



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

TRIAD COMMUNITY UNIT
SCHOOL DISTRICT NO. 2
MADISON COUNTY, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2023

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TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

TABLE OF CONTENTS
JUNE 30, 2023

	<u>Page</u>
Independent Auditor's Report	1 – 3
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	4 – 5
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by The Uniform Guidance	6 – 7
<u>Financial Statements:</u>	
Statement of Assets and Liabilities Arising from Cash Transactions	8
Statement of Cash Receipts, Disbursements, Other Financing Sources and Changes in Fund Balance	9
Statement of Cash Receipts	10 – 11
Statement of Cash Disbursements, Budget to Actual	12 – 16
Notes to Financial Statements	17 – 39
<u>Supplementary Information:</u>	
Statement of Assets and Liabilities Arising from Cash Transactions – Activity Funds	40 – 42
Schedule of Per Capita Tuition Charge and Average Daily Attendance (Unaudited)	43

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**TABLE OF CONTENTS
JUNE 30, 2023**

	<u>Page</u>
Annual Federal Financial Compliance Report (Cover Sheet)	44
LEA Schedule of Expenditures of Federal Awards	45 - 46
Notes to the Schedule of Expenditures of Federal Awards (SEFA)	47
Schedule of Findings and Questioned Costs	48 -- 50
Schedule of Prior Year Findings and Questioned Costs	51



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David M. Bartosiak

Cindy A. Tefteller

Kevin J. Tepen

INDEPENDENT AUDITOR'S REPORT

To the President and Board of Education of
Triad Community Unit School District No. 2
Madison County, Illinois

Opinions

We have audited the accompanying financial statements of the Triad Community Unit School District No. 2 (District") as of and for the year ended June 30, 2023, which collectively comprise the 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 financial position of the District, as of June 30, 2023, and the respective change in its financial position for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education, on the modified cash basis, 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 the District, as of June 30, 2023, or changes in net position, or cash flows thereof 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the District, 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 meet 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.

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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Triad Community Unit School District No. 2's basic financial statements. The schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Triad Community Unit School District No. 2. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements of the District. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Schedule of Federal Awards Comparative Information

The June 30, 2022 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated October 10, 2022, expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the June 30, 2022 financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C. J. Schlem & Company LLC

Certified Public Accountants
Alton, Illinois
October 10, 2023



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

**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 President and Board of Education of
Triad Community Unit School District No. 2
Madison County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Triad Community Unit School District No. 2 ("District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2023. 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 modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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.

C. J. Schuman & Co. LLC

Certified Public Accountants

Alton, IL

October 10, 2023



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

To the President and Board of Education of
Triad Community Unit School District No. 2
Madison County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Triad Community Unit School District No. 2's ("District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

C. J. Schmitt / Cj LLC

Certified Public Accountants
Alton, IL
October 10, 2023

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF ASSETS AND
LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2023

ASSETS	Educational	Operations & Maintenance	Debt Service	Transportation	IN/RP/Social Security	Capital Projects	Working Cash	Total	Fire Prevention & Safety	Agency	Account Groups	
											General Fixed Assets	General Long-Term Debt
Cash	\$ 5,232,350	\$ 17,123	\$ 49,282	\$ 15,458	\$ 289,895	\$ -	\$ 3,518,325	\$ 184,617	\$ 1,034,903	\$ -	\$ -	\$ -
General Fixed Assets	-	-	-	-	-	-	-	-	-	-	111,296,472	-
Amount Available in Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	49,282
Amount to be Provided for Payment of Bonds	-	-	-	-	-	-	-	-	-	-	-	36,089,628
Total Assets	\$ 5,232,350	\$ 17,123	\$ 49,282	\$ 15,458	\$ 289,895	\$ -	\$ 3,518,325	\$ 184,617	\$ 1,034,903	\$ -	\$ 111,296,472	\$ 36,138,910

LIABILITIES AND FUND BALANCE												
Current Liabilities:												
Due to Activity Fund Organizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Deductions Payable	(5,534)	70	-	75	4,368	-	-	232	-	-	-	-
Total Current Liabilities	(5,534)	70	-	75	4,368	-	-	232	-	-	-	-
Long-Term Liabilities	-	-	-	-	-	-	-	-	-	-	-	36,138,910
Total Liabilities	(5,534)	70	-	75	4,368	-	-	232	-	-	-	36,138,910
Fund Balance:												
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	111,296,472	-
Fund Balance:												
Reserved	651,059	-	-	-	43,953	-	-	-	-	-	-	-
Unreserved	4,586,825	17,053	49,282	15,383	241,574	-	3,518,325	184,385	1,034,903	-	-	-
Total Fund Balance	5,237,884	17,053	49,282	15,383	285,527	-	3,518,325	184,385	1,034,903	-	111,296,472	-
Total Liabilities and Fund Balance	\$ 5,232,350	\$ 17,123	\$ 49,282	\$ 15,458	\$ 289,895	\$ -	\$ 3,518,325	\$ 184,617	\$ 1,034,903	\$ -	\$ 111,296,472	\$ 36,138,910

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE ALL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Receipts:									
Local Sources	\$ 19,509,782	\$ 3,470,442	\$ 6,599,669	\$ 1,343,106	\$ 1,556,850	\$ -	\$ 382,574	\$ 2,662,915	\$ 317,687
State Sources	11,113,541	1,189,738	-	1,534,666	-	-	-	-	-
Federal Sources	2,854,397	119,278	-	-	-	-	-	-	-
Total Direct Receipts	33,477,720	4,779,458	6,599,669	2,877,772	1,556,850	-	382,574	2,662,915	317,687
Receipts for On-Behalf Payments	12,352,451	-	-	-	-	-	-	-	-
Total Receipts	45,830,171	4,779,458	6,599,669	2,877,772	1,556,850	-	382,574	2,662,915	317,687
Disbursements:									
Instruction	22,737,984	-	-	-	587,743	-	-	434,724	-
Support Services	8,315,098	4,414,417	-	3,491,837	1,248,100	-	-	2,023,024	1,885,673
Community Services	486,558	-	-	-	76,667	-	-	-	-
Nonprogrammed Charges	72,744	-	-	-	-	-	-	-	-
Debt Services	-	-	7,733,650	183,446	-	-	-	-	-
Total Direct Disbursements	31,612,384	4,414,417	7,733,650	3,675,283	1,912,510	-	-	2,457,748	1,885,673
Disbursements for On-Behalf Payments	12,352,451	-	-	-	-	-	-	-	-
Total Disbursements	43,964,835	4,414,417	7,733,650	3,675,283	1,912,510	-	-	2,457,748	1,885,673
Excess of Receipts Over (Under) Disbursements	1,865,336	365,041	(1,133,981)	(797,511)	(355,660)	-	382,574	205,167	(1,567,986)
Other Financing Sources (Uses):									
Capital Lease Payment Transfers	(316,183)	(915,229)	1,231,412	-	-	-	-	-	-
Transfers from (to) Other Funds	9,722	425,000	(58,303)	-	(2,419)	-	(149,000)	(225,000)	-
Proceeds from Debt	508,725	-	-	-	-	-	-	-	-
Sale or Compensation for Fixed Assets	-	47,405	-	10,783	-	-	-	-	-
Total Other Financing Sources (Uses)	202,264	(442,824)	1,173,109	10,783	(2,419)	-	(149,000)	(225,000)	-
Excess of Receipts and Other Financing Uses Over (Under) Disbursements	2,067,600	(77,783)	39,128	(786,728)	(358,079)	-	233,574	(19,833)	(1,567,986)
Fund Balance, Beginning of Year	3,170,284	94,836	10,154	802,111	643,606	-	3,284,751	204,218	2,602,889
Fund Balance, End of Year	\$ 5,237,884	\$ 17,053	\$ 49,282	\$ 15,383	\$ 285,527	\$ -	\$ 3,518,325	\$ 184,385	\$ 1,034,903

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF CASH RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Educational</u>	<u>Operations & Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF/ Social Security</u>	<u>Working Cash</u>	<u>Total</u>	<u>Fire Prevention & Safety</u>
Receipts:								
Local Sources:								
Property Taxes:								
General Levy	\$ 14,163,880	\$ 3,026,463	\$ 6,592,241	\$ 1,210,597	\$ 872,836	\$ 302,634	\$ 2,642,099	\$ 302,634
Leasing Levy	302,634	-	-	-	-	-	-	-
Special Education Levy	242,132	-	-	-	-	-	-	-
Social Security/Medicare Only Levy	-	-	-	-	623,437	-	-	-
Total Property Taxes	14,708,646	3,026,463	6,592,241	1,210,597	1,496,273	302,634	2,642,099	302,634
Payments in Lieu of Taxes:								
Mobile Home Privilege Tax	280	58	125	23	28	6	50	6
Corporate Personal Property Replacement Taxes	883,708	-	-	-	54,100	-	-	-
Total Payments in Lieu of Taxes	883,988	58	125	23	54,128	6	50	6
Tuition	13,680	-	-	-	-	-	-	-
Transportation Fees	-	-	-	11,162	-	-	-	-
Earnings on Investments	189,373	81,602	7,303	79,655	6,449	79,934	20,766	15,047
Food Services	1,068,425	-	-	-	-	-	-	-
District Activity Income	2,107,767	-	-	-	-	-	-	-
Textbooks	398,409	-	-	-	-	-	-	-
Other:								
Rentals	-	51,371	-	-	-	-	-	-
Contributions and Donations from Private Sources	250	59,800	-	-	-	-	-	-
Refund of Prior Years' Expenditures	6,906	-	-	-	-	-	-	-
Driver's Education Fees	84,995	-	-	-	-	-	-	-
Proceeds from Vendors' Contracts	11,450	-	-	-	-	-	-	-
Other	35,893	251,148	-	41,669	-	-	-	-
Total Other	139,494	362,319	-	41,669	-	-	-	-
Total Receipts from Local Sources	19,509,782	3,470,442	6,599,669	1,343,106	1,556,850	382,574	2,662,915	317,687
State Sources:								
Unrestricted Grants-in-Aid:								
Evidence Based Funding Formula	9,948,201	1,139,738	-	130,000	-	-	-	-
Restricted Grants-in-Aid:								
Special Education - Private Facility Tuition	334,883	-	-	-	-	-	-	-
Special Education - Orphanage - Individual	205,345	-	-	-	-	-	-	-

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF CASH RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Educational</u>	<u>Operations & Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF/ Social Security</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention & Safety</u>
Receipts (continued):								
State Sources (continued):								
Restricted Grants-in-Aid (continued):								
Career and Technical Education	46,989	-	-	-	-	-	-	-
State Free Lunch and Breakfast	1,716	-	-	-	-	-	-	-
Driver Education	55,897	-	-	-	-	-	-	-
Transportation - Regular/Vocational	-	-	-	634,322	-	-	-	-
Transportation - Special Education	-	-	-	770,344	-	-	-	-
Early Childhood - Block Grant	517,116	-	-	-	-	-	-	-
Other Restricted Grants-in-Aid	3,394	50,000	-	-	-	-	-	-
Total Restricted Grants-in-Aid	1,165,340	50,000	-	1,404,666	-	-	-	-
Total Receipts from State Sources	11,113,541	1,189,738	-	1,534,666	-	-	-	-
Federal Sources:								
Restricted Grants-in-Aid Received From								
Federal Government Through the State:								
Food Services	749,056	-	-	-	-	-	-	-
Title I	238,594	-	-	-	-	-	-	-
Title IV	6,127	-	-	-	-	-	-	-
Federal Special Education	1,072,998	-	-	-	-	-	-	-
CTE - Perkins	33,233	-	-	-	-	-	-	-
Title II - Teacher Quality	67,918	-	-	-	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	45,015	-	-	-	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	51,820	-	-	-	-	-	-	-
CARES Funding	589,636	119,278	-	-	-	-	-	-
Total Restricted Grants-in-Aid Received from Federal Government through the State	2,854,397	119,278	-	-	-	-	-	-
Total Receipts	\$ 33,477,720	\$ 4,779,458	\$ 6,599,669	\$ 2,877,772	\$ 1,556,850	\$ 382,574	\$ 2,662,915	\$ 317,687

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
Educational Fund:									
Instruction:									
Regular Programs	\$ 13,684,204	\$ 1,050,238	\$ 97,301	\$ 322,505	\$ -	\$ 1,295	\$ 14,937	\$ 15,170,480	\$ 15,462,550
Pre-K Programs	297,686	18,901	1,194	6,421	-	-	-	324,202	294,600
Special Education Programs	3,624,419	257,530	93,630	15,975	-	-	5,036	3,996,590	4,127,100
Special Education Programs Pre-K	218,428	23,222	3,353	-	14,802	-	-	259,805	262,500
Remedial and Supplemental Programs K - 12	186,734	18,053	3,128	18,594	-	-	-	226,509	228,300
Interscholastic Programs	309,292	5,533	152,693	35,911	-	24,074	-	527,503	549,900
Summer School Programs	55,047	3,241	-	693	-	-	-	58,981	102,800
Driver's Education Programs	153,542	8,836	2,976	4,678	24,779	-	-	194,811	199,000
Regular K-12 Programs- Private Tuition	-	-	-	-	-	3,269	-	3,269	8,000
Special Education Programs K-12 - Private Tuition	-	-	-	-	-	982,663	-	982,663	900,000
Student Activity Fund Expenditures	-	-	-	-	-	993,171	-	993,171	-
Total Instruction	18,529,352	1,385,554	354,275	404,777	39,581	2,004,472	19,973	22,737,984	22,134,750
Support Services:									
Pupils:									
Attendance & Social Work Services	490,540	62,125	-	-	-	-	-	552,665	557,400
Guidance Services	405,769	36,197	10,094	1,602	-	80	-	453,742	448,100
Health Services	387,739	23,059	50,516	19,278	-	-	-	480,592	499,900
Psychological Services	293,988	14,202	2,099	3,709	-	-	-	313,998	312,400
Speech Pathology & Audiology	447,038	32,516	828	9,122	-	-	-	489,504	489,100
Other	182,567	3,586	-	-	-	-	-	186,153	173,700
Total Support Services - Pupils	2,207,641	171,685	63,537	33,711	-	80	-	2,476,654	2,480,600
Instructional Staff:									
Improvement of Instruction Services	213,878	25,779	59,965	10,040	-	135	-	309,797	286,100
Educational Media Services	454,283	18,705	296,381	252,027	-	-	538,603	1,559,999	1,355,100
Assessment & Testing	-	-	46,560	-	-	-	-	46,560	42,400
Total Support Services - Instructional Staff	668,161	44,484	402,906	262,067	-	135	538,603	1,916,356	1,683,600
General Administration:									
Board of Education Services	-	-	48,006	13,331	-	7,041	-	68,378	119,700
Executive Administration Services	645,408	51,807	16,888	8,364	-	9,475	-	731,942	784,400
Special Area Administration Services	147,037	14,884	12,864	1,689	-	-	-	176,474	178,200
Total Support Services - General Administration	792,445	66,691	77,758	23,384	-	16,516	-	976,794	1,082,300
School Administration:									
Office of the Principal Services	1,565,943	85,762	1,507	14,692	-	6,929	-	1,674,833	1,705,800
Total Support Services - School Administration	1,565,943	85,762	1,507	14,692	-	6,929	-	1,674,833	1,705,800

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
<u>Educational Fund: (Continued)</u>									
Business:									
Direction of Business Support Services	-	-	-	-	-	3,079	-	3,079	2,000
Food Services	-	-	1,229,247	17,510	20,625	-	-	1,267,382	1,150,100
Total Support Services - Business	-	-	1,229,247	17,510	20,625	3,079	-	1,270,461	1,152,100
Total Support Services	5,234,190	368,622	1,774,955	351,364	20,625	26,739	538,603	8,315,098	8,104,400
Community Services	439,662	14,224	2,916	29,756	-	-	-	486,558	477,100
Total Community Services	439,662	14,224	2,916	29,756	-	-	-	486,558	477,100
Nonprogrammed Charges:									
Payments to Other Government Units (In-State):									
Payments for Special Education Programs	-	-	70,701	-	-	-	-	70,701	79,500
Other Payments to In-State Govt. Units	-	-	2,043	-	-	-	-	2,043	500
Total Payments to Other Government Units (In-State)	-	-	72,744	-	-	-	-	72,744	80,000
Total Nonprogrammed Charges	-	-	72,744	-	-	-	-	72,744	80,000
Total Disbursements	\$ 24,203,204	\$ 1,768,400	\$ 2,204,890	\$ 785,897	\$ 60,206	\$ 2,031,211	\$ 558,576	\$ 31,612,384	\$ 30,796,250
<u>Operations and Maintenance Fund:</u>									
Support Services:									
Business:									
Operation and Maintenance of Plant Services	\$ 1,611,293	\$ 173,118	\$ 923,239	\$ 1,245,929	\$ 442,938	\$ 103	\$ 17,797	\$ 4,414,417	\$ 5,182,400
Total Support Services	1,611,293	173,118	923,239	1,245,929	442,938	103	17,797	4,414,417	5,182,400
Total Disbursements	\$ 1,611,293	\$ 173,118	\$ 923,239	\$ 1,245,929	\$ 442,938	\$ 103	\$ 17,797	\$ 4,414,417	\$ 5,182,400

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
Bond and Interest Fund:									
Debt Services:									
Interest on Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,131	\$ -	\$ 559,131	\$ 3,816,500
Bond Principal Retired	-	-	-	-	-	7,173,165	-	7,173,165	2,684,500
Other	-	-	1,354	-	-	-	-	1,354	-
Total Debt Services	-	-	1,354	-	-	7,732,296	-	7,733,650	6,501,000
Total Disbursements	\$ -	\$ -	\$ 1,354	\$ -	\$ -	\$ 7,732,296	\$ -	\$ 7,733,650	\$ 6,501,000

Transportation Fund:

Support Services:									
Business:									
Pupil Transportation Services	\$ 1,028,529	\$ 33,046	\$ 1,088,470	\$ 424,930	\$ 911,362	\$ 1,722	\$ 3,778	\$ 3,491,837	\$ 3,815,000
Total Support Services	1,028,529	33,046	1,088,470	424,930	911,362	1,722	3,778	3,491,837	3,815,000
Debt Services:									
Principal Retired	-	-	-	-	-	170,311	-	170,311	-
Interest	-	-	-	-	-	13,135	-	13,135	-
Total Debt Services	-	-	-	-	-	183,446	-	183,446	-
Total Disbursements	\$ 1,028,529	\$ 33,046	\$ 1,088,470	\$ 424,930	\$ 911,362	\$ 185,168	\$ 3,778	\$ 3,675,283	\$ 3,815,000

Municipal Retirement/Social Security Fund:

Instruction:									
Regular Programs	\$ -	\$ 262,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,487	\$ 245,500
Pre-K Programs	-	22,299	-	-	-	-	-	22,299	16,300
Special Education Programs	-	256,970	-	-	-	-	-	256,970	246,100
Special Education Programs - Pre-K	-	15,425	-	-	-	-	-	15,425	16,900
Remedial and Supplemental Programs - K-12	-	13,105	-	-	-	-	-	13,105	24,000
Interscholastic Programs	-	12,320	-	-	-	-	-	12,320	17,100
Summer School	-	2,863	-	-	-	-	-	2,863	4,000
Driver's Education Programs	-	2,274	-	-	-	-	-	2,274	3,100
Total Instruction	-	587,743	-	-	-	-	-	587,743	573,000

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
Municipal Retirement/Social Security Fund: (Continued)									
Support Services:									
Pupils:									
Attendance & Social Work Services	-	7,362	-	-	-	-	-	7,362	7,700
Guidance Services	-	13,050	-	-	-	-	-	13,050	12,700
Health Services	-	45,976	-	-	-	-	-	45,976	50,000
Psychological Services	-	4,732	-	-	-	-	-	4,732	5,100
Speech Pathology & Audiology Services	-	6,302	-	-	-	-	-	6,302	6,500
Other	-	3,782	-	-	-	-	-	3,782	3,800
Total Support Services - Pupils	-	81,204	-	-	-	-	-	81,204	85,800
Instructional Staff:									
Improvement of Instruction Services	-	3,175	-	-	-	-	-	3,175	3,500
Educational Media Services	-	52,273	-	-	-	-	-	52,273	58,200
Total Support Services - Instructional Staff	-	55,448	-	-	-	-	-	55,448	61,700
General Administration:									
Executive Administration Services	-	200,783	-	-	-	-	-	200,783	214,400
Service Area Administration Services	-	9,852	-	-	-	-	-	9,852	10,500
Total Support Services - General Administration	-	210,635	-	-	-	-	-	210,635	224,900
School Administration:									
Office of the Principal Services	-	88,094	-	-	-	-	-	88,094	85,900
School Administration	-	88,094	-	-	-	-	-	88,094	85,900
Business:									
Operation and Maintenance of Plant Services	-	597,076	-	-	-	-	-	597,076	610,100
Pupil Transportation Services	-	215,643	-	-	-	-	-	215,643	238,000
Total Support Services - Business	-	812,719	-	-	-	-	-	812,719	848,100
Total Support Services	-	1,248,100	-	-	-	-	-	1,248,100	1,306,400
Community Services	-	76,667	-	-	-	-	-	76,667	81,600
Total Disbursements	\$ -	\$ 1,912,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,912,510	\$ 1,961,000

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF CASH DISBURSEMENTS, BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Total	Budget
Total Fund:									
Instruction:									
Regular Programs	\$ 360,257	\$ 18,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,509	\$ 320,200
Interscholastic Programs	10,194	270	45,751	-	-	-	-	56,215	57,400
Total Instruction	370,451	18,522	45,751	-	-	-	-	434,724	377,600
Support Services:									
Pupils:									
Attendance & Social Work Services	42,401	4,652	-	-	-	-	-	47,053	48,800
Guidance Services	13,660	1,281	-	-	-	-	-	14,941	18,400
Health Services	145,915	12,761	10,868	-	-	-	-	169,544	165,700
Psychological Services	32,554	1,578	-	-	-	-	-	34,132	34,850
Total Support Services - Pupils	234,530	20,272	10,868	-	-	-	-	265,670	267,750
Instructional Staff:									
Educational Media Services	34,105	582	26,983	6,273	-	-	-	67,943	64,800
General Administration:									
Executive Administration Services	82,544	6,117	-	-	-	-	-	88,661	89,400
Special Area Administration Services	25,699	2,071	-	-	-	-	-	27,770	28,150
Risk Management and Claims Services Payments	-	-	654,385	-	-	-	-	654,385	670,000
Total Support Services - General Administration	108,243	8,188	654,385	-	-	-	-	770,816	787,550
School Administration:									
Office of the Principal Services	215,807	11,903	-	-	-	-	-	227,710	232,100
Business:									
Operation and Maintenance of Plant Services	224,931	22,967	423,506	-	-	-	-	671,404	705,000
Central:									
Staff Services	-	-	19,481	-	-	-	-	19,481	22,000
Total Support Services	817,616	63,912	1,135,223	6,273	-	-	-	2,023,024	2,079,200
Total Disbursements	\$ 1,188,067	\$ 82,434	\$ 1,180,974	\$ 6,273	\$ -	\$ -	\$ -	\$ 2,457,748	\$ 2,456,800
Fire Prevention and Safety Fund:									
Support Services:									
Business:									
Facilities Acquisition and Construction Services	\$ -	\$ -	\$ 63,000	\$ -	\$ 1,822,673	\$ -	\$ -	\$ 1,885,673	\$ 2,400,000
Total Support Services	-	-	63,000	-	1,822,673	-	-	1,885,673	2,400,000
Total Disbursements	-	-	63,000	-	1,822,673	-	-	1,885,673	2,400,000

See Notes to Financial Statements

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Triad Community Unit School District No. 2 have been prepared using the regulatory basis of accounting as allowed by state statute. The more significant of the District's accounting policies are described below.

(a) Financial Reporting Entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District participates in a joint venture for vocational reimbursements services. This joint agreement is the Madison County Career and Technical Education System. The District has a voting member on the Board of the joint agreement from which it receives vocational reimbursements services. The District has no other financial interest in the joint agreement. The joint agreement is separately audited and is not included in these financial statements. The financial statements for the joint agreement can be obtained from the joint agreement.

(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 modified cash basis transactions), fund balance, receipts and disbursements. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. 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

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

means by which spending activities are controlled. The District uses the following fund types and account groups:

Governmental Fund Types

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

The Educational Fund and the Operations and Maintenance Fund are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds, which includes the Transportation Fund, the Municipal Retirement/Social Security Fund, the Tort Immunity Fund and the Fire Prevention and Safety Fund, are used to account for cash received from specific sources (other than those accounted for in the Debt Services Fund or Fiduciary Funds) that is legally restricted to cash disbursements for specified purposes.

The Debt Services Fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the operating funds.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The activity in these funds are being included in the Educational Fund.

General Fixed Assets and General Long-Term 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 governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental 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.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Basis of Accounting/Measurement Focus

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 modified 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.

The financial statements of all governmental funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental 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.

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

(d) Budgets and Budgetary Accounting

The budget for all governmental fund types is prepared on the modified 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, Act 5, Article 17-1 of the Illinois Compiled Statutes. The budget was passed on September 26, 2022.

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

The District 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 to be disbursed 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.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 for such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

(e) Investments

The District is authorized by state statute to invest in obligations of the United States of America, interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies, or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities.

Investments are stated at fair value, which equals cost. Gains or losses on the sale of investments are recognized upon realization. The District invests in NOW accounts, interest-bearing checking accounts, certificates of deposit, ISDLAF funds, and money market funds. The institutions in which investments are made must be approved by the Board of Education.

(f) General Fixed Assets

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental or Activity Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). The District has set \$5,000 as the capitalization threshold for determining capital outlay additions. The Districts depreciates all assets over the estimated useful lives using the straight-line basis.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(g) Fund Balance Reporting

In accordance with Government Accounting Standards, fund balances are classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

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. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report in this classification.

B. Restricted Fund Balance

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

1) Special Education -

Cash receipts and disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2) Social Security/Municipal Retirement -

Cash disbursed and received of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for Social Security, resulting in a restricted fund balance of \$43,953. This balance is included in the financial statements as reserved in the Municipal Retirement/Social Security Fund.

3) Property Tax Restrictions -

Other special revenue funds and the debt service fund balances are comprised of property tax or state revenues that are required to be spent in accordance with the designated levy or other revenue source.

4) Grants -

Proceeds from grants and the related expenditures have been included in the Educational Fund and the Operations & Maintenance Fund. At June 30,

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2023, expenditures disbursed exceeded revenue received for the Education Fund and the Operations & Maintenance Fund, resulting in no restricted fund balance.

Balances in activity funds that are being held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (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.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for satisfying those contractual requirements.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned fund balance amounts are reported in the financial statements as unreserved fund balances in the Educational, Operations and Maintenance, and Working Cash Funds.

F. Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified 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 the specified purpose of a fund.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements Reserved	Financial Statements Unreserved
Education	\$ -	\$ 651,059	\$ -	\$ -	\$ 4,586,825	\$ 651,059	\$ 4,586,825
Operations & Maintenance	-	-	-	-	17,053	-	17,053
Debt Service	-	49,282	-	-	-	-	49,282
Transportation	-	15,383	-	-	-	-	15,383
IMRF/Social	-	285,527	-	-	-	43,953	241,574
Working Cash	-	-	-	-	3,518,325	-	3,518,325
Tort Liability	-	184,385	-	-	-	-	184,385
Fire & Safety	-	1,034,903	-	-	-	-	1,034,903
	<u>\$ -</u>	<u>\$ 2,220,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,122,203</u>	<u>\$ 695,012</u>	<u>\$ 9,647,730</u>

H. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2023, the carrying amount of the District's deposits was \$2,484,221 and the bank balance was \$3,581,998. The deposits were comprised of checking accounts, money market accounts and NOW accounts.

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's investment policy requires collateralization of all deposits in excess of FDIC coverage. As of June 30, 2023, District deposits of \$709,166 were not covered by FDIC insurance or collateralized with investments held in the District's name. Deposit amounts exceeding the FDIC coverage of \$250,000 but collateralized with investments held in the District's name were \$2,302,398.

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

<u>Investment</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>
ISDLAF (external investment pool)	--	<u>\$ 7,857,732</u>
		7,857,732
Deposits as reported above		<u>2,484,221</u>
Total deposits and investments		<u>\$ 10,341,953</u>

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and is not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The funds objectives are to provide a competitive yield for participants while it maintains liquidity and preserves capital. The fund is designed as a comprehensive cash management program exclusively for Illinois public school entities. The fair value of the District's position in the fund is the same as the value of the fund's shares.

Interest Rate Risk. The District's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of June 30, 2023, the District had the following credit risk.

<u>Investment</u>	<u>Ratings</u>	
	<u>S&P</u>	<u>Moody's</u>
ISDLAF	AAAm	N/A

Concentration of Credit Risk. As of June 30, 2023, the District did not have a concentration of credit risk.

Foreign Currency Risk. As of June 30, 2023, the District did not have a foreign currency risk.

NOTE 3: GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>July 1,</u> <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2023</u>
Land	\$ 1,993,735	\$ -	\$ -	\$ 1,993,735
Land Improvements	2,519,315	56,302	-	2,575,617
Building and Improvements	97,075,160	1,948,955	-	99,024,115
Other Equipment	3,771,594	320,560	229,981	3,862,173
Transportation Equipment	3,326,562	911,362	397,092	3,840,832
Total	<u>\$ 108,686,366</u>	<u>\$ 3,237,179</u>	<u>\$ 627,073</u>	<u>\$ 111,296,472</u>

Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). For purposes of the per capita tuition charge, depreciation expense is calculated using the straight-line method and is \$2,881,863 for the year ended June 30, 2023. Total accumulated depreciation as of June 30, 2023 is \$46,961,199.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: 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 Board passed the 2022 levy on December 19, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments approximately one and two months after billing by the County. The District receives significant distributions of tax receipts beginning in June and July of each year. Property taxes recorded in these financial statements are from the 2021 and prior tax levies.

The following are the tax rate limits permitted by the Illinois School Code and by local referendum and the actual rates levied per \$100 of assessed valuations, extensions and collections:

	Rate Limit	2022	Tax Levy Years	
			2021	2020
Tax Rates by Levy:				
Educational	\$ 2.3400	\$ 2.3396	\$ 2.3400	\$ 2.3400
Operations and Maintenance	0.5000	0.5000	0.5000	0.5000
Bond and Interest	No Limit	0.9485	1.0891	1.2415
Transportation	0.2000	0.2000	0.2000	0.2000
Municipal Retirement	No Limit	0.1678	0.1442	0.1406
Social Security	No Limit	0.1258	0.1030	0.1230
Working Cash	0.0500	0.0500	0.0500	0.0500
Tort Immunity	No Limit	0.4148	0.4365	0.4041
Special Education	0.0400	0.0400	0.0400	0.0400
Fire Prevention and Safety	0.0500	0.0500	0.0500	0.0500
Lease	0.0500	0.0500	0.0500	0.0500
Total		<u>\$ 4.8865</u>	<u>\$ 5.0028</u>	<u>\$ 5.1392</u>
Assessed Valuation		<u>\$ 655,843,054</u>	<u>\$ 607,154,467</u>	<u>\$ 569,249,245</u>
Tax Extensions by Levy:				
Educational		\$ 15,344,104	\$ 14,207,415	\$ 13,320,432
Operations and Maintenance		3,279,215	3,035,772	2,846,246
Bond and Interest		6,220,671	6,612,520	7,067,229
Transportation		1,311,686	1,214,309	1,138,498
Municipal Retirement		1,100,505	875,517	800,364
Social Security		825,050	625,369	700,177
Working Cash		327,922	303,577	284,625
Tort Immunity		2,720,437	2,650,229	2,300,336
Special Education		262,337	242,862	227,700
Fire Prevention and Safety		327,922	303,577	284,625
Lease		327,922	303,577	284,625
Total		<u>\$ 32,047,771</u>	<u>\$ 30,374,724</u>	<u>\$ 29,254,857</u>
Tax Collections:				
Year Ended June 30,				
2023		\$ -	\$ 30,281,587	\$ -
2022		-	-	29,181,575
Total		<u>\$ -</u>	<u>\$ 30,281,587</u>	<u>\$ 29,181,575</u>
Percent of Total Levy Collected		<u>0.00%</u>	<u>99.69%</u>	<u>99.75%</u>

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: RETIREMENT FUND COMMITMENTS

(a) Teacher's Retirement System of the State of Illinois

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

TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/cafrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-3675, option 2.

Benefits provided

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

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

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 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 gone into effect. The earliest implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2020.

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 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:

<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
U.S. large cap	16.3%	5.73%
U.S. small/mid cap	1.9%	6.78%
International equities developed	14.1%	6.56%
Emerging markets	4.7%	8.55%
U.S. bonds high yield	0.0%	0.00%
U.S. bond core	6.9%	1.15%
Cash equivalents	1.2%	-0.32%
TIPS	0.5%	0.33%
International debt	1.2%	6.56%
Emerging international debt	3.7%	3.76%
Real estate	16.0%	5.42%
Private debt	12.5%	5.29%
Hedge funds	4.0%	3.48%
Private equity	15.0%	10.04%
Infrastructure	<u>2.0%</u>	5.86%
Total	<u>100.0%</u>	

Discount rate

At June 30, 2022, 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, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 7.0 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	\$ 2,217,139	\$ 1,812,856	\$ 1,477,611

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2022 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

(b) Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 4.50 percent 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 annual required contribution rate for calendar year 2022 was 9.96 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	221
Inactive, non-Retired Members	185
Active Members	<u>186</u>
Total	<u>592</u>

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/22
Measurement Date of the Net Pension Liability	12/31/22
Fiscal Year End	06/30/23

Development of the Single Discount Rate as of December 31, 2022

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.05%
Last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2021 Measurement Date 7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2022.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	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. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as disclosed in the financial statements.

Total pension liability	
Service Cost	\$ 500,411
Interest on the Total Pension Liability	2,005,239
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	1,536,501
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(2,095,178)
Net change in total pension liability	\$ 1,946,973
Total pension liability - beginning	28,455,847
Total pension liability - ending	<u>\$ 30,402,820</u>
Plan fiduciary net position	
Contributions - employer	\$ 1,131,447
Contributions - employee	340,576
Net investment income	(4,055,003)
Benefit payments, including refunds of employee contributions	(2,095,178)
Other (Net Transfer)	243,506
Net change in plan fiduciary net position	\$ (4,434,652)
Plan fiduciary net position - beginning	29,375,006
Plan fiduciary net position - ending	<u>\$ 24,940,354</u>
Net pension liability/(asset)	<u>\$ 5,462,466</u>
Plan fiduciary net position as a percentage of the total pension liability	82.03%
Covered valuation payroll	\$ 5,655,600
Net pension liability as a percentage of covered valuation payroll	96.59%

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 33,610,283	\$ 30,402,820	\$ 27,765,826
Plan Fiduciary Net Position	24,940,354	24,940,354	24,940,354
Net Pension Liability/(Asset)	<u>\$ 8,669,929</u>	<u>\$ 5,462,466</u>	<u>\$ 2,825,472</u>

(c) Social Security

Employees not qualifying for coverage under the State of Illinois Teacher's Retirement System are covered under Social Security. The District paid \$767,173, the total required contribution for the current fiscal year.

NOTE 6: LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2023:

	Bonds <u>Payable</u>	Debt <u>Certificates</u>	Lease/ Purchase <u>Commitments</u>	<u>Total</u>
Payable at Beginning of Year	\$ 38,202,914	\$ 2,942,911	\$ 883,214	\$ 42,029,039
Issued During the Year	-	-	508,725	508,725
Accreted Interest	944,622	-	-	944,622
Retired During the Year	<u>5,995,000</u>	<u>868,699</u>	<u>479,777</u>	<u>7,343,476</u>
Payable at End of Year	<u>\$ 33,152,536</u>	<u>\$ 2,074,212</u>	<u>\$ 912,162</u>	<u>\$ 36,138,910</u>

As of June 30, 2023, the District had the following general obligation debt service requirements:

Bonds Payable

Local Government Program Revenue Bonds, Series 2006, issue dated June 1, 2006 provides for the retirement of principal at the rate of \$5,470,000 to \$5,710,000 per annum. The issue provides for retirement of principal and accreted discount on October 1 of each year. The remaining bonds are recorded as a deep discount instrument. This debt is reflected at its face amount less the discount, which is presented as a direct deduction. The discount is accreted over the life of the bonds using the interest method.

\$ 15,620,536

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Taxable General Obligation Refunding School Bonds, Series 2017, issue dated February 23, 2017 provides for the retirement of principal at the rate of \$755,000 to \$807,000 per annum. Interest is payable on April 1 and October 1 of each year at the rate of 4.25%. These bonds were issued to refund a portion of the Series 2006 Bonds and the 2016B Bonds.

\$ 1,562,000

Taxable General Obligation School Bonds, Series 2017A, issue dated December 21, 2017 provides for the retirement of principal at the rate of \$960,000 to \$995,000 per annum. Interest is payable on April 1 and October 1 of each year at the rate of 4.16% to 4.20%. These bonds were issued for working cash purposes.

\$ 1,955,000

Taxable General Obligation Refunding School Bonds, Series 2022A, issue dated January 4, 2022, provides for the retirement of principal at the rate of \$1,660,000 to \$4,040,000 per annum. Interest is payable on April 1 and October 1 of each year at the rate of 1.75% to 2.05%. These bonds were issued to refund a portion of the Series 2006 Bonds.

\$ 9,595,000

General Obligation School Bonds, Series 2022B, issue dated January 4, 2022, provides for the retirement of principal in one payment of \$4,420,000 on April 1, 2029. Interest is payable on April 1 and October 1 of each year at the rate of 4.00%. These bonds were issued to refund a portion of the Series 2013 Bonds and provide new money for life safety improvements.

\$ 4,420,000

Debt Certificates, Series 2019, dated December 20, 2019 provides for the retirement of principal at the rate of \$547,821 per annum. Interest is payable on June 1 and December 1 of each year at the rate of 2.47%. These debt certificates were purchased by the issuing bank.

\$ 1,095,303

Debt Certificates, Series 2021, dated May 27, 2021 provides for the retirement of principal at the rate of \$316,684 to \$329,591 per annum. Interest is payable on May 27 and November 27 of each year at the rate of .99%. These debt certificates were purchased by the issuing bank.

\$ 978,909

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The annual requirements to amortize bonds payable and debt certificates at June 30, 2023 are as follows:

Year Ending June 30,	Bonds		Debt Certificates	
	Principal	Interest	Principal	Interest
2024	\$ 5,627,632	\$ 588,251	\$ 871,098	\$ 30,140
2025	5,138,877	867,006	873,568	13,343
2026	4,854,027	1,121,856	329,546	3,309
2027	5,610,000	505,883		
2028	5,842,000	365,698		
2029	6,080,000	210,830	-	-
	<u>\$ 33,152,536</u>	<u>\$ 3,659,524</u>	<u>\$ 2,074,212</u>	<u>\$ 46,792</u>

Lease/Purchase Commitments

On July 23, 2018, the District entered into a lease/purchase agreement with Busey Bank for \$222,563 to purchase security equipment. The lease will be paid in annual installments of \$56,126 through July 23, 2023. Debt payments are expected to be paid out of the Educational Fund.

\$ 29,579

On July 23, 2018, the District entered into a lease/purchase agreement with Busey Bank for \$231,777 to purchase school buses. The lease will be paid in annual installments of \$53,035 through July 23, 2023. Debt payments are expected to be paid out of the Transportation Fund.

\$ 50,078

On July 5, 2020, the District entered into a lease/purchase agreement with American Capital Financial Services, Inc. for \$260,670 to purchase educational equipment. The lease will be paid in annual installments of \$65,168 through July 5, 2023. Debt payments are expected to be paid out of the Educational Fund.

\$ 65,168

On July 5, 2020, the District entered into a lease/purchase agreement with American Capital Financial Services, Inc. for \$117,870 to purchase educational equipment. The lease will be paid in annual installments of \$25,315 through August 5, 2024. Debt payments are expected to be paid out of the Educational Fund.

\$ 48,068

On May 27, 2021, the District entered into a lease/purchase agreement with Busey Bank. for \$364,000 to purchase school buses. The lease will be paid in annual installments of \$75,008 through May 27, 2026. Debt payments are expected to be paid out of the Transportation Fund.

\$ 220,575

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

On March 22, 2021, the District entered into a lease/purchase agreement with Santander Bank, N.A. for \$263,055 to purchase school buses. The lease will be paid in annual installments of \$56,403 through July 15, 2025. Debt payments are expected to be paid out of the Transportation Fund.

\$ 159,544

On April 20, 2022, the District entered into a lease/purchase agreement with American Capital Financial Services, Inc. for \$508,725 to purchase educational equipment. The lease will be paid in annual installments of \$169,575 through July 1, 2024. Debt payments are expected to be paid out of the Educational Fund.

\$ 339,150

The District is a lessee of technology equipment and buses under leases expiring in fiscal year 2025. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over their estimated productive lives, which is also equivalent to the lease term (5 years). Depreciation of the asset acquired under the capital lease is included in depreciation expense for the year ended June 30, 2023. The leases are secured by the related equipment. Upon default, the lease is subject to immediate payment or return of the equipment.

Minimum future lease payments under capital leases as of June 30, 2023, were as follows:

Year Ending June 30,	Leases	
	Principal	Interest
2024	\$ 462,422	\$ 12,298
2025	320,716	5,585
2026	<u>129,024</u>	<u>2,385</u>
	<u>\$ 912,162</u>	<u>\$ 20,268</u>

The interest rates used to determine the present value of minimum lease payments on the capital lease ranged from .0% to 3.98%.

The computation of legal debt margin at June 30, 2023 is as follows:

Assessed Valuation	<u>\$ 655,843,054</u>
Bonded Debt Limit*	\$ 90,506,341
Bonded Indebtedness	(36,138,910)
Exempted Debt - 2006 Bonds	<u>15,620,536</u>
Legal Debt Margin	<u>\$ 69,987,967</u>

The bonded indebtedness of the District is limited by the School Code to 13.8% of the assessed valuation of taxable tangible property for unit districts.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

NOTE 8: INTERFUND TRANSFERS

Interfund transfers for the year ending June 30, 2023 are as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>
Working Cash Fund	Operations & Maintenance Fund	\$ 200,000
Bond & Interest Fund	Working Cash Fund	51,000
Tort Fund	Operations & Maintenance Fund	225,000
Educational Fund	Bond & Interest Fund	316,183
Operations & Maintenance Fund	Bond & Interest Fund	915,229
Bond & Interest Fund	Educational Fund	7,303
IMRF/SS Fund	Educational Fund	2,419

These transfers were made to transfer interest income and to transfer payment amounts for capital leases.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

The following fund's actual expenditures exceed the approved budget as follows:

	<u>Actual</u>	<u>Budget</u>
Bond & Interest Fund	\$ 7,733,650	\$ 6,501,000

The excess results from transfers from other funds to pay debt service on leases and loans through the Bond & Interest Fund

NOTE 10: POSTEMPLOYMENT HEALTHCARE PLAN

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. 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.

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. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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.

The District makes contributions to THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023, the District paid \$152,109 to the THIS Fund, which was 100 percent of the required contribution.

The Employee also makes contributions to THIS Fund. The employee contribution was 0.90 percent of creditable earnings during the year ended June 30, 2023. For the year ended June 30, 2023, the District employees paid \$204,326 to the THIS Fund, which was 100 percent of the required contribution.

In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continual annual basis, from the General Revenue Fund, to the State Comptroller for deposit in the Teacher's Health Insurance Security Fund, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The ending total proportionate OPEB liability of the District is \$5,497,008 as of June 30, 2022. This amount decreased from \$18,304,035 at the end of the prior year.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General under the Department of Central Management Services.

NOTE 11: SUBSEQUENT EVENTS

The District has evaluated events occurring after the financial statement date through October 10, 2023 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF ASSETS AND
LIABILITIES ARISING FROM CASH TRANSACTIONS
ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

ASSETS

Cash and Investments	\$ 651,059
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LIABILITIES AND FUND BALANCE

ACT Review	\$ 496
Aftershock	243
Academic Letters	476
Ag	1,100
Alpha	736
AP Testing	5,448
Art Club	(98)
Band	(1,282)
Baseball	10,615
Bass Fishing	166
Basketball	10,228
Boys Golf	(166)
Bowling Team	4,401
Boys Striders	2,727
Breakfast Grant	443
Brighter Future	1,278
Broadcast Club	162
Carmody	4,035
Cheerleaders	16,641
Chem	2,420
Chess Club	125
Chorus	12,573
Class of 2022	107
Class of 2023	2,045
Class of 2024	1,175
Class of 2025	941
Computer Graphics	280
Computer Science/TSI	104
Concessions	14,615
Co-op	21
Creative Writing	6
Cross Country	4,653
Debate Team	736
Donation	360
Drama	1,106
Drivers Ed	1,964
Dual Credit	1,826

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**STATEMENT OF ASSETS AND
LIABILITIES ARISING FROM CASH TRANSACTIONS
ACTIVITY FUNDS**

(Continued)

Dual Credit Scholarship	788
English	(46)
Elementary Chorus	177
E-Thon	1,132
Ethics Bowl	180
Fall Play	(61)
Fan Bus	90
FCA	986
FCCLA	3,563
Fitness/Zombie Run	1,327
Flower	221
Football	38,306
French Club	(190)
Friends of Band	1,729
FTA	654
Gene Haas Foundation	7,000
Girls Basketball	3,056
Girls Golf	648
Girls Soccer	12,766
Girls Striders	2,921
Girls Tennis	1,359
Giving Project	541
GSA	638
Guidance Dept-Kapp	4,890
ID Card	2,639
Intramural Club	2,042
Journalism	1,022
Library	1,009
LinkCrew	321
Math	2,170
Math Team	323
Miscellaneous	(673)
MUNUC	973
MVC AD/PRIN	295
Music Theatre	3,326
National Honor Society	1,650
Office Principal	656
Officials THS	(3,787)
Officials TMS	(1,225)
Poms/Dance Team	10,579
Prom	12,876
Recycling Club	100
Red Ribbon	231
Robotics	242

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS ACTIVITY FUNDS

(Continued)

Saturday Scholars	18,631
SC	12,949
Scholar Bowl	190
Science Club	(92)
Skills USA	186
Soccer - Boys	15,244
Social Studies/Barbour	42
Softball	3,295
Spanish Club	1,568
Spanish Honor	(35)
Special Ed	1,342
Spirit Calvary	6,780
Sport meals	(796)
Strength and Conditionaing	16,467
Stacy TLS Mentor	2,731
Student Service Club	1,858
Technology Education	1,857
Tennis	4,696
3D Printing Camp	454
ThinkB4USpk	248
Thirst Project	348
TLS	3,550
BB Tournament	36,274
Triad Saturday Scholars	352
Triad Special Olympics	12,958
Trimmun	3,868
Turf	1,342
Varsity	17,926
Volleyball	8,429
Weightlifting	28,004
Wrestling	720
Yearbook	13,440
Elementary Schools	156,215
Athletics - MS	11,008
Band - MS	8,684
Chorus - MS	9,527
Dance - MS	5,129
Flower Fund - MS	971
Library - MS	2,131
Miscellaneous - MS	6,808
Musical - MS	2,815
Student Council - MS	15,623
Student Services - MS	(3,266)
Zombie Run	438
Fund Balance	651,059
Total Liabilities and Fund Balance	\$ 651,059

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

**SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
(UNAUDITED)**

<u>June 30,</u>	<u>Per Capita Tuition</u>	<u>Allowable Expenses</u>	<u>Average Daily Attendance</u>
2014	\$ 7,347	\$ 25,341,539	3,448.80
2015	7,643	26,243,323	3,433.70
2016	7,570	26,015,106	3,436.41
2017	8,040	27,693,144	3,444.31
2018	7,265	25,766,434	3,546.80
2019	8,481	29,150,280	3,437.00
2020	8,306	28,618,184	3,445.50
2021	8,788	32,093,085	3,652.10
2022	8,168	30,321,779	3,712.04
2023	8,849	33,290,735	3,762.05

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2023

DISTRICT/JOINT AGREEMENT NAME Triad Community Unit School District No. 2	RCDT NUMBER 41-057-0020-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 06-003590	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM C. J. Schlosser & Company, L.L.C. 233 East Center Drive Alton, IL 62002	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 203 E. Throp Street Troy, IL 62294		E-MAIL ADDRESS: <u>ktepen@cisco.com</u>	
		NAME OF AUDIT SUPERVISOR Kevin Tepen	
		CPA FIRM TELEPHONE NUMBER 618-465-7717	FAX NUMBER 618-465-7710

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:

- ☒ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to the GATA Portal (either with the audit or under separate cover).
- ☒ Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- ☒ Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- ☒ Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- ☒ Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- ☒ Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- ☒ Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- ☒ Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- ☒ Corrective Action Plan(s) (Title 2 CFR §200.511 (c))

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- ☐ A Copy of each Management Letter
- ☐ A copy of the Consolidated Year-end Financial Report (CYEFR) and In-relation to opinion

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

COUNTY	41-057-0020-26
DISTRICT/JOINT AGREEMENT NAME	TRIAD COMMUNITY UNIT SCHOOL DISTRICT 2
	0991

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	ISBE Project # or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements		Obligations/Encumbrances (G)	Final Status (H)	Budget (I)
			07-01-21 to 06-30-22 (C)	07-01-22 to 06-30-23 (D)	07-01-21 to 06-30-22 (E)	07-01-22 to 06-30-23 (F)			
Department of Education Passed Through ISBE: Title I - Low Income Title I - Low Income Title I - Low Income Title I - Low Income	84.010A	22-4300-00	237,216	28,075	257,009	8,282	-	265,291	314,225
	84.424A	22-4300-00	15,755	-	15,755	-	-	15,755	15,755
	84.367A	22-4300-00	6,451	-	6,451	-	-	6,451	6,451
	84.010A	23-4300-00	-	210,519	-	228,051	-	228,051	282,782
			259,422	238,594	279,215	236,333	-	515,548	
Passed Through ISBE: Title II - Teacher Quality Title II - Teacher Quality Title II - Teacher Quality Title II - Teacher Quality Title IV A - Student Support & Academic Enrichment	84.367A	22-4932-00	39,870	8,557	44,589	3,838	-	48,427	62,807
	84.424A	22-4932-00	4,167	-	4,167	-	-	4,167	4,167
	84.367A	23-4932-00	-	41,656	-	48,795	-	48,795	78,379
	84.424A	23-4932-00	-	17,705	-	17,705	-	17,705	17,705
			-	1,236	-	1,236	-	1,236	1,236
	84.424A	23-4400-00	-	4,891	-	4,891	-	4,891	4,891
			44,037	74,045	48,756	76,465	-	125,221	
Passed Through Madison County Career and Technical Education System: V.E. - Perkins Tech Prep	84.048	23-4770-00	-	33,233	-	33,233	-	33,233	N/A
Passed Through ISBE: Special Education Cluster (M) IDEA Flow Through IDEA Flow Through Pre-School Flow Through Pre-School Flow Through IDEA - Room & Board IDEA - Room & Board ARP IDEA ARP IDEA	84.027A	22-4620-00	842,980	72,571	915,551	-	-	915,551	915,551
	84.027A	23-4620-00	-	843,011	-	886,456	-	886,456	886,458
	84.173A	22-4600-00	21,065	-	21,065	-	-	21,065	21,065
	84.173A	23-4600-00	-	20,549	-	20,549	-	20,549	20,549
	84.027A	22-4625-00	43,335	27,759	43,335	27,759	-	71,094	N/A
	84.027A	23-4625-00	-	36,308	-	36,308	-	36,308	N/A
	84.173X	22-4998-PS	-	17,761	3,572	14,189	-	17,761	17,661
	84.027X	22-4998-ID	-	159,670	-	170,778	-	170,778	179,393
			907,380	1,177,629	983,523	1,156,039	-	2,139,562	
Passed Through ISBE: CARES Act (M) Governor's Emergency Education Relief Fund ARP Homeless Elementary and Secondary School Emergency Relief Fund	84.425C	22-4998-JK	8,175	-	8,175	-	-	8,175	8,175
	84.425W	22-4998-HL	13,498	3,034	15,148	1,384	-	16,532	16,534
	84.425D	21-4998-E2	892,254	17,988	910,242	-	-	910,242	910,242
	84.425U	22-4998-E3	921,833	510,461	932,461	565,783	-	1,498,244	2,371,115
			1,835,760	531,483	1,866,026	567,167	-	2,433,193	

ILLINOIS STATE BOARD OF EDUCATION
100 North First Street
Springfield, Illinois 62777-0001

(Attachment to ISBE 62-18)

COUNTY	MADISON
DISTRICT/Joint Agreement Name	TRIAD COMMUNITY UNIT SCHOOL DISTRICT 2
0991	

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	ISBE Project # or Contract # (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/Encumbrances (G)	Final Status (H)	Budget (I)
			07-01-21 to 06-30-22 (C)	07-01-22 to 06-30-23 (D)	07-01-21 to 06-30-22 (E)	07-01-22 to 06-30-23 (F)			
Passed Through Illinois Department of Human Services:									
STEP Program	84.126	46CBF00025	-	72,800	-	72,800	-	72,800	72,800
STEP Program	84.126	46CAF00025	55,450	-	55,450	-	-	55,450	55,450
			55,450	72,800	55,450	72,800	-	128,250	
Total Department of Education			3,102,049	2,127,784	3,232,970	2,142,037	-	5,375,007	
Department of Health and Human Services									
Passed Through State of Illinois Department of Healthcare and Family Services:									
Medicaid Outreach	93.778	23-4991-00	-	45,015	-	51,895	-	51,895	N/A
Department of Agriculture									
Passed Through ISBE:									
National School Lunch Program Cluster:									
Federal School Lunch Program:									
Regular - Free and Reduced	10.555	22-4210-00	1,289,869	168,951	1,289,689	168,951	-	1,458,640	N/A
Regular - Free and Reduced	10.555	23-4210-00	-	412,716	-	412,716	-	412,716	N/A
Regular - Free and Reduced	10.555	23-4210-SC	-	64,505	-	64,505	-	64,505	N/A
Regular - Free and Reduced	10.649	22-4210-BT	-	628	-	628	-	628	N/A
Food Distribution - Commodities	10.555	N/A	-	109,617	-	109,617	-	109,617	N/A
Federal School Breakfast Program:									
Regular - Free and Reduced	10.553	22-4220-00	338,060	18,801	338,060	18,801	-	356,861	N/A
Regular - Free and Reduced	10.555	23-4220-00	-	83,455	-	83,455	-	83,455	N/A
			1,627,929	858,673	1,627,749	858,673	-	2,486,422	
Total Department of Agriculture			1,627,929	858,673	1,627,749	858,673	-	2,486,422	
Total Federal Award Programs			\$ 4,729,978	\$ 3,031,472	\$ 4,860,719	\$ 3,052,605	\$ -	\$ 7,913,324	

The District did not make any payments to subrecipients
(M) Major Federal Award

See Notes to Schedule of Expenditures of Federal Awards

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
41-057-0020-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Adverse
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported
- Noncompliance material to the financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

AL NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
	Special Education Cluster	1,156,039
84.425	CARES ACT	567,167
	Total Amount Tested as Major	\$1,723,206

Total Federal Expenditures for 7/1/2022 - 6/30/2023

\$3,052,605

% tested as Major

56.45%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? X NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program.
Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the AL number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
41-057-0020-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:

None

2. THIS FINDING IS:

☐

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context

6. Effect

7. Cause

8. Recommendation

9. Management's response

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2

41-057-0020-26

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:	None _____	2. THIS FINDING IS:	<input type="checkbox"/> New	<input type="checkbox"/> Repeat from Prior year?
			Year originally reported? _____	
3. Federal Program Name and Year: _____				
4. Project No.: _____		5. AL No.: _____		
6. Passed Through: _____				
7. Federal Agency: _____				
8. Criteria or specific requirement (including statutory, regulatory, or other citation) _____				
9. Condition _____				
10. Questioned Costs _____				
11. Context _____				
12. Effect _____				
13. Cause _____				
14. Recommendation _____				
15. Management's response _____				

TRIAD COMMUNITY UNIT SCHOOL DISTRICT NO. 2
41-057-0020-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ending June 30, 2023

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
None		