

**ANNUAL FINANCIAL REPORT  
GRASS LAKE SCHOOL  
DISTRICT NO. 36  
ANTIOCH, ILLINOIS  
JUNE 30, 2022**

**GRASS LAKE SCHOOL DISTRICT NO. 36**  
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**JUNE 30, 2022**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Grass Lake School District No. 36  
Antioch, Illinois

#### **Opinions**

We have audited the accompanying financial statements of the Grass Lake School District No. 36, Antioch, Illinois, (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Grass Lake School District No. 36, as of June 30, 2022, and its revenues received and expenditures disbursed during the year then ended, based on the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Grass Lake School District No. 36, as of June 30, 2022, and the changes in its financial position for the year then ended.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Grass Lake School District No. 36, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements of Grass Lake School District No. 36, on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Emphasis of Matter**

### *Basis of Accounting*

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

### *Change in Accounting Principle*

As discussed in Note 13 to the financial statements, in 2022 the District adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted 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 generally accepted auditing standards, we:

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

## **Other Matters**

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022, on our consideration of Grass Lake School District No. 36's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Grass Lake School District No. 36's internal control over financial reporting and compliance.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall and Pease, PC  
Certified Public Accountants

Rolling Meadows, IL  
September 27, 2022  
(15)



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

To the Board of Education  
Grass Lake School District No. 36  
Antioch, 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 Grass Lake School District No. 36, Antioch, Illinois, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Grass Lake School District No. 36's, financial statements, and have issued our report thereon dated September 27, 2022. Our opinion was adverse because the financial statements were not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than general accepted accounting principles.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Grass Lake School District No. 36's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grass Lake School District No. 36's internal control. Accordingly, we do not express an opinion on the effectiveness of Grass Lake School District No. 36'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 entity'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 Grass Lake School District No. 36'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall and Pease, PC  
Certified Public Accountants

Rolling Meadows, IL  
September 27, 2022

## **BASIC FINANCIAL STATEMENTS**



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GRASS LAKE SCHOOL DISTRICT NO. 36  
STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Service	Transportation
<u>Assets</u>				
Cash	\$ 3,511,470	\$ -	\$ -	\$ 340,021
Capital assets:				
Land	-	-	-	-
Building and improvements	-	-	-	-
Land improvements	-	-	-	-
Equipment	-	-	-	-
Amount to be provided for payment on long-term debt	-	-	-	-
<u>Total Assets</u>	<u>\$ 3,511,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,021</u>
<u>Liabilities</u>				
Current:				
Cash overdraft	\$ -	\$ 116,020	\$ -	\$ -
Payroll liabilities	(59)	-	-	150
<u>Total Current Liabilities</u>	<u>(59)</u>	<u>116,020</u>	<u>-</u>	<u>150</u>
Long-term Liabilities:				
Long-term debt payable	-	-	-	-
<u>Total Long-term Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>(59)</u>	<u>116,020</u>	<u>-</u>	<u>150</u>
<u>Fund Balance</u>				
Investment in general fixed assets	-	-	-	-
Fund balance - unreserved - designated	1,449,890	120,715	-	43,116
Fund balance - unreserved - undesignated	2,061,639	(236,735)	-	296,755
<u>Total Fund Balance</u>	<u>3,511,529</u>	<u>(116,020)</u>	<u>-</u>	<u>339,871</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$ 3,511,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,021</u>
<u>Assets/Liabilities - Student Activity Funds</u>				
Cash	8,918	\$ -	\$ -	\$ -
<u>Total Assets</u>	<u>\$ 8,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - reserved	\$ 8,918	\$ -	\$ -	\$ -
<u>Total Liabilities and Fund Balance</u>	<u>\$ 8,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Total Assets/Liabilities - with Student Activity Funds</u>				
<u>Total Current Assets</u>	<u>\$ 3,520,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,021</u>
<u>Total Liabilities</u>	<u>\$ (59)</u>	<u>\$ 116,020</u>	<u>\$ -</u>	<u>\$ 150</u>
Fund balance - reserved - Student Activity Funds	8,918	-	-	-
Fund balance - unreserved	3,511,529	(116,020)	-	339,871
<u>Total Liabilities and Fund Balance</u>	<u>\$ 3,520,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,021</u>

The accompanying notes are an integral part of these financial statements.

## EXHIBIT A

Municipal Retirement/ Social Security	Capital Projects	Working Cash	Fire Prevention and Safety	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only) 2022
\$ 139,356	\$ -	\$ 791,837	\$ -	\$ -	\$ -	\$ 4,782,684
-	-	-	-	42,000	-	42,000
-	-	-	-	9,037,991	-	9,037,991
-	-	-	-	377,369	-	377,369
-	-	-	-	1,158,404	-	1,158,404
-	-	-	-	-	15,984	15,984
<u>\$ 139,356</u>	<u>\$ -</u>	<u>\$ 791,837</u>	<u>\$ -</u>	<u>\$ 10,615,764</u>	<u>\$ 15,984</u>	<u>\$ 15,414,432</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,020
-	-	-	-	-	-	91
-	-	-	-	-	-	116,111
-	-	-	-	-	15,984	15,984
-	-	-	-	-	15,984	15,984
-	-	-	-	-	15,984	132,095
-	-	-	-	10,615,764	-	10,615,764
43,335	-	17,614	-	-	-	1,674,670
96,021	-	774,223	-	-	-	2,991,903
139,356	-	791,837	-	10,615,764	-	15,282,337
<u>\$ 139,356</u>	<u>\$ -</u>	<u>\$ 791,837</u>	<u>\$ -</u>	<u>\$ 10,615,764</u>	<u>\$ 15,984</u>	<u>\$ 15,414,432</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,918
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,918</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 139,356	\$ -	\$ 791,837	\$ -	\$ 10,615,764	\$ 15,984	\$ 15,423,350
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,984</u>	<u>\$ 132,095</u>
-	-	-	-	-	-	-
139,356	-	791,837	-	10,615,764	-	15,282,337
<u>\$ 139,356</u>	<u>\$ -</u>	<u>\$ 791,837</u>	<u>\$ -</u>	<u>\$ 10,615,764</u>	<u>\$ 15,984</u>	<u>\$ 15,414,432</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER FINANCING SOURCES/(USES)  
AND CHANGE IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Service	Transportation
<u>Revenues Received:</u>				
Local sources	\$ 3,214,717	\$ 311,620	\$ -	\$ 93,845
State sources	27,094	181,076	-	197,528
Federal sources	716,032	-	-	-
<u>Total Direct Revenues Received</u>	<u>3,957,843</u>	<u>492,696</u>	<u>-</u>	<u>291,373</u>
<u>Revenues for On Behalf Payments</u>	<u>1,092,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures Disbursed:</u>				
Instruction	1,950,137	-	-	-
Supporting services	1,478,448	518,035	-	418,794
Payments to other districts and governmental units	321,292	-	-	-
Debt services	-	-	5,858	-
<u>Total Direct Expenditures Disbursed</u>	<u>3,749,877</u>	<u>518,035</u>	<u>5,858</u>	<u>418,794</u>
<u>Expenditures for On Behalf Payments</u>	<u>1,092,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed</u>	<u>207,966</u>	<u>(25,339)</u>	<u>(5,858)</u>	<u>(127,421)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers in	-	-	5,858	-
Transfers out	(5,858)	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(5,858)</u>	<u>-</u>	<u>5,858</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>202,108</u>	<u>(25,339)</u>	<u>-</u>	<u>(127,421)</u>
<u>Fund Balance, July 1,</u>	<u>3,309,421</u>	<u>(90,681)</u>	<u>-</u>	<u>467,292</u>
<u>Fund Balance, June 30,</u>	<u>\$ 3,511,529</u>	<u>\$ (116,020)</u>	<u>\$ -</u>	<u>\$ 339,871</u>
<u>Student Activity Fund Balance, July 1</u>	<u>\$ 7,838</u>			
<u>Student Activity Revenue</u>	<u>4,951</u>			
<u>Student Activity Expenditures</u>	<u>3,870</u>			
<u>Excess of Revenues Over Expenditures</u>	<u>1,081</u>			
<u>Student Activity Fund Balance, June 30,</u>	<u>\$ 8,919</u>			

The accompanying notes are an integral part of these financial statements.

Municipal Retirement/ Social Security	Capital Projects	Working Cash	Fire Prevention and Safety	Total (Memorandum Only) 2022
\$ 103,313	\$ -	\$ 38,459	\$ -	\$ 3,761,954
-	-	-	-	405,698
-	-	-	-	716,032
103,313	-	38,459	-	4,883,684
-	-	-	-	1,092,310
44,982	-	-	-	1,995,119
49,185	-	-	-	2,464,462
5,467	-	-	-	326,759
-	-	-	-	5,858
99,634	-	-	-	4,792,198
-	-	-	-	1,092,310
3,679	-	38,459	-	91,486
-	-	-	-	5,858
-	-	-	-	(5,858)
-	-	-	-	-
3,679	-	38,459	-	91,486
135,677	-	753,378	-	4,575,087
\$ 139,356	\$ -	\$ 791,837	\$ -	\$ 4,666,573

GRASS LAKE SCHOOL DISTRICT NO.36  
STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>
<u>Revenues Received:</u>				
Local Sources:				
Designated purpose levies	\$ 3,074,550	\$ 260,771	\$ -	\$ 93,171
Other tax levies	47,891	-	-	-
Corporate replacement taxes	5,036	23,817	-	-
Earnings on investments	5,134	372	-	423
Impact fees	-	5,400	-	-
Food service	23,458	-	-	-
District/School activity income	7,686	-	-	-
Textbooks	21,869	-	-	-
Contributions from private sources	1,500	21,260	-	-
Student activity revenue	4,951	-	-	-
Transportation fees from other districts	-	-	-	251
Other local revenues	27,593	-	-	-
<u>Total Local Sources</u>	<u>3,219,668</u>	<u>311,620</u>	<u>-</u>	<u>93,845</u>
States Sources:				
Evidence based funding formula	20,697	131,076	-	-
Special education	6,397	-	-	-
State maintenance grant	-	50,000	-	-
Transportation	-	-	-	197,528
<u>Total State Sources</u>	<u>27,094</u>	<u>181,076</u>	<u>-</u>	<u>197,528</u>
Federal Sources:				
Title I - low income	135,393	-	-	-
Special education - IDEA - flow through	45,508	-	-	-
Special education - preschool - flow through	3,076	-	-	-
Title II - teacher quality	1,346	-	-	-
Reap grant	11,879	-	-	-
CARES act	508,089	-	-	-
Medicaid matching funds - administrative outreach	4,075	-	-	-
Medicaid matching funds - fee for service	6,666	-	-	-
<u>Total Federal Sources</u>	<u>716,032</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues Received</u>	<u>\$ 3,962,794</u>	<u>\$ 492,696</u>	<u>\$ -</u>	<u>\$ 291,373</u>

The accompanying notes are an integral part of these financial statements.

<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Fire Prevention and Safety</u>	<u>Total</u>
\$ 49,469	\$ -	\$ 38,065	\$ -	\$ 3,516,026
44,225	-	-	-	92,116
9,619	-	-	-	38,472
-	-	394	-	6,323
-	-	-	-	5,400
-	-	-	-	23,458
-	-	-	-	7,686
-	-	-	-	21,869
-	-	-	-	22,760
-	-	-	-	4,951
-	-	-	-	251
-	-	-	-	27,593
<u>103,313</u>	<u>-</u>	<u>38,459</u>	<u>-</u>	<u>3,766,905</u>
-	-	-	-	151,773
-	-	-	-	6,397
-	-	-	-	50,000
-	-	-	-	197,528
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,698</u>
-	-	-	-	135,393
-	-	-	-	45,508
-	-	-	-	3,076
-	-	-	-	1,346
-	-	-	-	11,879
-	-	-	-	508,089
-	-	-	-	4,075
-	-	-	-	6,666
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,032</u>
<u>\$ 103,313</u>	<u>\$ -</u>	<u>\$ 38,459</u>	<u>\$ -</u>	<u>\$ 4,888,635</u>



GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials
Instruction:				
Regular programs	\$ 1,172,338	\$ 149,916	\$ 42,399	\$ 64,219
Special programs	191,023	16,483	6,088	9,685
Remedial and supplemental programs K-12	55,256	2,851	-	-
Interscholastic programs	47,553	314	3,328	1,411
Summer school programs	21,328	3,027	-	4,181
Gifted programs	38,081	-	-	-
Student activity expenditures	-	-	-	3,870
Special education programs - private tuition	-	-	-	-
Total Instruction	1,525,579	172,591	51,815	83,366
Support Services:				
Pupil:				
Attendance and social work	38,624	483	62,466	562
Health services	7,310	7,310	93,088	1,000
Psychological services	-	-	5,545	-
Speech pathology and audiology services	-	-	55,553	535
Other support services	-	-	11,624	-
Total Pupil	45,934	7,793	228,276	2,097
Instructional Staff:				
Improvement of instruction services	21,591	248	115,045	-
Educational media services	65,270	8,045	-	1,760
Assessment and testing services	-	-	-	2,525
Total Instructional Staff	86,861	8,293	115,045	4,285
General Administration:				
Board of education services	57,234	7,709	83,169	10,004
Executive administration services	181,505	39,273	4,346	2,228
Total General Administration	238,739	46,982	87,515	12,232
School Administration:				
Office of the principal services	140,839	44,247	6,572	4,462
Total School Administration	140,839	44,247	6,572	4,462
Business:				
Fiscal services	33,000	46	66,246	1,456
Food services	23,059	7,016	2,192	33,652
Total Business	56,059	7,062	68,438	35,108

Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
\$ 2,987	\$ -	\$ 27,900	\$ -	\$ 1,459,759	\$ 1,582,702
-	-	1,435	-	224,714	229,440
-	-	-	-	58,107	64,189
3,122	1,624	-	-	57,352	40,172
-	-	-	-	28,536	25,636
-	-	-	-	38,081	40,000
-	-	-	-	3,870	-
-	83,588	-	-	83,588	60,000
6,109	85,212	29,335	-	1,954,007	2,042,139
-	-	-	-	102,135	77,055
-	-	-	-	108,708	89,000
-	-	-	-	5,545	10,000
-	-	-	-	56,088	60,000
-	-	-	-	11,624	28,000
-	-	-	-	284,100	264,055
-	-	-	-	136,884	138,600
-	-	-	-	75,075	78,250
-	-	-	-	2,525	5,000
-	-	-	-	214,484	221,850
-	10,870	-	-	168,986	188,794
-	4,343	-	-	231,695	214,725
-	15,213	-	-	400,681	403,519
-	839	-	-	196,959	197,575
-	839	-	-	196,959	197,575
-	568	-	-	101,316	108,505
-	-	-	-	65,919	50,123
-	568	-	-	167,235	158,628

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	Salaries	Employee Benefits	Purchased Services	Supplies and Materials
Central:				
Information services	\$ 62,105	\$ 8,012	\$ 89,169	\$ 19,100
Total Central	62,105	8,012	89,169	19,100
Other Support Services:				
Other support services	-	-	-	-
Total Other Support Services	-	-	-	-
Total Support Services	630,537	122,389	595,015	77,284
Other Charges:				
Payments for special education programs	-	-	128,808	-
Total Other Charges	-	-	128,808	-
Total Expenditures Disbursed	<u>\$ 2,156,116</u>	<u>\$ 294,980</u>	<u>\$ 775,638</u>	<u>\$ 160,650</u>

The accompanying notes are an integral part of these financial statements.

Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<u>\$ 32,278</u>	<u>\$ -</u>	<u>\$ 11,635</u>	<u>\$ -</u>	<u>\$ 222,299</u>	<u>\$ 221,605</u>
<u>32,278</u>	<u>-</u>	<u>11,635</u>	<u>-</u>	<u>222,299</u>	<u>221,605</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<u>32,278</u>	<u>16,620</u>	<u>11,635</u>	<u>-</u>	<u>1,485,758</u>	<u>1,467,732</u>
<u>-</u>	<u>192,484</u>	<u>-</u>	<u>-</u>	<u>321,292</u>	<u>425,000</u>
<u>-</u>	<u>192,484</u>	<u>-</u>	<u>-</u>	<u>321,292</u>	<u>425,000</u>
<u>\$ 38,387</u>	<u>\$ 294,316</u>	<u>\$ 40,970</u>	<u>\$ -</u>	<u>\$ 3,761,057</u>	<u>\$ 3,934,871</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
OPERATIONS AND MAINTENANCE FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Support Services:				
Business:				
Operation and maintenance of plant services	\$ 62,886	\$ 9,766	\$ 231,694	\$ 102,119
Total Business	<u>62,886</u>	<u>9,766</u>	<u>231,694</u>	<u>102,119</u>
Total Support Services	<u>62,886</u>	<u>9,766</u>	<u>231,694</u>	<u>102,119</u>
Total Expenditures Disbursed	<u><u>\$ 62,886</u></u>	<u><u>\$ 9,766</u></u>	<u><u>\$ 231,694</u></u>	<u><u>\$ 102,119</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Non-Capitalized Equipment</u>	<u>Termination Benefits</u>	<u>Total</u>	<u>Budget</u>
<u>\$ 111,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,035</u>	<u>\$ 568,207</u>
<u>111,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,035</u>	<u>568,207</u>
<u>111,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,035</u>	<u>568,207</u>
<u><u>\$ 111,570</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 518,035</u></u>	<u><u>\$ 568,207</u></u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
DEBT SERVICE FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Debt Services:				
Debt service	\$ -	\$ -	\$ -	\$ -
Total Support Services	-	-	-	-
Total Expenditures Disbursed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
\$ -	\$ 5,858	\$ -	\$ -	\$ 5,858	\$ -
-	5,858	-	-	5,858	-
\$ -	\$ 5,858	\$ -	\$ -	\$ 5,858	\$ -



GRASS LAKE SCHOOL DISTRICT NO. 36  
TRANSPORTATION FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Support Services:				
Business:				
Pupil transportation services	<u>\$ 11,500</u>	<u>\$ 2,350</u>	<u>\$ 404,944</u>	<u>\$ -</u>
Total Business	<u>11,500</u>	<u>2,350</u>	<u>404,944</u>	<u>-</u>
Total Support Services	<u>11,500</u>	<u>2,350</u>	<u>404,944</u>	<u>-</u>
Total Expenditures Disbursed	<u><u>\$ 11,500</u></u>	<u><u>\$ 2,350</u></u>	<u><u>\$ 404,944</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Non-Capitalized Equipment</u>	<u>Termination Benefits</u>	<u>Total</u>	<u>Budget</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 418,794</u>	<u>\$ 474,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,794</u>	<u>474,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,794</u>	<u>474,000</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 418,794</u></u>	<u><u>\$ 474,000</u></u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials
Instruction:				
Regular programs	\$ -	\$ 34,464	\$ -	\$ -
Special programs	-	6,110	-	-
Remedial and supplemental programs K-12	-	755	-	-
Interscholastic programs	-	2,583	-	-
Summer school programs	-	542	-	-
Gifted programs	-	528	-	-
Total Instructional	-	44,982	-	-
Support Services:				
Pupil:				
Attendance and social work services	-	560	-	-
Health services	-	559	-	-
Total Pupil	-	1,119	-	-
Instructional Staff:				
Improvement of instruction services	-	306	-	-
Educational media services	-	8,565	-	-
Total Instructional Staff	-	8,871	-	-
General Administration:				
Board of education services	-	7,530	-	-
Executive administration services	-	2,802	-	-
Total General Administration	-	10,332	-	-
School Administration:				
Office of the principal services	-	5,604	-	-
Total School Administration	-	5,604	-	-
Business:				
Fiscal services	-	4,342	-	-
Operation and maintenance of plant services	-	7,976	-	-
Food services	-	2,913	-	-
Total Business	-	15,231	-	-
Central:				
Information services	-	8,028	-	-
Total Central	-	8,028	-	-
Total Support Services	-	49,185	-	-

Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
\$ -	\$ -	\$ -	\$ -	\$ 34,464	\$ 28,500
-	-	-	-	6,110	6,400
-	-	-	-	755	-
-	-	-	-	2,583	1,750
-	-	-	-	542	800
-	-	-	-	528	700
-	-	-	-	44,982	38,150
-	-	-	-	560	925
-	-	-	-	559	5,100
-	-	-	-	1,119	6,025
-	-	-	-	306	100
-	-	-	-	8,565	7,950
-	-	-	-	8,871	8,050
-	-	-	-	7,530	7,400
-	-	-	-	2,802	2,600
-	-	-	-	10,332	10,000
-	-	-	-	5,604	5,400
-	-	-	-	5,604	5,400
-	-	-	-	4,342	4,550
-	-	-	-	7,976	8,000
-	-	-	-	2,913	3,300
-	-	-	-	15,231	15,850
-	-	-	-	8,028	8,000
-	-	-	-	8,028	8,000
-	-	-	-	49,185	53,325

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Other Charges:				
Payments for special education programs	<u>\$ -</u>	<u>\$ 5,467</u>	<u>\$ -</u>	<u>\$ -</u>
Total Other Charges	<u>-</u>	<u>5,467</u>	<u>-</u>	<u>-</u>
Total Expenditures Disbursed	<u><u>\$ -</u></u>	<u><u>\$ 99,634</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
\$ -	\$ -	\$ -	\$ -	\$ 5,467	\$ 5,100
-	-	-	-	5,467	5,100
\$ -	\$ -	\$ -	\$ -	\$ 99,634	\$ 96,575

GRASS LAKE SCHOOL DISTRICT NO. 36  
CAPITAL PROJECTS FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Support Services:				
Business:				
Facilities acquisition and construction services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Business	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Disbursed	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Non-Capitalized Equipment</u>	<u>Termination Benefits</u>	<u>Total</u>	<u>Budget</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



GRASS LAKE SCHOOL DISTRICT NO. 36  
FIRE PREVENTION AND SAFETY FUND  
STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

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	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
Support Services:				
Business:				
Facilities acquisition and construction services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Business	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Disbursed	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Non-Capitalized Equipment</u>	<u>Termination Benefits</u>	<u>Total</u>	<u>Budget</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

Grass Lake School District No. 36's (the "District") accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

**A. Financial Reporting Entity**

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

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

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

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

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District.

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

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

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues and capital leases.

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

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

Capital Projects Funds – The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities. This fund is also used to account for construction projects and renovations financed through serial bond issues.

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

Fire Prevention and Life Safety Fund – This fund is used to account for State-approved life safety projects financed through serial bond issues.

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

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

Measurement Focus

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

General Fixed Assets and General Long-Term Debt Account Groups

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

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

**C. Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

**D. Cash and Deposits**

Cash and deposits are considered to be cash with financial institutions and savings deposit accounts.

**E. General Fixed Assets**

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the fund for which the asset was purchased and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at their estimated fair value at their acquisition value at the date of donation.

General fixed assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year or more. Such assets are recorded at historical cost or estimated fair value at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Improvements, other than buildings	20
Buildings	50
Equipment	10

**F. Long-Term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

**G. Leases**

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset). Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of position.

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**H. Total Memorandum Only**

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund type and account group. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

**I. Fund Balance Reporting**

Governmental fund balances are to be classified into five major classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – the nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Restricted – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. By definition, Special Revenue Funds are restricted for the specified purposes of each fund. The District has several revenue sources received within different funds that also fall into these categories –

- Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account.
- State Grants – proceeds from state grants and the related expenditures have been included in the Educational Account and Transportation Fund.
- Federal Grants – proceeds from federal grants and the related expenditures have been included in the Educational Account.
- Social Security – expenditures and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund.
- Student Activities – revenues and the related expenditures of these activities are accounted for in the Educational Account.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Expenditures of fund balances – unless specifically identified, expenditures reduce restricted balances first, then to committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

***Reserved/Regulatory Fund Balances***

Reserved fund balances are those balances that are reserved for a specific purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than

***Social Security Tax Levy***

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Municipal Retirement/Social Security Fund.

**NOTE 2 – DESIGNATED FUND BALANCE**

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

Fund	Amount
Educational	\$ 1,427,719
Special education	22,171
Operations and Maintenance	120,715
Transportation	43,116
Municipal Retirement/Social Security	43,335
Working Cash	17,614
Total	<u>\$ 1,674,670</u>

**NOTE 3 – PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2021 levy was passed by the Board on December 14, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these dates. Taxes recorded in these financial statements are from the 2021 and 2020 tax levies.

A summary of the past two years' assessed valuation, tax rates, and extensions follows:



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**NOTE 3 – PROPERTY TAXES (CONT'D)**

Tax Year	2021		2020	
Equalized				
Assessed Valuation	\$101,078,932		\$96,902,940	
	Rates	Extensions	Rates	Extensions
Purpose				
Educational	3.2584	\$ 3,293,667	3.2986	\$ 3,196,466
Special Education	0.0506	51,148	0.0515	49,905
Operations and Maintenance	0.2755	278,482	0.2805	271,815
Transportation	0.0984	99,465	0.1002	97,098
Municipal Retirement	0.0522	52,765	0.0532	51,553
Social Security	0.0467	47,205	0.0476	46,126
Working Cash	0.0402	40,635	0.0409	39,634
	3.8220	\$ 3,863,367	3.8725	\$ 3,752,597

**NOTE 4 – CASH AND DEPOSITS**

Cash and deposits are considered to be cash with financial institutions, and savings deposit accounts. The District has adopted a formal cash management policy. The financial institutions in which accounts are made must be approved by the Board of Education.

At June 30, 2022, the carrying amount of the District's deposits totaled \$4,675,582. The bank balances totaled \$4,883,172, as follows:

	District	Student Activity	Governmental
Cash and deposits	\$ 4,874,218	\$ 8,954	\$ 4,883,172

*Interest Rate Risk:* The District limits its exposure to losses arising from increases interest rates by limiting the amount of cash held for a period longer than one year.

*Credit Risk.* The District is allowed to invest in securities as authorized by Chapter 30, Sections 23 5/2, and 23 5/6, and Chapter 105, Section 5/8-7 of the *Illinois Compiled Statutes*. These Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. The District has no cash policy that would further limit its cash choices.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. This fund is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

*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 does not have a deposit policy for custodial credit risk. The bank balance of \$2,924,658 is exposed to custodial credit risk as follows:

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**NOTE 4 – CASH AND DEPOSITS (CONT'D)**

Depository Account	Amount	
FDIC Insured	\$ 1,958,514	
Uncollateralized	2,924,658	
Total	<u>\$ 4,883,172</u>	

  

Cash and Deposits	Amount	Maturity Less Than Six Months
Cash with financial institutions	\$ 1,958,514	\$ 1,958,514
ISDLAF+	2,924,658	2,924,658
Total Cash and Deposits	<u>\$ 4,883,172</u>	<u>\$ 4,883,172</u>

**NOTE 5 – CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 42,000	\$ -	\$ -	\$ 42,000
Buildings and improvements	8,927,693	110,298	-	9,037,991
Improvements other than buildings	377,369	-	-	377,369
Right-to-use-asset	26,185	-	-	26,185
Equipment	1,092,560	39,659	-	1,132,219
Total	<u>\$ 10,465,807</u>	<u>\$ 149,957</u>	<u>\$ -</u>	<u>\$ 10,615,764</u>

**NOTE 6 – RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System (TRS) of the State of Illinois**

**General Information about the Pension Plan**

*Plan Description*

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

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

GRASS LAKE SCHOOL DISTRICT NO. 36  
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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

*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 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 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 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

*Contributions*

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022, was 9.0 percent 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 employer. For the year ended June 30, 2022, State of Illinois contributions recognized by the employer were based on the State's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$751,041 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$8,700, and are deferred because they were paid after the June 30, 2021, measurement date.

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

**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 employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$109,806 were paid from federal and special trust funds that required employer contributions of \$11,321. These contributions are deferred because they were paid after the June 30, 2021, measurement date.

**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 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution to is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the employer paid \$1,889 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows below:

Employer's proportionate share of the net pension liability	\$ 124,936
State's proportionate share of the net pension liability associated with the employer	<u>10,470,978</u>
Total	<u><u>\$ 10,595,914</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2021, the employer's proportion was .0001601514 percent, which was an increase of .0000110495 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the employer recognized pension expense of \$771,062 and revenue of \$751,041 for support provided by the state. At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 717	\$ 515
Net difference between projected and actual earnings on pension plan investments	-	8,380
Changes of assumptions	55	617
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,556	15,039
Employer contributions subsequent to the measurement date	20,021	-
Total	<u>\$ 28,349</u>	<u>\$ 24,551</u>

\$20,021 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:		
2023	\$	(5,508)
2024		(4,555)
2025		(4,087)
2026		(2,916)
2027		842

*Actuarial Assumptions*

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2021, actuarial valuation, mortality rates were based on the PubT - 2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2020, actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2017.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.70%	6.20%
U.S. equities small/mid cap	2.20%	7.40%
International equities developed	10.60%	6.90%
Emerging market equities	4.50%	9.20%
U.S. bonds core	3.00%	1.60%
Cash equivalents	2.00%	0.10%
TIPS	1.00%	0.80%
International debt developed	1.00%	1.50%
Emerging international debt	4.00%	4.40%
Real estate	16.00%	5.80%
Private debt	10.00%	6.50%
Hedge funds	10.00%	3.90%
Private equity	15.00%	10.40%
Infrastructure	4.00%	6.30%
Total	<u>100.00%</u>	

*Discount Rate*

At June 30, 2021, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2020, rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 154,731	\$ 124,936	\$ 105,920

*TRS Fiduciary Net Position*

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

GRASS LAKE SCHOOL DISTRICT NO. 36  
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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

*Payables to TRS*

The District reported payables to TRS, information required by paragraph 122 of Statement No. 68 should be disclosed.

**B. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

The employer'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 employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://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 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

**Employees Covered by Benefit Terms**

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	12
Inactive Plan Members entitled to but not yet receiving benefits	29
Active Plan Members	<u>16</u>
Total	<u><u>57</u></u>

**Contributions**

As set by statute, the employer'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 employer's annual contribution rate for calendar year 2021 was 6.41%. For the fiscal year ended 2022, the employer contributed \$28,867 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The employer's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.



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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- There were no benefit changes for the year.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Allocation	Long-Term Expected Real Rate of Return
Equities	39.00%	5.00%
International Equities	15.00%	6.00%
Fixed Income	25.00%	1.30%
Real Estate	10.00%	6.20%
Alternative Investments	10.00%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1.00%	0.70%
Total	<u>100.00%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 1,366,818	\$ 1,574,257	\$ (207,439)
Changes for the year:			
Service Cost	45,761	-	45,761
Interest on the Total Pension Liability	98,069	-	98,069
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(54,947)	-	(54,947)
Changes of Assumptions	-	-	-
Contributions - Employer	-	30,069	(30,069)
Contributions - Employees	-	21,110	(21,110)
Net Investment Income	-	274,427	(274,427)
Benefits Payments, including Refunds of Employee Contributions	(74,054)	(74,054)	-
Other (Net Transfer)	-	(120,085)	120,085
Net Changes	14,829	131,467	(116,638)
Balances at December 31, 2021	\$ 1,381,647	\$ 1,705,724	\$ (324,077)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 1,532,598	\$ 1,381,647	\$ 1,260,526
Fiduciary Net Position	1,705,724	1,705,724	1,705,724
Net Pension Liability/(Asset)	\$ (173,126)	\$ (324,077)	\$ (445,198)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the employer recognized pension expense of \$28,867. At June 30, 2022, the employer's deferred outflows or resources and deferred inflows of resources related to pensions are from the following sources:

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 6 – RETIREMENT FUND COMMITMENTS (CONT'D)**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ -	\$ 27,617
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	35,917	254,070
Total deferred amounts to be recognized in pension expense in future periods	35,917	281,687
<i>Pension contributions made subsequent to the measurement date</i>	11,715	-
Total Deferred Amounts Related to Pensions	\$ 47,632	\$ 281,687

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2022	\$ (74,567)
2023	(83,439)
2024	(54,668)
2025	(33,096)
2026	-
Thereafter	-
Total	\$ (245,770)

**C. Aggregate Pension Amounts**

For the year ended June 30, 2022, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 28,349	\$ 47,632	\$ 75,981
Net Pension Liability	124,936	324,077	449,013
Deferred Inflows of Resources	24,551	281,687	306,238
Pension Expense, Net of State Support	20,021	28,867	48,888

**D. Social Security/Medicare**

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS**

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

*Contributions*

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- *On-Behalf Contributions to the THIS Fund*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 0.9 percent of pay during the year ended June 30, 2022. State of Illinois contributions were \$13,500 and the employer recognized revenue and expenditures of this amount during the year.

- *Employer Contributions to the THIS Fund*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the employer paid \$10,050 to the THIS Fund, which was 100 percent of the required contribution.

**THIS Liabilities, THIS Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to THIS**

At June 30, 2021, the employer reported a liability for its proportionate share of the net THIS liability (first amount shown below). The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net THIS liability, the related state support, and the total portion of the net THIS liability that was associated with the employer were as follows:

Employer's proportionate share of the net THIS liability	\$ 1,223,477
State's proportionate share of the net THIS liability associated with the employer	1,658,856
Total	<u>\$ 2,882,333</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

The net THIS liability was measured as of June 30, 2021 and the total THIS liability used to calculate the net THIS liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. The employer's proportion of the net THIS liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2021, the employer's proportion was 0.005547 percent, which was a increase of 0.001255 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the employer recognized THIS expense of \$23,550 and revenue of \$13,500 for support provided by the state. At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to THIS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 57,233
Net difference between projected and actual earnings on pension plan investments	19	23
Changes of assumptions	422	458,137
Changes in proportion and differences between employer contributions and proportionate share of contributions	195,635	173,034
Employer contributions subsequent to the measurement date	<u>10,050</u>	<u>-</u>
Total	<u>\$ 206,126</u>	<u>\$ 688,427</u>

\$10,050 reported as deferred outflows of resources related to THIS resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the THIS pension liability in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to THIS will be recognized in THIS expense as follows:

<u>Year ended June 30</u>	
2023	\$ (92,398)
2024	(92,390)
2025	(79,993)
2026	(61,313)
2027	(56,395)
Thereafter	(109,863)

*Actuarial Assumptions*

The total THIS liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	2.75 percent, net of THIS plan investment expense, including inflation

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

**Healthcare cost trend rates**      Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend rate of 4.25%.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants' mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

*Discount Rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on THIS plan investments (to the extent that the plan fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 1.92% as of June 30, 2021, and 2.45% as of June 30, 2020.

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Discount Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using the discount rate of 1.92 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.92 percent) or 1-percentage-point higher (2.92 percent) than the current rate.

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Employer's proportionate share of the net pension liability	\$ 1,469,678	\$ 1,223,477	\$ 1,028,212

*Sensitivity of the Employer's Proportionate Share of the Net THIS Liability to Changes in the Health Care Trend Rate*

The following presents the employer's proportionate share of the net THIS liability calculated using the health care trend rate of 8.00 percent, as well as what the employer's proportionate share of the net THIS liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Employer's proportionate share of the net pension liability	\$ 979,403	\$ 1,223,477	\$ 1,554,880

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONT'D)**

**Further information on the THIS Fund**

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.” Prior reports are available under “Healthcare and Family Services”.

**NOTE 8 – DEBT SERVICE REQUIREMENTS**

As of June 30, 2022, the District’s long-term debt consisted of the following:

(1) Copier, original amount \$26,185, interest payable at 4.50%, 60 months, through June 5, 2025.

A summary of long-term debt of the District for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due In One Year
Leases	\$ 21,000	\$ -	\$ 5,016	\$ 15,984	\$ 4,800
Total	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 5,016</u>	<u>\$ 15,984</u>	<u>\$ 4,800</u>

Future principal and interest payments due on leases payable are as follows:

	Due During the Year Ending June 30,	Principal	Interest	Total
2023		\$ 4,800	\$ 570	\$ 5,370
2024		5,466	392	5,858
2025		5,718	140	5,858
Total		<u>\$ 15,984</u>	<u>\$ 1,102</u>	<u>\$ 17,086</u>

Leases (paid through the Educational Account by transfers to the Debt Service Fund):

**Legal Debt Margin**

Based on the 2021 assessed valuation of \$101,078,932, the legal debt margin of 6.9% is \$6,974,446. The remaining debt available is \$6,958,462.

**NOTE 9 – COMMON BANK ACCOUNT**

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

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 9 – COMMON BANK ACCOUNT (CONT'D)**

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

The Operations and Maintenance Fund had a cash overdraft at June 30, 2022 of \$116,020.

**NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2022 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 11 – 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.

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

**NOTE 12 – CONTINGENCIES**

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

**NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE**

In 2022, the District adopted new accounting guidance *GASB Statement No. 87, Leases*. Note disclosures were modified to incorporate this new guidance.

**NOTE 14 – COMMITMENTS**

At June 30, 2022, the District had no outstanding construction commitments.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2022, and the date of this audit report requiring disclosure in the financial statements.



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## **OTHER INFORMATION**

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GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Revenues Received:</u>		
Local Sources:		
General tax levy	\$ 3,227,937	\$ 3,074,550
Special education purposes levy	25,000	47,891
Corporate replacement taxes	-	5,036
Earnings on investments	20,000	5,134
Food services	6,500	23,458
District/School activity income	3,000	7,686
Textbooks	15,000	21,869
Contributions from private sources	2,000	1,500
Student activity revenue	3,850	4,951
Other local revenues	10,000	27,593
<u>Total Local Sources</u>	<u>3,313,287</u>	<u>3,219,668</u>
State Sources:		
Evidence based funding formula	-	20,697
Special education	12,000	6,397
<u>Total State Sources</u>	<u>12,000</u>	<u>27,094</u>
Federal Sources:		
Title I - low income	97,000	135,393
Special education - IDEA - flow through	60,000	45,508
Special education - preschool - flow through	1,400	3,076
Title II - teacher quality	-	1,346
REAP grant	13,000	11,879
CARES act	545,000	508,089
Medicaid matching funds - administrative outreach	-	4,075
Medicaid matching funds - fee for service	12,000	6,666
<u>Total Federal Sources</u>	<u>728,400</u>	<u>716,032</u>
<u>Total Revenues Received</u>	<u>4,053,687</u>	<u>3,962,794</u>
<u>Expenditures Disbursed:</u>		
Instruction:		
Regular Programs:		
Salaries	1,267,692	1,172,338
Employee benefits	140,760	149,916
Purchased services	54,300	42,399
Supplies and materials	78,100	64,219
Student activity expenses	3,850	3,870
Capital outlay	20,000	2,987
Non-capitalized equipment	18,000	27,900
<u>Total</u>	<u>1,582,702</u>	<u>1,463,629</u>

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Expenditures Disbursed:</u>		
Instruction:		
Special Education Programs:		
Salaries	\$ 200,860	\$ 191,023
Employee benefits	9,880	16,483
Purchased services	5,000	6,088
Supplies and materials	11,700	9,685
Non-capitalized equipment	2,000	1,435
Total	229,440	224,714
Remedial and Supplemental Programs K-12:		
Salaries	58,725	55,256
Employee benefits	5,464	2,851
Total	64,189	58,107
Interscholastic Programs:		
Salaries	30,000	47,553
Employee benefits	500	314
Purchased services	2,550	3,328
Supplies and materials	2,500	1,411
Capital outlay	3,122	3,122
Other objects	1,500	1,624
Total	40,172	57,352
Summer School Programs:		
Salaries	20,000	21,328
Employee benefits	150	3,027
Supplies and materials	5,486	4,181
Total	25,636	28,536
Gifted Programs:		
Salaries	39,000	38,081
Supplies and materials	1,000	-
Total	40,000	38,081
Special Education Programs - Private Tuition:		
Tuition	60,000	83,588
Total	60,000	83,588
<u>Total Instruction</u>	2,042,139	1,954,007

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Expenditures Disbursed:</u>		
Support Services:		
Pupils:		
Attendance and Social Work Services:		
Salaries	\$ 67,000	\$ 38,624
Employee benefits	8,755	483
Purchased services	-	62,466
Supplies and materials	800	562
Other	500	-
Total	77,055	102,135
Health Services:		
Salaries	-	7,310
Purchased services	88,000	93,088
Supplies and materials	1,000	1,000
Total	89,000	101,398
Psychological Services:		
Purchased services	10,000	5,545
Total	10,000	5,545
Speech Pathology and Audiology Services:		
Purchased services	50,000	55,553
Supplies and materials	10,000	535
Total	60,000	56,088
Occupational Therapy Services:		
Purchased services	28,000	11,624
Total	28,000	11,624
Instructional Staff:		
Improvement of Instruction Services:		
Salaries	3,500	21,591
Employee benefits	100	248
Purchased services	135,000	115,045
Total	138,600	136,884

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Expenditures Disbursed:</u>		
Support Services:		
Educational Media Services:		
Salaries	\$ 65,000	\$ 65,270
Employee benefits	7,250	8,045
Purchased services	4,000	-
Supplies and materials	2,000	1,760
Total	78,250	75,075
Assessment and Testing Services:		
Purchased services	5,000	-
Supplies and materials	-	2,525
Total	5,000	2,525
General Administration:		
Board of Education Services:		
Salaries	56,060	57,234
Employee benefits	7,755	7,709
Purchased services	107,479	83,169
Supplies and materials	8,500	10,004
Other	9,000	10,870
Total	188,794	168,986
Executive Administration Services:		
Salaries	165,600	181,505
Employee benefits	39,900	39,273
Purchased services	3,200	4,346
Supplies and materials	3,000	2,228
Other	3,025	4,343
Total	214,725	231,695
School Administration:		
Office of the Principal Services:		
Salaries	148,950	140,839
Employee benefits	42,225	44,247
Purchased services	1,000	6,572
Supplies and materials	4,600	4,462
Other	800	839
Total	197,575	196,959

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Expenditures Disbursed:</u>		
Business:		
Fiscal Services:		
Salaries	\$ 33,500	\$ 33,000
Employee benefits	55	46
Purchased services	70,450	66,246
Supplies and materials	1,500	1,456
Other	3,000	568
Total	108,505	101,316
Food Services:		
Salaries	21,818	23,059
Employee benefits	6,555	7,016
Purchased services	1,750	2,192
Supplies and materials	20,000	33,652
Total	50,123	65,919
Central:		
Informational Services:		
Salaries	64,250	62,105
Employee benefits	7,855	8,012
Purchased services	87,500	89,169
Supplies and materials	15,000	19,100
Capital outlay	41,000	32,278
Non-capitalized equipment	6,000	11,635
Total	221,605	222,299
Other Support Services:		
Purchased Services	500	-
Total	500	-
<u>Total Support Services</u>	1,467,732	1,478,448
Payments to Other Districts and Governmental Units:		
Payments for special education programs		
Purchased services	-	128,808
Other	250,000	192,484
Other - Tuition	175,000	-
Total Payments to Other Districts and Governmental Units	425,000	321,292
<u>Total Expenditures Disbursed</u>	3,934,871	3,753,747

(Continued)



GRASS LAKE SCHOOL DISTRICT NO. 36  
EDUCATIONAL FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

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	2022	
	Budget	Actual
<u>Excess of Revenues Received Over Expenditures Disbursed</u>	<u>\$ 118,816</u>	<u>\$ 209,047</u>
<u>Other Financing (Uses):</u>		
Transfers out	-	(5,858)
<u>Total Other Financing (Uses)</u>	<u>-</u>	<u>(5,858)</u>
<u>Net Change in Fund Balances</u>	<u>\$ 118,816</u>	<u>\$ 203,189</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Revenues Received:</u>		
Local Sources:		
General tax levy	\$ 305,203	\$ 260,771
Corporate replacement taxes	-	23,817
Earnings on investments	300	372
Impact fees	2,000	5,400
Donations	20,000	21,260
<u>Total Local Sources</u>	<u>327,503</u>	<u>311,620</u>
State Sources:		
Evidence based funding formula	151,772	131,076
State maintenance grant	-	50,000
<u>Total State Sources</u>	<u>151,772</u>	<u>181,076</u>
Federal Sources:		
CARES act	170,000	-
<u>Total Federal Sources</u>	<u>170,000</u>	<u>-</u>
<u>Total Revenues Received</u>	<u>649,275</u>	<u>492,696</u>
<u>Expenditures Disbursed:</u>		
Support Services:		
Business:		
Operation and Maintenance of Plant Services:		
Salaries	61,457	62,886
Employee benefits	7,950	9,766
Purchased services	244,800	231,694
Supplies and materials	96,000	102,119
Capital outlay	155,000	111,570
Non-capitalized equipment	3,000	-
<u>Total Support Services</u>	<u>568,207</u>	<u>518,035</u>
<u>Total Expenditures Disbursed</u>	<u>568,207</u>	<u>518,035</u>
<u>Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed</u>	<u>81,068</u>	<u>(25,339)</u>
<u>Other Financing Sources:</u>		
Transfer in	65,000	-
<u>Total Other Financing Sources</u>	<u>65,000</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>\$ 146,068</u>	<u>\$ (25,339)</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Expenditures Disbursed:</u>		
Debt Service:		
Interest paid	\$ -	842
Principal paid	-	5,016
<u>Total Local Sources</u>	-	5,858
<u>Total Expenditures Disbursed</u>	-	5,858
<u>(Deficiency) of Revenues Received (Under) Expenditures Disbursed</u>	-	(5,858)
<u>Other Financing Sources:</u>		
Transfers in	-	5,858
<u>Total Other Financing Sources</u>	-	5,858
<u>Net Change in Fund Balances</u>	\$ -	\$ -

GRASS LAKE SCHOOL DISTRICT NO. 36  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Revenues Received:</u>		
Local Sources:		
General tax levy	\$ 98,280	\$ 93,171
Transportation fees from other districts	-	251
Earnings on investments	100	423
<u>Total Local Sources</u>	<u>98,380</u>	<u>93,845</u>
State Sources:		
Transportation aid - regular/vocational	40,000	56,629
Transportation aid - special education	165,000	140,899
<u>Total State Sources</u>	<u>205,000</u>	<u>197,528</u>
<u>Total Revenues Received</u>	<u>303,380</u>	<u>291,373</u>
<u>Expenditures Disbursed:</u>		
Support Services:		
Business:		
Pupil Transportation Services:		
Salaries	16,500	11,500
Employee benefits	2,500	2,350
Purchased services	455,000	404,944
<u>Total Support Services</u>	<u>474,000</u>	<u>418,794</u>
<u>Total Expenditures Disbursed</u>	<u>474,000</u>	<u>418,794</u>
<u>Other Financing (Uses):</u>		
Transfer out	(65,000)	-
<u>Total Other Financing (Uses)</u>	<u>(65,000)</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>\$ (170,620)</u>	<u>\$ (127,421)</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
<u>Revenues Received:</u>		
Local Sources:		
General tax levy	\$ 98,775	\$ 49,469
FICA and medicare only levies	-	44,225
Corporate replacement taxes	20,000	9,619
<u>Total Local Sources</u>	<u>118,775</u>	<u>103,313</u>
<u>Total Revenues Received</u>	<u>118,775</u>	<u>103,313</u>
<u>Expenditures Disbursed:</u>		
Instruction:		
Regular programs	28,500	34,464
Special education programs	6,400	6,110
Remedial and supplemental programs K-12	-	755
Interscholastic programs	1,750	2,583
Summer school programs	800	542
Gifted program	700	528
<u>Total Instruction</u>	<u>38,150</u>	<u>44,982</u>
Support Services:		
Pupil Services:		
Attendance and social work services	925	560
Health services	5,100	559
<u>Total Pupil Services</u>	<u>6,025</u>	<u>1,119</u>
Instructional Staff:		
Improvement of instruction services	100	306
Educational media services	7,950	8,565
<u>Total Instructional Staff</u>	<u>8,050</u>	<u>8,871</u>
General Administration:		
Board of education services	7,400	7,530
Executive administration services	2,600	2,802
<u>Total General Administration</u>	<u>10,000</u>	<u>10,332</u>
School Administration:		
Office of the principal services	5,400	5,604
<u>Total School Administration</u>	<u>5,400</u>	<u>5,604</u>

(Continued)

GRASS LAKE SCHOOL DISTRICT NO. 36  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

	2022	
	Budget	Actual
Business:		
Fiscal services	\$ 4,550	\$ 4,342
Operations and maintenance of plant services	8,000	7,976
Food services	3,300	2,913
<u>Total Business</u>	<u>15,850</u>	<u>15,231</u>
Central:		
Information services	8,000	8,028
<u>Total Central</u>	<u>8,000</u>	<u>8,028</u>
<u>Total Support Services</u>	<u>53,325</u>	<u>49,185</u>
Payments to Other Districts and Governmental Units:		
Payments for special education programs	5,100	5,467
<u>Total Payments to Other Districts and Governmental Units</u>	<u>5,100</u>	<u>5,467</u>
<u>Total Expenditures Disbursed</u>	<u>96,575</u>	<u>99,634</u>
<u>Net Change in Fund Balances</u>	<u>\$ 22,200</u>	<u>\$ 3,679</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
WORKING CASH FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2022

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	2022	
	Budget	Actual
<u>Revenues Received:</u>		
Local Sources:		
General tax levy	\$ 10,156	\$ 38,065
Earnings on investments	3,300	394
<u>Total Local Sources</u>	<u>13,456</u>	<u>38,459</u>
<u>Total Revenues Received</u>	<u>13,456</u>	<u>38,459</u>
<u>Excess of Revenues Received Over Expenditures Disbursed</u>	<u>13,456</u>	<u>38,459</u>
<u>Net Change in Fund Balances</u>	<u>\$ 13,456</u>	<u>\$ 38,459</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
 ACTIVITY FUNDS  
 SCHEDULE OF REVENUES COLLECTED AND EXPENSES PAID  
 YEAR ENDED JUNE 30, 2022

	Cash Balance July 1, 2021	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2022
Juice and pop	\$ 412	\$ 939	\$ 664	\$ 687
Interest	8	-	-	8
Student council	760	546	263	1,043
Drama club	790	1,784	1,262	1,312
Music Performance Ensemble	2,067	-	-	2,067
Book fair	3,827	-	-	3,827
Bank fees	(26)	-	-	(26)
21-22 8th Grade Dance Fund	-	1,682	1,681	1
	<u>-</u>	<u>1,682</u>	<u>1,681</u>	<u>1</u>
TOTAL	<u>\$ 7,838</u>	<u>\$ 4,951</u>	<u>\$ 3,870</u>	<u>\$ 8,919</u>



GRASS LAKE SCHOOL DISTRICT NO. 36  
SCHEDULE OF ASSESSED VALUATIONS AND TAX EXTENSIONS  
TAX LEVY YEAR 2021 AND 2020

	TAX LEVY YEAR	
	2021	2020
<u>Assessed Valuation</u>	<u>\$ 101,078,932</u>	<u>\$ 96,902,940</u>
<u>Tax Extensions By Levy:</u>		
Educational	\$ 3,293,667	\$ 3,196,466
Special Education	51,148	49,905
Operations and Maintenance	278,482	271,815
Transportation	99,465	97,098
Municipal IMRF	52,765	51,553
Working Cash	40,635	39,634
Social Security	47,205	46,126
TOTAL	<u>\$ 3,863,367</u>	<u>\$ 3,752,597</u>

GRASS LAKE SCHOOL DISTRICT NO. 36  
PER CAPITA COSTS  
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<u>Total Expenditures Disbursed</u>		
Educational Fund	\$3,749,877.00	\$ 3,411,770
Operations and Maintenance Fund	518,035	647,042
Debt Service Fund	5,858	6,346
Transportation Fund	418,794	286,279
Municipal Retirement/Social Security Fund	99,634	89,853
	<u>4,792,198</u>	<u>4,441,290</u>
<u>Less Revenues Received or Expenditures Disbursed</u>		
<u>Not Applicable to Operating Expenses of Regular Programs</u>		
	251	-
Summer school programs	29,078	15,706
Special education program K-12 - private tuition	83,588	56,561
Total payments to other district and government units	326,759	273,452
Capital outlay	149,957	334,957
Debt service	5,016	5,185
Non-capitalized equipment	40,970	24,787
	<u>635,619</u>	<u>710,648</u>
Operating Expense	<u>4,156,619</u>	<u>3,730,642</u>
<u>Less Offsetting Revenues Received</u>	528,890	455,741
<u>Total Deductions for Tuition Computation</u>	<u>1,164,509</u>	<u>1,166,389</u>
Net Operating Expense for Tuition Computation	3,627,689	3,274,901
Add Total Depreciation Allowance	<u>316,479</u>	<u>311,775</u>
<u>Total Allowance for Tuition Computation</u>	<u>\$ 3,944,168</u>	<u>\$ 3,586,676</u>
<u>Average Daily Attendance</u>	<u>150.93</u>	<u>155.20</u>
<u>Per Pupil</u>		
Estimated Operating Expense Per Pupil	<u>\$ 27,540</u>	<u>\$ 24,038</u>
Estimated Per Capita Tuition Charge	<u>\$ 26,132</u>	<u>\$ 23,110</u>

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GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO OTHER INFORMATION  
JUNE 30, 2022

**NOTE 1 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (TRS)**

*Changes of Assumptions*

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

For the 2020-2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

**NOTE 2 TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND**

*Changes of Assumptions*

The discount rate was changed from 2.45 percent at June 30, 2020, to 1.92 percent at June 30, 2021. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year end June 30, 2021, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2020. Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed. Per capita claim costs for plan year end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2021, and updated premium rates through plan year 2022. Healthcare plan participation rates by plan were updated based on observed experience.

Amounts reported in 2020 reflect an investment rate of return of 2.75 percent, an inflation rate of 2.50 percent and salary increase that vary by amount of service. Amounts reported in 2019 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50 percent and salary increases that vary by amount of service credit. Amounts reported in 2018 reflect an investment rate of return of 0.00 percent, an inflation rate of 2.50, and salary increases that vary by service credit. In 2017, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2016, assumptions used were an investment rate of return of 0.00 percent, and inflation rate of 2.75 percent, and salary increases that vary by amount of service. In 2015 and 2014, assumptions used were an investment rate of return of 4.50 percent, and inflation rate of 3.00 percent, and salary increases that vary by amount of service.

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 21, 2021.

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

GRASS LAKE SCHOOL DISTRICT NO. 36  
NOTES TO OTHER INFORMATION  
JUNE 30, 2022

**NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (CONT'D)**

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

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 (in other ways) by the same procedures required of its original adoption.

*EXPENDITURES IN EXCESS OF BUDGET*

For the year ended June 30, 2022, the Debt Service Fund over-expended its budget by \$5,858 and the IMRF Fund over-expended its budget by \$3,059.