$ 1,047,637
Employee Benefits	145,056	199,385
Purchased Services	100,916	107,700
Non-Capitalized Equipment	58,000	63,948
	<u>\$ 1,414,522</u>	<u>\$ 1,418,670</u>
Guidance Services		
Salaries	\$ 91,242	\$ 212,367
Employee Benefits	19,652	71,066
Purchased Services	104,000	42,262
Supplies and Materials	10,000	7,896
	<u>\$ 224,894</u>	<u>\$ 333,591</u>
Health Services		
Salaries	\$ 351,000	\$ 270,838
Employee Benefits	70,897	39,564
Purchased Services	8,500	312,501
Supplies and Materials	40,000	39,260
	<u>\$ 470,397</u>	<u>\$ 662,163</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupil (Continued)		
Psychological Services		
Salaries	\$ 458,396	\$ 338,162
Employee Benefits	34,982	48,215
Purchased Services	2,500	125,697
	<u>\$ 495,878</u>	<u>\$ 512,074</u>
Speech Pathology and Audiology Services		
Salaries	\$ 1,054,396	\$ 1,042,785
Employee Benefits	190,163	179,903
Purchased Services	12,500	12,442
Non-Capitalized Equipment	-	3,692
	<u>\$ 1,257,059</u>	<u>\$ 1,238,822</u>
Other Support Services - Pupil		
Purchased Services	\$ 5,000	\$ 88,271
	<u>\$ 5,000</u>	<u>\$ 88,271</u>
Total Support Services - Pupil	<u>\$ 3,867,750</u>	<u>\$ 4,253,591</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 1,270,183	\$ 1,132,809
Employee Benefits	334,787	300,902
Purchased Services	365,705	269,870
Supplies and Materials	29,000	38,961
Other Objects	15,000	7,556
	<u>\$ 2,014,675</u>	<u>\$ 1,750,098</u>
Educational Media Services		
Salaries	\$ 528,754	\$ 537,614
Employee Benefits	139,035	153,471
Supplies and Materials	57,404	57,421
	<u>\$ 725,193</u>	<u>\$ 748,506</u>
Assessment and Testing		
Purchased Services	\$ 38,500	\$ -
Supplies and Materials	20,000	17,101
	<u>\$ 58,500</u>	<u>\$ 17,101</u>
Total Support Services - Instructional Staff	<u>\$ 2,798,368</u>	<u>\$ 2,515,705</u>
General Administration		
Board of Education Services		
Purchased Services	\$ 342,700	\$ 286,140
Supplies and Materials	5,000	1,074
Other Objects	2,000	111
	<u>\$ 349,700</u>	<u>\$ 287,325</u>
Executive Administration Services		
Salaries	\$ 215,273	\$ 223,553
Employee Benefits	83,643	76,065
Purchased Services	9,000	532
Supplies and Materials	1,000	218
Other Objects	5,000	8,362
	<u>\$ 313,916</u>	<u>\$ 308,730</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Special Area Administrative Services		
Salaries	\$ 149,972	\$ 152,856
Employee Benefits	-	20,611
	<u>\$ 149,972</u>	<u>\$ 173,467</u>
Total Support Services - General Administration	<u>\$ 813,588</u>	<u>\$ 769,522</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 2,996,633	\$ 2,561,161
Employee Benefits	1,552,726	687,451
Supplies and Materials	30,200	12,584
Other Objects	30,775	45,757
Non-Capitalized Equipment	-	1,773
	<u>\$ 4,610,334</u>	<u>\$ 3,308,726</u>
Total Support Services - School Administration	<u>\$ 4,610,334</u>	<u>\$ 3,308,726</u>
Business		
Direction of Business Support Services		
Salaries	\$ 163,909	\$ 167,061
Employee Benefits	60,967	32,384
Purchased Services	3,000	558
Supplies and Materials	500	23
Other Objects	1,000	175
	<u>\$ 229,376</u>	<u>\$ 200,201</u>
Fiscal Services		
Salaries	\$ 418,384	\$ 480,426
Employee Benefits	84,503	79,125
Purchased Services	7,000	29,247
Supplies and Materials	3,000	2,372
Other Objects	4,175	10,631
Non-Capitalized Equipment	-	1,800
	<u>\$ 517,062</u>	<u>\$ 603,601</u>
Total Support Services - Business	<u>\$ 746,438</u>	<u>\$ 803,802</u>
Operations and Maintenance		
Purchased Services	\$ 20,000	\$ 11,663
Total Support Services - Operations and Maintenance	<u>\$ 20,000</u>	<u>\$ 11,663</u>
Transportation		
Salaries	\$ -	\$ 17,709
Employee Benefits	600	102
Purchased Services	115,000	127,347
Total Support Services - Transportation	<u>\$ 115,600</u>	<u>\$ 145,158</u>
Food Services		
Salaries	\$ 1,821	\$ 194,482
Employee Benefits	8,026	-
Purchased Services	937,000	963,809
Supplies and Materials	10,000	54,641
Other Objects	2,750	2,651
Total Support Services - Food Services	<u>\$ 959,597</u>	<u>\$ 1,215,583</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Central		
Information Services		
Salaries	\$ 722,606	\$ 742,118
Employee Benefits	151,793	143,928
Purchased Services	381,009	515,911
Supplies and Materials	115,000	119,866
Other Objects	6,000	2,004
Non-Capitalized Equipment	390,000	348,750
	<u>\$ 1,766,408</u>	<u>\$ 1,872,577</u>
Staff Services		
Salaries	\$ 416,368	\$ 377,207
Employee Benefits	104,489	90,189
Purchased Services	40,608	54,625
Supplies and Materials	26,000	26,109
Other Objects	4,500	1,626
	<u>\$ 591,965</u>	<u>\$ 549,756</u>
Data Processing Services		
Purchased Services	\$ 30,000	\$ 15,720
	<u>\$ 30,000</u>	<u>\$ 15,720</u>
Total Support Services - Central	<u>\$ 2,388,373</u>	<u>\$ 2,438,053</u>
Other Support Services		
Salaries	\$ 82,391	\$ 74,341
Employee Benefits	27,939	21,612
Supplies and Materials	700	700
Total Support Services - Other Support Services	<u>\$ 111,030</u>	<u>\$ 96,653</u>
Total Support Services	<u>\$ 16,431,078</u>	<u>\$ 15,558,456</u>
Community Services		
Salaries	\$ 58,840	\$ 67,352
Employee Benefits	7,876	8,120
Purchased Services	21,768	10,347
Supplies and Materials	10,609	9,081
Total Community Services	<u>\$ 99,093</u>	<u>\$ 94,900</u>
Intergovernmental Payments		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	\$ 130,000	\$ 119,065
	<u>\$ 130,000</u>	<u>\$ 119,065</u>
Payments for Special Education Programs		
Purchased Services	\$ 130,000	\$ 119,065
Other Objects	500,000	257,961
	<u>\$ 630,000</u>	<u>\$ 377,026</u>
Other Payments to In-State Govt Units		
Other Objects	\$ 5,000	\$ 268
	<u>\$ 5,000</u>	<u>\$ 268</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 765,000</u>	<u>\$ 496,359</u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
EXPENDITURES (Continued)		
Intergovernmental Payments (Continued)		
Payments to Other Districts and Governmental Units (Continued)		
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 1,600,000	\$ 1,317,076
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,600,000</u>	<u>\$ 1,317,076</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 2,365,000</u>	<u>\$ 1,813,435</u>
Total Intergovernmental Payments	<u>\$ 2,365,000</u>	<u>\$ 1,813,435</u>
Capital Outlay		
Instruction		
Regular Programs	\$ -	\$ 646,853
Food Services	215,000	178,945
Central	500,000	166,060
Total Capital Outlay	<u>\$ 715,000</u>	<u>\$ 991,858</u>
Total Expenditures	<u>\$ 50,826,660</u>	<u>\$ 66,410,258</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 738,340</u>	<u>\$ 5,489,236</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>-</u>	<u>(688,672)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 738,340</u></u>	<u>\$ 4,800,564</u>
FUND BALANCE - JULY 1, 2023		<u>23,744,862</u>
FUND BALANCE - JUNE 30, 2024		<u><u>\$ 28,545,426</u></u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - WORKING CASH FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 50,000	\$ 50,770
Earnings on Investments	75,000	545,910
Total Revenues	<u>\$ 125,000</u>	<u>\$ 596,680</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 125,000	\$ 596,680
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>-</u>	<u>(6,000,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 125,000</u></u>	\$ (5,403,320)
FUND BALANCE - JULY 1, 2023		<u>16,543,006</u>
FUND BALANCE - JUNE 30, 2024		<u><u>\$ 11,139,686</u></u>

See Accompanying Independent Auditor's Report

HAWTHORN SCHOOL DISTRICT NO. 73
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
YEAR ENDED JUNE 30, 2024

<u>OPERATING EXPENSE PER PUPIL</u>			
EXPENDITURES:			
ED	Total Expenditures	\$	50,302,274
O&M	Total Expenditures		4,279,818
DS	Total Expenditures		8,642,836
TR	Total Expenditures		5,655,930
MR/SS	Total Expenditures		1,426,256
TORT	Total Expenditures		507,215
	Total Expenditures	\$	70,814,329
LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:			
ED	Pre-K Programs	\$	691,008
ED	Special Education Programs Pre-K		143,372
ED	Summer School Programs		249,500
ED	Special Education Programs K-12 - Private Tuition		1,251,501
ED	Community Services		94,900
ED	Total Payments to Other Govt Units		1,813,435
ED	Capital Outlay		991,858
ED	Non-Capitalized Equipment		520,075
O&M	Total Payments to Other Govt Units		143,494
O&M	Capital Outlay		198,100
DS	Debt Service - Payments of Principal on Long-Term Debt		2,210,011
MR/SS	Pre-K Programs		49,496
MR/SS	Special Education Programs - Pre-K		6,667
MR/SS	Summer School Programs		7,545
MR/SS	Community Services		11,583
MR/SS	Total Payments to Other Govt Units		76,149
	Total Deductions for OEPP Computation (Sum of Lines 18 - 95)	\$	8,458,694
	Total Operating Expenses Regular K-12 (Line 14 minus Line 96)		62,355,635
	9 Month District Average Daily Attendance-Student Information System (SIS) in IWAS-preliminary ASA 2023-2024		3,218.09
	Estimated OEPP (Line 97 divided by Line 98)	\$	19,376.60
<u>PER CAPITA TUITION CHARGE</u>			
LESS OFFSETTING RECEIPTS/REVENUES:			
TR	Regular -Transp Fees from Pupils or Parents (In State)	\$	24,900
ED	Total Food Service		421,582
ED-O&M	Total District/School Activity Income (without Student Activity Funds)		155,648
ED	Rentals - Regular Textbooks		507,546
ED-O&M	Rentals		18,870
ED	Other Local Fees (Describe & Itemize)		121,200
ED-O&M-TR	Total Special Education		648,569
ED	State Free Lunch & Breakfast		8,739
ED-O&M-TR-MR/SS	Total Transportation		2,603,925
O&M	School Infrastructure - Maintenance Projects		50,000
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources		3,005
ED-MR/SS	Total Food Service		721,968
ED-O&M-TR-MR/SS	Total Title I		415,856
ED-O&M-TR-MR/SS	Total Title IV		8,323
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through		911,655
ED-TR-MR/SS	Title III - Immigrant Education Program (IEP)		17,448
ED-TR-MR/SS	Title III - Language Inst Program - Limited Eng (LIPLEP)		108,425
ED-O&M-TR-MR/SS	Title II - Teacher Quality		55,651
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach		89,278
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program		316,894
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)		945,539
Federal Stimulus Revenue	Adjusting for FY20, FY21, or FY22 revenue received in FY23 for FY20, FY21, or FY22 Expenses		(647,537)
ED-TR-MR/SS	Special Education Contributions from EBF Funds **		1,446,350
ED-MR/SS	English Learning (Bilingual) Contributions from EBF Funds ***		360,401
	Total Deductions for PCTC Computation Line 104 through Line 194)	\$	9,314,235
	Net Operating Expense for Tuition Computation (Line 97 minus Line 196)		53,041,400
	Total Depreciation Allowance (from page 36, Line 18, Col I)		4,014,084
	Total Allowance for PCTC Computation (Line 197 plus Line 198)		57,055,484
	9 Month District Average Daily Attendance-Student Information System (SIS) in IWAS-preliminary ASA 2023-2024		3,218.09
	Total Estimated PCTC (Line 199 divided by Line 200)	\$	17,729.61

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Hawthorn School District No. 73
Vernon Hills, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited

Hawthorn School District No. 73's

compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hawthorn School District No. 73's major federal programs for the year ended June 30, 2024. Hawthorn School District No. 73's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hawthorn School District No. 73 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

The 2023 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures by us and our report dated October 3, 2023 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2023 financial statements as a whole.

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

A handwritten signature in cursive script that reads "Eccezion".

Eccezion
Strategic Business Solutions

McHenry, Illinois
October 1, 2024

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/22-6/30/23 (E)	Expenditure/Disbursements ⁴		Year 7/1/23-6/30/24 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/22-6/30/23 (C)	Year 7/1/23-6/30/24 (D)		Year 7/1/22-6/30/23 Pass through to Subrecipients	Year 7/1/23-6/30/24 (F)				
CHILD NUTRITION CLUSTER											
US Department of Agriculture											
Passed Through Department of Defense:											
Food Donations Program (Non-Cash Commodities) (M)	10.555	24-4299-00		29,388			29,388			29,388	N/A
Passed Through Illinois State Board of Education:											
Food Donations Program (Non-Cash Commodities) (M)	10.555	24-4299-00		36,682			36,682			36,682	N/A
National School Lunch Program * (M)	10.555	23-4210-00	457,197	65,356	457,197		65,356			522,553	N/A
National School Lunch Program * (M)	10.555	24-4210-00		429,750			429,750			429,750	N/A
COVID-19 ARP National School Lunch Program * (M)	10.555	23-4210-BT		3,256			3,256			3,256	N/A
COVID-19 ARP Nutrition Supply Chain Assistance * (M)	10.555	24-4210-SC		89,158			89,158			89,158	N/A
Subtotal CFDA 10.555			457,197	653,590	457,197	0	653,590	0	0	1,110,787	
School Breakfast Program * (M)	10.553	23-4220-00	58,228	6,470	58,228		6,470			64,698	N/A
School Breakfast Program * (M)	10.553	24-4220-00		77,977			77,977			77,977	N/A
Subtotal CFDA 10.553			58,228	84,447	58,228	0	84,447	0	0	142,675	
Total Child Nutrition Cluster			515,425	738,037	515,425	0	738,037	0	0	1,253,462	
NSLP Equipment Assistance Grant	10.579	24-4260-22		50,000			50,000			50,000	N/A
Subtotal CFDA 10.579			0	50,000	0	0	50,000	0	0	50,000	
Subtotal CFDA "10"			515,425	788,037	515,425	0	788,037	0	0	1,303,462	
Federal Communications Commission											
COVID-19 Emergency Connectivity Fund Program	32.009	24-4998-00		0			464,580			464,580	
Subtotal CFDA 32.009			0	0	0	0	464,580	0	0	464,580	
Subtotal CFDA "32"			0	0	0	0	464,580	0	0	464,580	

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/22-6/30/23 (E)	Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/22-6/30/23 (C)	Year 7/1/23-6/30/24 (D)		Year 7/1/22-6/30/23 Pass through to Subrecipients	Year 7/1/23-6/30/24 (F)	Year 7/1/23-6/30/24 Pass through to Subrecipients			
US Department of Education											
Passed Through Illinois State Board of Education:											
SPECIAL EDUCATION CLUSTER											
Special Education - IDEA Flow Through (M)	84.027	23-4620-00	394,936	159,044	553,980					553,980	1,002,970
Special Education - IDEA Flow Through (M)	84.027	24-4620-00		638,158			934,362			934,362	1,153,523
IDEA Flow Through (M)	84.027	23-4620-EI	28,850	52,304	81,154					81,154	112,333
IDEA Flow Through (M)	84.027	24-4620-EI		62,149			65,665			65,665	130,865
COVID-19 ARP IDEA Flow Through (M)	84.027X	22-4998-ID	54,206	78,625	132,831					132,831	178,856
COVID-19 ARP IDEA Flow Through * (M)	84.027X	24-4998-ID		32,469			32,469			32,469	46,025
Subtotal CFDA 84.027			477,992	1,022,749	767,965	0	1,032,496	0	0	1,800,461	
Special Education - Preschool IDEA Flow Through (M)	84.173	23-4600-00	20,848	3,979	24,827					24,827	29,475
Special Education - Preschool IDEA Flow Through (M)	84.173	24-4600-00		12,002			17,882			17,882	26,060
COVID-19 ARP Preschool IDEA Flow Through (M)	84.173X	22-4998-PS	5,519	9,208	14,727					14,727	17,689
COVID-19 ARP Preschool IDEA Flow Through * (M)	84.173X	24-4998-PS		1,951			1,951			1,951	2,962
Subtotal CFDA 84.173			26,367	27,140	39,554	0	19,833	0	0	59,387	
Total Special Education Cluster			504,359	1,049,889	807,519	0	1,052,329	0	0	1,859,848	
Title I - Low Income	84.010	23-4300-00	228,477	268,219	496,696					496,696	568,590
Title I - Low Income	84.010	24-4300-00		147,637			233,906			233,906	415,404
Subtotal CFDA 84.010			228,477	415,856	496,696	0	233,906	0	0	730,602	
Title IVA - Student Support & Academic Enrich	84.424	24-4400-00		8,323			20,240			20,240	32,329
Subtotal CFDA 84.424			0	8,323	0	0	20,240	0	0	20,240	

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/22-6/30/23 (C)	Year 7/1/23-6/30/24 (D)	Year 7/1/22-6/30/23 (E)	Year 7/1/22-6/30/23 Pass through to Subrecipients	Year 7/1/23-6/30/24 (F)	Year 7/1/23-6/30/24 Pass through to Subrecipients			
Title III - Immigrant Education Program (IEP) **	84.365	23-4905-00		16,348	8,424		7,924			16,348	44,600
Title III - Immigrant Education Program (IEP) **	84.365	24-4905-00		1,100			7,278			7,278	57,052
Title III - Lang Inst Prog - Limited Eng (LIPLEP) **	84.365	23-4909-00	82,168	13,835	96,003					96,003	103,195
Title III - Lang Inst Prog - Limited Eng (LIPLEP) **	84.365	24-4909-00		94,590			94,874			94,874	110,192
Subtotal CFDA 84.365			82,168	125,873	104,427	0	110,076	0	0	214,503	
Title II - Teacher Quality	84.367	23-4932-00	63,568	813	64,381					64,381	113,056
Title II - Teacher Quality	84.367	24-4932-00		54,838			59,733			59,733	121,342
Subtotal CFDA 84.367			63,568	55,651	64,381	0	59,733	0	0	124,114	
COVID-19 Community Partnership Grants (ESSER II)	84.425	22-4998-CP	216,654	106,875	323,529					323,529	323,529
COVID-19 ARP – LEA and COOP American Rescue Plan	84.425U	22-4998-E3	1,860,637	384,558	2,245,195					2,245,195	2,278,591
COVID-19 Community Partnership Grants (ESSER III)	84.425	23-4998-C3		210,958			311,467			311,467	311,471
COVID-19 Digital Equity	84.425	23-4998-D3		68,800	68,271		529			68,800	68,800
COVID-19 Emergency Relief (ESSER III)	84.425	23-4998-EB		2,320			2,515			2,515	16,494
COVID-19 ARP – LEA and COOP American Rescue Plan *	84.425U	24-4998-E3		21,719			33,395			33,395	33,396
COVID-19 GEER II - Jumpstart Kindergarten	84.425C	24-4998-JK		28,056			28,056			28,056	28,056
Subtotal CFDA 84.425			2,077,291	823,286	2,636,995	0	375,962	0	0	3,012,957	
Subtotal CFDA "84"			2,955,863	2,478,878	4,110,018	0	1,852,246	0	0	5,962,264	
MEDICAID CLUSTER											
US Department of Health and Family Services											
Passed Through Illinois Department of Health and Family Services:											
Medicaid Administrative Outreach	93.778	23-4991-00	79,570	22,812	102,382					102,382	N/A
Medicaid Administrative Outreach	93.778	24-4991-00		66,465			85,328			85,328	N/A
Subtotal CFDA 93.778			79,570	89,277	102,382	0	85,328	0	0	187,710	
Total Medicaid Cluster			79,570	89,277	102,382	0	85,328	0	0	187,710	

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Year 7/1/22-6/30/23 (E)	Expenditure/Disbursements ⁴		Year 7/1/23-6/30/24 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/22-6/30/23 (C)	Year 7/1/23-6/30/24 (D)		Year 7/1/22-6/30/23 Pass through to Subrecipients	Year 7/1/23-6/30/24 (F)				
Subtotal CFDA "93"			79,570	89,277	102,382	0	85,328	0	0	187,710	
Total Federal Assistance			3,550,858	3,356,192	4,727,825	0	3,190,191	0	0	7,918,016	
										0	
* Project End 9/30										0	
** Project End 8/31										0	

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

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

The accompanying notes are an integral part of this schedule.

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

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

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

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

HAWTHORN SCHOOL DISTRICT NO. 73
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Hawthorn School District No. 73 under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2024.

NOTE 5 - FEDERAL LOANS

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

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

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

HAWTHORN SCHOOL DISTRICT NO. 73
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

- 1) Summary of auditor's results:
 - a) The auditor's report expresses a qualified opinion on whether the financial statements of Hawthorn School District No. 73 were prepared in accordance with GAAP.
 - b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Hawthorn School District No. 73, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No deficiencies in internal control over major federal awards, disclosed during the audit, are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Hawthorn School District No. 73 expresses an unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The programs tested as major programs were: Child Nutrition Cluster, CFDA #10.553 and #10.555; and Special Education Cluster, CFDA #84.027, #84.027X, #84.173, and #84.173X.
 - h) The threshold used for distinguishing between Type A and B programs was \$750,000.
 - i) Hawthorn School District No. 73 was determined to not be a low-risk auditee.
- 2) There were no findings related to the financial statements which are required to be reported.
- 3) There were no findings related to federal awards which are required to be reported.

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2024 - N/A

2. THIS FINDING IS:

☐

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

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

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

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

HAWTHORN CCSD 73
34-049-0730-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2024 - N/A** 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

HAWTHORN CCSD 73
34-049-0730-04
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2024

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
2023-001	The determining official did not complete the form and did not sign the form for all applications selected.	This has been corrected
2023-002	In a population of 3 error prone applications selected for verification, exceptions were noted on 1 of the applications selected for verification. The 1 verification documentation received determined the student should be changed from reduced lunch to paid lunch and this change was not made.	This has been corrected
2023-003	In a population of over 550 invoices, exceptions were noted in 1 out of 47 invoices tested. The 1 invoice was paid twice and claimed for reimbursement twice.	This has been corrected

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

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