

**Schedule of Restricted Local Tax Levies and Selected Revenues Sources  
Schedule of Tort Immunity Expenditures**

	A	B	C	D	E	F	G	H	I	J	K
1	<b>SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES</b>										
2	<b>Description (Enter Whole Dollars)</b>				<b>Account No</b>	<b>Tort Immunity<sup>a</sup></b>	<b>Special Education</b>	<b>Area Vocational Construction</b>	<b>School Facility Occupation Taxes<sup>b</sup></b>	<b>Driver Education</b>	
3	Cash Basis Fund Balance as of July 1, 2015								1,153,506		
4	<b>RECEIPTS:</b>										
5	Ad Valorem Taxes Received by District				10, 20, 40 or 50-1100		139,165				
6	Earnings on Investments				10, 20, 40, 50 or 60-1500		32		1,297		
7	Drivers' Education Fees				10-1970					19,567	
8	School Facility Occupation Tax Proceeds				30 or 60-1983				942,691		
9	Driver Education				10 or 20-3370					37,033	
10	Other Receipts (Describe & Itemize on tab "Itemization 32")				--						
11	Sale of Bonds				10, 20, 40 or 60-7200						
12	<b>Total Receipts</b>					0	139,197	0	943,988	56,600	
13	<b>DISBURSEMENTS:</b>										
14	Instruction				10 or 50-1000		139,197			56,600	
15	Facilities Acquisition & Construction Services				20 or 60-2530				798,668		
16	Tort Immunity Services				10, 20, 40-2360-2370						
17	<b>DEBT SERVICE</b>										
18	Debt Services - Interest on Long-Term Debt				30-5200						
19	Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)				30-5300						
20	Debt Services Other (Describe & Itemize on tab "Itemization 32")				30-5400						
21	<b>Total Debt Services</b>								0		
22	Other Disbursements (Describe & Itemize on tab "Itemization 32")				--						
23	<b>Total Disbursements</b>					0	139,197	0	798,668	56,600	
24	<b>Ending Cash Basis Fund Balance as of June 30, 2016</b>					0	0	0	1,298,826	0	
25	<b>Reserved Fund Balance</b>				714						
26	<b>Unreserved Fund Balance</b>				730	0	0	0	1,298,826	0	
27											
28	<b>SCHEDULE OF TORT IMMUNITY EXPENDITURES<sup>a</sup></b>										
30	Yes <input type="checkbox"/> No <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?										
31	If yes, list in the aggregate the following:										
32											Total Claims Payments:
32											Total Reserve Remaining:
33	Using the following categories, list all other Tort Immunity expenditures <u>not</u>										
34	included in line 30 above. Include the total dollar amount for each category.										
35	<b>Expenditures:</b>										
36	Workers' Compensation Act and/or Workers' Occupational Disease Act										
37	Unemployment Insurance Act										
38	Insurance (Regular or Self-Insurance)										
39	Risk Management and Claims Service										
40	Judgments/Settlements										
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction										
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)										
43	Legal Services										
44	Principal and Interest on Tort Bonds										
46	<sup>a</sup> Schedules for Tort Immunity are to be completed <u>only</u> if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund <u>other</u> than Tort Immunity Fund (80).										
47											
48	<sup>b</sup> 55 ILCS 5/5-1006.7										

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>Schedule of Capital Outlay and Depreciation</b>											
2	<b>Description of Assets</b> (Enter Whole Dollars)	<b>Acct #</b>	<b>Cost Beginning 7/1/15</b>	<b>Add: Additions 2015-2016</b>	<b>Less: Deletions 2015-2016</b>	<b>Cost Ending 6/30/16</b>	<b>Life In Years</b>	<b>Accumulated Depreciation Beginning 7/1/15</b>	<b>Add: Depreciation Allowable 2015-2016</b>	<b>Less: Depreciation Deletions 2015-2016</b>	<b>Accumulated Depreciation Ending 6/30/16</b>	<b>Ending Balance Undepreciated 6/30/16</b>
3	Works of Art & Historical Treasures	210	0			0		0			0	0
4	Land	220										
5	Non-Depreciable Land	221	542,305			542,305						542,305
6	Depreciable Land	222	0			0	50	0			0	0
7	<b>Buildings</b>	<b>230</b>										
8	Permanent Buildings	231	26,893,226	126,672	72,546	26,947,352	50	12,715,148	472,055	72,546	13,114,657	13,832,695
9	Temporary Buildings	232	0			0	20	0			0	0
10	Improvements Other than Buildings (Infrastructure)	240	587,130			587,130	20	330,431	18,237		348,668	238,462
11	<b>Capitalized Equipment</b>	<b>250</b>										
12	10 Yr Schedule	251	2,262,854	272,402	111,705	2,423,551	10	1,054,904	242,353	111,705	1,185,552	1,237,999
13	5 Yr Schedule	252	170,960			170,960	5	133,226	12,328		145,554	25,406
14	3 Yr Schedule	253	63,223			63,223	3	63,223			63,223	0
15	Construction in Progress	260	0			0	--					0
16	<b>Total Capital Assets</b>	<b>200</b>	<b>30,519,698</b>	<b>399,074</b>	<b>184,251</b>	<b>30,734,521</b>		<b>14,296,932</b>	<b>744,973</b>	<b>184,251</b>	<b>14,857,654</b>	<b>15,876,867</b>
17	Non-Capitalized Equipment	700				71,911	10		7,191			
18	Allowable Depreciation								752,164			

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2015-2016)					
2	<i>This schedule is completed for school districts only.</i>					
3						
4	<u>Fund</u>	<u>Sheet, Row</u>	<u>ACCOUNT NO - TITLE</u>			<u>Amount</u>
5						
6	<u>OPERATING EXPENSE PER PUPIL</u>					
7	<b>EXPENDITURES:</b>					
8	ED	Expenditures 15-22, L114	Total Expenditures		\$	16,848,534
9	O&M	Expenditures 15-22, L150	Total Expenditures			1,919,378
10	DS	Expenditures 15-22, L168	Total Expenditures			2,066,600
11	TR	Expenditures 15-22, L204	Total Expenditures			1,856,508
12	MR/SS	Expenditures 15-22, L288	Total Expenditures			606,700
13	TORT	Expenditures 15-22, L331	Total Expenditures			485,312
14			<b>Total Expenditures</b>		\$	<b>23,783,032</b>
15						
16	<b>LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:</b>					
17						
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			0
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M	Revenues 9-14, L148, Col D	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L229, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L7, Col K - (G+I)	1125 Pre-K Programs			72,902
35	ED	Expenditures 15-22, L9, Col K - (G+I)	1225 Special Education Programs Pre-K			0
36	ED	Expenditures 15-22, L11, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L12, Col K - (G+I)	1300 Adult/Continuing Education Programs			0
38	ED	Expenditures 15-22, L15, Col K - (G+I)	1600 Summer School Programs			6,879
39	ED	Expenditures 15-22, L20, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L21, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L22, Col K	1912 Special Education Programs K-12 - Private Tuition			163,228
42	ED	Expenditures 15-22, L23, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L24, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L25, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L26, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L27, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L28, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L29, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L30, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L31, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L32, Col K	1922 Truants Alternative/Optional Ed Progs - Private Tuition			0
52	ED	Expenditures 15-22, L75, Col K - (G+I)	3000 Community Services			128,296
53	ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units			1,098,468
54	ED	Expenditures 15-22, L114, Col G	- Capital Outlay			204,926
55	ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment			14,050
56	O&M	Expenditures 15-22, L130, Col K - (G+I)	3000 Community Services			0
57	O&M	Expenditures 15-22, L138, Col K	4000 Total Payments to Other Govt Units			0
58	O&M	Expenditures 15-22, L150, Col G	- Capital Outlay			67,476
59	O&M	Expenditures 15-22, L150, Col I	- Non-Capitalized Equipment			33,603
60	DS	Expenditures 15-22, L154, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L164, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			1,940,000
62	TR	Expenditures 15-22, L179, Col K - (G+I)	3000 Community Services			0
63	TR	Expenditures 15-22, L190, Col K	4000 Total Payments to Other Govt Units			0
64	TR	Expenditures 15-22, L200, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			0
65	TR	Expenditures 15-22, L204, Col G	- Capital Outlay			0
66	TR	Expenditures 15-22, L204, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L210, Col K	1125 Pre-K Programs			3,380
68	MR/SS	Expenditures 15-22, L212, Col K	1225 Special Education Programs - Pre-K			0
69	MR/SS	Expenditures 15-22, L214, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L215, Col K	1300 Adult/Continuing Education Programs			0
71	MR/SS	Expenditures 15-22, L218, Col K	1600 Summer School Programs			124
72	MR/SS	Expenditures 15-22, L274, Col K	3000 Community Services			13,085
73	MR/SS	Expenditures 15-22, L278, Col K	4000 Total Payments to Other Govt Units			33,920
74						
75	<b>Total Deductions for OEPP Computation (Sum of Lines 18 - 73)</b>				\$	<b>3,780,337</b>
76	<b>Total Operating Expenses Regular K-12 (Line 14 minus Line 75)</b>					<b>20,002,695</b>
77	<b>9 Mo ADA from the General State Aid Claimable for 2015-2016 and Payable in 2016-2017 (ISBE 54-33), L12</b>					<b>2,342.16</b>
78	<b>Estimated OEPP (Line 76 divided by Line 77)</b>				\$	<b>8,540.28</b>
79						

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2015-2016)					
2	<i>This schedule is completed for school districts only.</i>					
3						
4	<b>Fund</b>	<b>Sheet, Row</b>	<b>ACCOUNT NO - TITLE</b>			<b>Amount</b>
5						
80	<b>PER CAPITA TUITION CHARGE</b>					
81						
82	<b>LESS OFFSETTING RECEIPTS/REVENUES:</b>					
83	TR	Revenues 9-14, L42, Col F	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	1,131
84	TR	Revenues 9-14, L44, Col F	1413	Regular - Transp Fees from Other Sources (In State)		0
85	TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)		0
86	TR	Revenues 9-14, L46, Col F	1416	Regular Transp Fees from Other Sources (Out of State)		0
87	TR	Revenues 9-14, L51, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)		0
88	TR	Revenues 9-14, L53, Col F	1433	CTE - Transp Fees from Other Sources (In State)		0
89	TR	Revenues 9-14, L54, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)		0
90	TR	Revenues 9-14, L55, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)		0
91	TR	Revenues 9-14, L57, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)		0
92	TR	Revenues 9-14, L58, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)		0
93	ED	Revenues 9-14, L75, Col C	1600	Total Food Service		758,975
94	ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income		206,527
95	ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks		183,408
96	ED	Revenues 9-14, L87, Col C	1819	Rentals - Other (Describe & Itemize)		0
97	ED	Revenues 9-14, L88, Col C	1821	Sales - Regular Textbooks		0
98	ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)		539
99	ED	Revenues 9-14, L92, Col C	1890	Other (Describe & Itemize)		0
100	ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals		8,620
101	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940	Services Provided Other Districts		2,898
102	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991	Payment from Other Districts		8,353
103	ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)		0
104	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3100	Total Special Education		496,124
105	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3200	Total Career and Technical Education		49,211
106	ED-MR/SS	Revenues 9-14, L144, Col C,G	3300	Total Bilingual Ed		0
107	ED	Revenues 9-14, L145, Col C	3360	State Free Lunch & Breakfast		2,366
108	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3365	School Breakfast Initiative		0
109	ED-O&M	Revenues 9-14, L147, Col C,D	3370	Driver Education		37,033
110	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3500	Total Transportation		954,790
111	ED	Revenues 9-14, L155, Col C	3610	Learning Improvement - Change Grants		0
112	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3660	Scientific Literacy		0
113	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3695	Truant Alternative/Optional Education		0
114	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3715	Reading Improvement Block Grant		0
115	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3720	Reading Improvement Block Grant - Reading Recovery		0
116	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3725	Continued Reading Improvement Block Grant		0
117	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3726	Continued Reading Improvement Block Grant (2% Set Aside)		0
118	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3766	Chicago General Education Block Grant		0
119	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3767	Chicago Educational Services Block Grant		0
120	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L165, Col C,D,E,F,G	3775	School Safety & Educational Improvement Block Grant		0
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3780	Technology - Technology for Success		0
122	ED-TR	Revenues 9-14, L167, Col C,F	3815	State Charter Schools		0
123	O&M	Revenues 9-14, L170, Col D	3925	School Infrastructure - Maintenance Projects		0
124	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999	Other Restricted Revenue from State Sources		44,344
125	ED	Revenues 9-14, L180, Col C	4045	Head Start (Subtract)		0
126	ED-O&M-TR-MR/SS	Revenues 9-14, L184, Col C,D,F,G	-	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0
127	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	-	Total Title V		0
128	ED-MR/SS	Revenues 9-14, L201, Col C,G	-	Total Food Service		374,137
129	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	-	Total Title I		189,965
130	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	-	Total Title IV		0
131	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through		49,708
132	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board		120,700
133	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary		0
134	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)		0
135	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700	Total CTE - Perkins		0
160	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C231 thru J258)	4800	Total ARRA Program Adjustments		0
161	ED	Revenues 9-14, L260, Col C	4901	Race to the Top		0
162	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L261, Col C-G,J	4902	Race to the Top-Preschool Expansion Grant		0
163	ED,O&M,MR/SS	Revenues 9-14, L262, Col C,D,G	4904	Advanced Placement Fee/International Baccalaureate		0
164	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)		0
165	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)		0
166	ED-TR-MR/SS	Revenues 9-14, L265, Col C,F,G	4910	Learn & Serve America		0
167	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4920	McKinney Education for Homeless Children		0
168	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula		0
169	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4932	Title II - Teacher Quality		36,264
170	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4960	Federal Charter Schools		0
171	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach		15,881
172	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program		25,176
173	ED-O&M-TR-MR/SS	Revenues 9-14, L272, Col C,D,F,G	4999	Other Restricted Revenue from Federal Sources (Describe & Itemize)		30,970
174						
175	Total Deductions for PCTC Computation Line 83 through Line 173				\$	3,597,120
176	Net Operating Expense for Tuition Computation (Line 76 minus Line 175)					16,405,575
177	Total Depreciation Allowance (from page 27, Col I)					752,164
178	Total Allowance for PCTC Computation (Line 176 minus Line 177)					17,157,739
179	9 Month ADA (from the GSA Claimable for 2015-2016 Payable in 2016-2017 (ISBE form 54-33, Line 12))					2,342.16
180	Total Estimated PCTC (Line 178 divided by Line 179) *				\$	7,325.61
181						
182	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE					

ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	<b>ESTIMATED INDIRECT COST RATE DATA</b>							
2	<b>SECTION I</b>							
3	<b>Financial Data To Assist Indirect Cost Rate Determination</b>							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	ALL OBJECTS EXCLUDE CAPITAL OUTLAY. With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.							
6	<b>Support Services - Direct Costs (1-2000) and (5-2000)</b>							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L62)</i>							
11	Value of Commodities Received for Fiscal Year 2016 <i>(Include the value of commodities when determining if a Single Audit is required)</i> .							
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	<b>SECTION II</b>							
16	<b>Estimated Indirect Cost Rate for Federal Programs</b>							
17								
18								
19	<b>Instruction</b>	1000			10,611,928		10,611,928	
20	<b>Support Services:</b>							
21	Pupil	2100			692,831		692,831	
22	Instructional Staff	2200			983,529		983,529	
23	General Admin.	2300			813,695		813,695	
24	School Admin	2400			1,347,529		1,347,529	
25	<b>Business:</b>							
26	Direction of Business Spt. Srv.	2510	0		0	0	0	
27	Fiscal Services	2520	429,368		0	429,368	0	
28	Oper. & Maint. Plant Services	2540			1,971,705	1,971,705	0	
29	Pupil Transportation	2550			1,917,647		1,917,647	
30	Food Services	2560			628,450		628,450	
31	Internal Services	2570	0		0	0	0	
32	<b>Central:</b>							
33	Direction of Central Spt. Srv.	2610			0		0	
34	Plan, Rsrch, Dvlp, Eval. Srv.	2620			0		0	
35	Information Services	2630			22,008		22,008	
36	Staff Services	2640	0		0	0	0	
37	Data Processing Services	2660	48,649		0	48,649	0	
38	<b>Other:</b>	2900			123,410		123,410	
39	<b>Community Services</b>	3000			141,381		141,381	
40	<b>Total</b>				478,017	19,254,113	2,449,722	17,282,408
41					<b>Restricted Rate</b>		<b>Unrestricted Rate</b>	
42					Total Indirect Costs:	478,017	Total Indirect costs:	2,449,722
43					Total Direct Costs:	19,254,113	Total Direct Costs:	17,282,408
44					=	2.48%	=	14.17%
45								

	A	B	C	D	E
1	<b>REPORT ON SHARED SERVICES OR OUTSOURCING</b>				
2	School Code, Section 17-1.1 ( <i>Public Act 97-0357</i> )				
3	Fiscal Year Ending June 30, 2016				
5	<i>Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years.</i>				
6	0				
7	0				
8	<input type="checkbox"/> <i>Check if the schedule is not applicable.</i>	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
9	Indicate with an (X) If Deficit Reduction Plan Is Required in the Budget →				
10	<b>Service or Function</b> ( <i>Check all that apply</i> )			Barriers to Implementation	(Limit text to 200 characters, for additional space use line 33 and 38)
11	Curriculum Planning				
12	Custodial Services				
13	Educational Shared Programs	X	X		Northern Illinois Library System
14	Employee Benefits				
15	Energy Purchasing	X	X		Illinois Energy Consortium
16	Food Services				
17	Grant Writing				
18	Grounds Maintenance Services				
19	Insurance	X	X		ISDA, Prairie State Insurance Co-op
20	Investment Pools	X	X		Illinois Liquid Asset Fund
21	Legal Services				
22	Maintenance Services				
23	Personnel Recruitment	X	X		IASA Job Bank
24	Professional Development	X	X		Bureau, Henry, Stark ROE
25	Shared Personnel				
26	Special Education Cooperatives	X	X		Henry-Stark Special Education Co-op
27	STEM (science, technology, engineering and math) Program Offerings				
28	Supply & Equipment Purchasing	X	X		Bureau, Henry, Stark ROE (Paper)
29	Technology Services				
30	Transportation				
31	Vocational Education Cooperatives	X	X		Quad Cities Area Vocational Co-op
32	All Other Joint/Cooperative Agreements				
33	Other				
34					
35	<u>Additional space for Column (D) - Barriers to Implementation:</u>				
36					
37					
38					
40	<u>Additional space for Column (E) - Name of LEA :</u>				
41					
42					
43					
45					
46					

**ILLINOIS STATE BOARD OF EDUCATION**  
 School Business Services Division (N-330)  
 100 North First Street  
 Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**  
 (Section 17-1.5 of the School Code)

School District Name: Geneseo Community Unit School District  
 RCDT Number: 28-037-2280-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2016			Budgeted Expenditures, Fiscal Year 2017		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	234,360		234,360	247,661		247,661
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	0	0	0			0
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
<b>8. Totals</b>		<b>234,360</b>	<b>0</b>	<b>234,360</b>	<b>247,661</b>	<b>0</b>	<b>247,661</b>
<b>9. Percent Increase (Decrease) for FY2017 (Budgeted) over FY2016 (Actual)</b>							<b>6%</b>

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2016" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2016.  
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2017" agree with the amounts on the budget adopted by the Board of Education.

\_\_\_\_\_  
*Signature of Superintendent*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Contact Name*

\_\_\_\_\_  
*Contact Telephone Number*

**If line 9 is greater than 5% please check one box below.**

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 12, 2016 to ensure inclusion in the Fall 2016 report, postmarked by January 13, 2017 to ensure inclusion in the Spring 2017 report, or postmarked by August 11, 2017 to ensure inclusion in the Fall 2017 report. Information on the waiver process can be found at [www.isbe.net/isbewaivers/default.htm](http://www.isbe.net/isbewaivers/default.htm).
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

**This page is provided for detailed itemizations as requested within the body of the report.**  
Type Below.

1. Page 7, Line 43 - 7990 - Transfer from Capital Projects Fund for Alt Revenue Bonds
2. Page 8, Line 75 - 8990 - Transfer to Debt Service Fund for Alt Revenue Bonds
3. Page 10, Line 72 - 1614 - Sales to Excel Program
4. Page 10, Line 74 - 1690 - Kitchen Supplies Sold
5. Page 10, Line 81 - 1790 - SAFE Schools
6. Page 10, Line 91 - 1829 - Lost Textbooks
7. Page 11, Line 107 - 1999  
Education - Pcard Rebate  
Operations & Maintenance - Reimbursement
8. Page 12, Line 171 - 3999  
Education - Library Grant (\$1,528) and Board Certification Grant (\$3,000)  
Tort - IL Security Improvement Program
9. Page 14, Line 272 - 4999 - DHS STEP Grant
10. Page 16, Line 73 - 2900 - Leadership Expenditures
11. Page 16, Line 83 - 4190 - To ISBE - Title I Refund
12. Page 20, Line 272 - 2900 - Leadership Benefits



# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

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*Thomas R. Peffer, CPA*  
*Stephanie K. Ramsay, CPA*

*Tim C. Custis, CPA*  
*Russell J. Rumbold II, CPA*

## Independent Auditor's Report

To the Board of Education  
Geneseo Community Unit School District No. 228  
Geneseo, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Geneseo Community Unit School District No. 228 as of and for the fiscal year ended June 30, 2016 as listed in the table of contents and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed and permitted by 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 Responsibility**

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

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

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

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

As described in Note #1 of the financial statements, the financial statements are prepared by Geneseo Community Unit School District No. 228 on the basis of the financial reporting provisions prescribed by 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 audit requirements of State of Illinois.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note #1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Geneseo Community Unit School District No. 228 as of June 30, 2016, or changes in financial position for the year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of Geneseo Community Unit School District No. 228 as of June 30, 2016, and its revenue received and expenditures disbursed during the fiscal year then ended, in accordance with the financial reporting provisions prescribed by the Illinois State Board of Education and described in Note #1.

**Other Reporting Responsibilities***Schedule of Expenditures of Federal Awards*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Geneseo Community Unit School District No. 228's basic financial statements. The 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 not a required part of the basic financial statements.

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

The 2015 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated October 6, 2015 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2015 financial statements as a whole.

*Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 23 through 26, statistical section on pages 27 through 29 and the itemization schedule on page 33, and Schedules for Trust and Agency Funds are presented for the purposes of additional analysis and are not a required part of the financial statements of Geneseo Community Unit School District No. 228. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, is the responsibility of management and has been derived from and relates 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 as a whole. The information on pages 28-30 is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations.

*Other Information*

The information provided on pages 2 through 4, and page 36 are presented for the purposes of additional analysis and are not a required part of the financial statements of Geneseo Community Unit School District No. 228. The Report on Shared Services or Outsourcing on page 31 contains unaudited information concerning prior, current, and future year expenditures which was provided by the District. The Administrative Cost Worksheet on page 32 contains unaudited information concerning the current year budget which was provided by the District. The actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements as a whole. The average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 22, 2016, on our consideration of Geneseo Community Unit School District No. 228 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geneseo Community Unit School District No. 228's internal control over financial reporting and compliance.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 22, 2016

# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

---

*Thomas R. Peffer, CPA*  
*Stephanie K. Ramsay, CPA*

*Tim C. Custis, CPA*  
*Russell J. Rumbold II, CPA*

Geneseo Community Unit School District No. 228  
**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

To the Board of Education  
Geneseo Community Unit School District No. 228  
Geneseo, Illinois

## **Report on Internal Control and Compliance**

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 Geneseo Community Unit School District No. 228 as of and for the year ended June 30, 2016 and the related notes to the financial statements which collectively comprise Geneseo Community Unit School District No. 228's basic financial statements, and have issued our report thereon dated September 22, 2016. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Geneseo Community Unit School District No. 228's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Geneseo Community Unit School District No. 228's internal control. Accordingly we do not express an opinion on the effectiveness of Geneseo Community Unit School District No. 228'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the school district's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Geneseo Community Unit School District No. 228's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 22, 2016

***Gorenz and Associates, Ltd.***  
*Certified Public Accountants*

*Thomas R. Pepper, CPA*  
*Stephanie K. Ramsay, CPA*

*Tim C. Custis, CPA*  
*Russell J. Rumbold II, CPA*

**Independent Auditor's Report on Compliance  
For Each Major Program and on  
Internal Control Over Compliance Required by  
The Uniform Guidance**

To the Board of Education  
Geneseo Community Unit School District No. 228  
Geneseo, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Geneseo Community Unit School District No. 228's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. Geneseo Community Unit School District No. 228's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Geneseo Community Unit School District No. 228's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Geneseo Community Unit School District No. 228's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Geneseo Community Unit School District No. 228's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, Geneseo Community Unit School District No. 228 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, 2016.

**Report on Internal Control Over Compliance**

Management of Geneseo Community Unit School District No. 228 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Geneseo Community Unit School District No. 228's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Geneseo Community Unit School District No. 228's internal control over compliance.

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

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

***Purpose of this Report***

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 communication is not suitable for any other purpose.

*Goerz and Associates, Ltd.*

Peoria, Illinois  
September 22, 2016

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #1 - Summary of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine the Scope of the Reporting Entity

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

Component Units

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

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

B. Basis of Presentation – Fund Accounting

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

Governmental Funds -

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

The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation - Fund Accounting (cont'd.)

Governmental Funds - (cont'd.)

The Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement/Social Security Fund are used to account for cash received from specific sources (other than those accounted for in the Debt Services Fund, Capital Projects Fund, or Fiduciary Funds) that are legally restricted to cash disbursements for a specified purpose.

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

The Tort Fund accounts for financial resources held by the District to be used for tort immunity and tort judgment purposes.

The Capital Projects and Fire Prevention and Safety Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Trust Funds).

Fiduciary Funds -

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 Expendable Trust Fund (Insurance Trust Fund) accounts for financial operations of a self-insured health insurance plan. The District contributes premiums to this fund and pays claims out of the fund for insurance claims.

The Agency Funds include Student Activity Funds, Memorial and Scholarship Funds, and Convenience Accounts. They account for assets held by the District as an agent for the students, teachers, and other entities. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the agencies are equal to the assets.

Scholarship funds account for assets held by the District for the purpose of providing scholarships to District graduates on an annual basis. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the scholarship fund organizations are equal to the assets.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all Governmental Funds and Expendable Trust 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.

General Fixed Assets and General Long-Term Debt Account Group

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The District records purchases of property and equipment as expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation - Fund Accounting (cont'd.)

General Fixed Assets and General Long-Term Debt Account Group (cont'd.)

The District adopted a \$5,000 capitalization policy and follows the applicable capitalization in accordance with grant guidelines, when applicable.

No depreciation has been provided on fixed assets in these financial statements. The Illinois State Board of Education's Annual Financial Report (ISBE Form SD50-35/JA50-60) includes depreciation of \$744,973, which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$14,857,654. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Depreciable Land	50 years
Buildings	
Permanent	50 years
Temporary	20 years
Infrastructure Improvements other than Building	20 years
Capitalized Equipment	3-10 years

Long-term liabilities expected to be financed from Debt Services Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

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

C. Basis of Accounting

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

Cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #1 - Summary of Significant Accounting Policies (cont'd.)

D. Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17-1 of the Illinois Compiled Statutes. The original budget was passed on September 10, 2015.

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 on 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 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.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposit (savings) accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of less than 90 days.

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 235/2, may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of banks insured by FDIC and savings and loan associates insured by FSLIC. The District may also invest in short-term obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool, and all interest-bearing obligations of the State of Illinois.

G. Inventories

Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #2 - 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. Taxes are levied in Henry and Whiteside Counties. The 2015 levy was passed by the board on December 10, 2015. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The District received \$7,991,749 in taxes from the 2015 tax levy prior to June 30, 2016. The balance of taxes recorded in these statements are from 2014 and prior tax levies.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	<u>Maximum Rate</u>	<u>Actual 2015 Rate</u>	<u>Actual 2014 Rate</u>	<u>Actual 2013 Rate</u>
Educational	2.35000	2.3500	2.3500	2.3106
Operations & Maintenance	0.50000	0.5000	0.5000	0.4917
Transportation	0.20000	0.2000	0.2000	0.1967
Debt Services	None	0.7159	0.5637	0.6114
Municipal Retirement	None	0.1038	0.1232	0.0999
Social Security	None	0.1187	0.1292	0.0878
Tort Immunity	None	0.1632	0.1322	0.1271
Leasing	0.05000	0.0000	0.0031	0.0227
Special Education	0.04000	0.0400	0.0400	0.0394
Fire Prevention and Safety	0.05000	0.0000	0.0500	0.0046
Working Cash	0.05000	<u>0.0000</u>	<u>0.0500</u>	<u>0.0492</u>
Total		<u>4.1916</u>	<u>4.1414</u>	<u>4.0411</u>

Note #3 – Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be 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 for this classification.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #3 – Fund Balance Reporting (cont'd.)

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, 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 the related cash 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. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$256,057. This balance is included in the financial statements as Reserved in the Educational Fund.

3. Facilities Tax

Cash receipts for the facilities tax recorded in the Capital Projects fund exceeded the expenditures disbursed for this purpose resulting in a restricted fund balance of \$1,298,826. This balance is included in the financial statements as Reserved in the Capital Projects Fund.

4. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2016, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

5. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2016, expenditures disbursed from federal grants exceeded the revenue received for those specific purposes in the Educational Fund, resulting in no restricted balance.

6. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in a restricted fund balance of \$281,196. This balance is included in the financial statements as unreserved in the Municipal Retirement/Social Security Fund.

7. Trust and Agency Funds

Cash received for the Self-Funded Health Insurance Trust account exceeded related expenditures for this trust resulting in a restricted fund balance of \$2,732,265. The District also had a trust account for memorials totaling \$119,215 as of June 30, 2016. These balances totaling \$2,851,480 are included in the financial statements as reserved in the Trust and Agency Fund.

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 policies 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 use in satisfying those contractual requirements.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

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Note #3 – Fund Balance Reporting (cont'd.)

C. Committed Fund Balance (cont'd.)

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2016, the total amount of unpaid contracts and benefits for services performed during the fiscal year ended June 30, 2016 amounted to \$1,684,753. This amount is shown as Unreserved in the Educational Fund.

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 nor 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 shown in the financial statements as Unreserved Fund Balances in the Educational 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.

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
Educational	0	256,057	1,684,753	0	2,649,490	256,057	4,334,243
Operations & Maintenance	0	2,753,095	0	0	0	0	2,753,095
Debt Services	0	3,468,172	0	0	0	0	3,468,172
Transportation	0	1,539,380	0	0	0	0	1,539,380
Municipal Retirement	0	735,825	0	0	0	281,196	454,629
Working Cash	0	0	0	0	2,801,818	0	2,801,818
Capital Project	0	27,601,534	0	0	0	1,298,826	26,302,708
Tort Liability	0	569,584	0	0	0	0	569,584
Fire Life Safety	0	7,868,505	0	0	0	0	7,868,505
Trust and Agency	0	2,851,480	0	0	0	2,851,480	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #3 – Fund Balance Reporting (cont'd.)

H. Expenditures of Fund Balance

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

Note #4 – Deposits and Investments

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235), and Section 8-7 of the School Code of Illinois (105 ILCS 5). These include the following items:

- (1) in bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) in interest-bearing savings accounts, interest-bearing certificates of deposits, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- (3) in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
- (4) in money market mutual funds registered under the Investment Company Act of 1940;
- (5) in short term discount obligations of the Federal National Mortgage Association;
- (6) in dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States and is located within the State of Illinois;
- (7) in a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
- (8) in the Illinois School District Liquid Asset Fund Plus;
- (9) in repurchase agreements of government securities;
- (10) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto.

**Custodial Credit Risk Related to Deposits with Financial Institutions**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board's Statement III, Category I, the highest recognized safekeeping procedures.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

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Note #4 – Deposits and Investments (cont'd.)

**Custodial Credit Risk Related to Deposits with Financial Institutions** (cont'd.)

As of June 30, 2016 \$6,232,009 of the District's bank balances were exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held by the pledging financial institution's trust department, but not in the District's name	<u>\$ 6,232,009</u>
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**Custodial Credit Risk of Investments**

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, none of the District's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the District and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the District's name

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Investments**

As of June 30, 2016, the district had the following investments and maturities:

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>Investment Maturities (in Years)</u>		
				<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Commercial Paper	6,000,000	5,998,989	5,998,989	0	0	0
Mutual Funds	113,641	114,040	114,040	0	0	0
ISDLAF	<u>353,060</u>	<u>353,060</u>	<u>353,060</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>6,466,701</u>	<u>6,466,089</u>	<u>6,466,089</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Credit Risk**

As of June 30, 2016, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Commercial Paper-Short Term	5,998,989	AAA
Mutual Funds	116,548	AAA

All of the other investment types of Geneseo Community Unit School District No. 228 are not rated.



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 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

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Note #4 – Deposits and Investments (cont'd.)

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The District's investment policy places no limit on the amount the District may invest in any one issuer. The following percentages reflect the breakdown of investments for the District as of June 30, 2016:

92% - Commercial Paper  
 5% - ISDLAF

ISDLAF+ (Investment Pool) -

During the year ended June 30, 2016, the District maintained an account with the Illinois School District Liquid Asset Fund Plus (also known as ISDLAF+). ISDLAF+ is an external investment pool created in cooperation by the Illinois Association of School Boards, the Illinois Association of School Business Officials, and the Illinois Association of School Administrators. Its primary purpose is to provide School Districts, Community College Districts, and Educational Service Regions with an alternative investment vehicle which will enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The Multi-Class Series invests in money market instruments having a maximum remaining maturity of one year (except that U.S. government obligations may have remaining maturities of up to two years). It has earned an AAA rating from Standard & Poor's ("S&P"). The Multi-Class Series consists of two classes of shares: the Liquid Class and the MAX Class. The Liquid Class offers check writing privileges, while the MAX Class does not.

ISDLAF+ also provides a Fixed Income Investment Program that allows investors to purchase investment instruments including certificates of deposit of banks and thrift institutions ("CDs"), commercial paper, and banker's acceptances. CDs purchased under this program are fully FDIC insured and have been classified as deposits for financial statement purposes.

Note #5 – General Fixed Asset Account Group

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions*</u>	Balance <u>June 30, 2016</u>
Non-Depreciable Land	542,305	0	0	542,305
Permanent Buildings	26,893,226	126,673	72,546	26,947,352
Improvements Other than Buildings	587,130	0	0	587,130
10-Year Equipment	2,262,854	272,402	111,705	2,423,551
5-Year Equipment	170,960	0	0	170,960
3-Year Equipment	<u>63,223</u>	<u>0</u>	<u>0</u>	<u>63,223</u>
Totals	<u>30,519,698</u>	<u>399,074</u>	<u>184,251</u>	<u>30,734,521</u>

\* To remove fully depreciated equipment and assets sold.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2016

Note #6 – Pension Disclosures

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The aggregate employer recognized pension expense on a cash basis for the year ended June 30, 2016, was \$421,177.

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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**Benefits provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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. Disability and death benefits are also provided.

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

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #6 – Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On behalf contributions to TRS.** The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$3,640,208 in pension contributions from the state of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$58,910 and are deferred because they were paid after the June 30, 2015 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the employers, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$61,421 were paid from federal and special trust funds that required employer contributions of \$22,148. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer paid \$-0- to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the employer paid \$1,673 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #6 –Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

**Pension Liabilities and Pension Expense**

At June 30, 2016, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total proportion of the net pension liability that was associated with the employer were as follow:

Employer's proportionate share of the net pension liability	\$ 1,140,535
State's proportionate share of the net pension liability associated with the employer	<u>\$65,778,183</u>
<b>Total</b>	<b><u>\$66,918,718</u></b>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was 0.0017410072 percent, which was a decrease of 0.0005329404 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the employer recognized pension expense of \$82,732 on a cash basis under this plan.

**Actuarial assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

Note #6 - Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	7.53%
Global equity excluding U.S.	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	<u>14</u>	12.33
<b>Total</b>	<b><u>100%</u></b>	

**Discount rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. 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, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefits payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

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Note #6 - Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

**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 7.47 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 (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's proportionate share of the net pension liability	<u>\$1,409,422</u>	<u>\$1,140,535</u>	<u>\$920,041</u>

**TRS fiduciary net position**

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. THIS Fund Contributions

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

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

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

**• On behalf contributions to the THIS Fund**

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$108,672, and the employer recognized revenue and expenditures of this amount during the year.

**• Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the employer paid \$81,250 to the THIS Fund, which was 100 percent of the required contribution.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #6 - Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

**Further information on the THIS Fund**

The publicly available 2014 and 2015 financial reports of the THIS Fund may be found online at <http://www.auditor.illinois.gov/Audit-Reports/CMS-THISE.asp>. Prior reports are available online at <http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>

C. Illinois Municipal Retirement Fund

**Plan Description.**

The District's defined benefit pension plan for non-certified employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information, for the plan as a whole, but not for individual employers. That report can be obtained online at <https://www.imrf.org/en/publications-and-archive/annual-financial-reports>.

**Benefits provided.**

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #6 –Pension Disclosures (cont'd)

C. Illinois Municipal Retirement Fund (cont'd)

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

**Employees covered by benefit terms.**

At December 31, 2015, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	139
Inactive employees entitled to but not yet receiving benefits	104
Active employees	<u>102</u>
Total Members	345

**Contributions.**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 11.67%. The total employer contribution paid for 2015 was \$253,797. The District's contribution rate for the calendar year 2016 is 11.82%. The actual contributions paid during the fiscal year ended June 30, 2016 were \$257,195. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The School District's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.

**Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

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Note #6 – Pension Disclosures (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

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- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	5.25-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

**Discount rate**

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

Note #6 – Pension Disclosures (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

**Changes in the Net Pension Liability**

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)- (b)
<b>Balances at 12/31/14</b>	\$ 14,428,506	\$ 13,649,797	\$ 778,709
<b>Changes for the year:</b>			
Service cost	254,914		254,914
Interest on Total Pension Liability	1,058,414		1,058,414
Change of Benefit Terms	0		0
Differences between expected and actual Experience of Total Pension Liability	(18,611)		(18,611)
Changes of assumptions	16,128		16,128
Contributions-Employer		253,797	(253,797)
Contributions-Employee		97,866	(97,866)
Net investment income		67,003	(67,003)
Benefit Payments, including Refunds of Employee Contributions	(849,862)	(849,862)	0
Other changes (Net Transfers)		260,348	(260,348)
<b>Net changes</b>	<u>460,983</u>	<u>(170,848)</u>	<u>631,831</u>
<b>Balances at 12/31/15</b>	<u>\$ 14,889,489</u>	<u>\$ 13,478,949</u>	<u>\$ 1,410,540</u>

**Change in Assumptions** – The mortality table used was updated to the RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Sensitivity of the net pension liability to changes in the single discount rate.**

The following presents the net pension liability of the District, calculated using the discount rate of 7.48 percent, as well as what the District's IMRF net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.48 percent) or 1-percentage-point higher (8.48 percent) than the current rate:

	1% Decrease	Current Single Discount	1% Increase
	6.48%	Rate Assumption 7.48%	8.48%
Total Pension Liability	\$ 16,627,961	\$ 14,889,489	\$ 13,438,764
Plan Fiduciary Net Position	<u>13,478,949</u>	<u>13,478,949</u>	<u>13,478,949</u>
Net Pension Liability(Asset)	\$ 3,149,012	\$ 1,410,540	\$ (40,185)

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #6 – Pension Disclosures (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued actuarial financial report on page 12 of Section B.

**Payable to the Pension Plan**

At June 30, 2016, the District had a payable of \$-0- for the outstanding amount of contributions to IMRF for the year ended June 30, 2016.

Note #7 – Other Post-Employment Benefits

The District provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees are responsible for the entire premium payment to secure coverage. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2016.

*Plan Description.* The District administers a single-employer defined benefit healthcare plan. The Educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. The plan does not issue a separate publicly available financial report.

*Funding Policy.* The contribution requirements of the District may be amended by the School Board. Current policy is to pay for post-retirement medical and insurance benefits or premiums as they occur. The District requires retirees to contribute 100% of the premium for their desired coverage. The premiums are established for the employee/retiree group, which is currently \$423 per month for individual coverage and \$899 per month for family coverage. Although, with regard to retirees, this amount contains an implied rate subsidy by the District through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

*Contributions Made.* Because the retiree insurance premium established is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. Therefore, there are no cash-basis expenditures reported by the District in regard to the plan benefits for retirees.

Note #8 – General Long-Term Debt Account Group

Long-term debt at June 30, 2015, is comprised of the following:

Bonded indebtedness –

Bonded indebtedness is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are payable solely from future revenues of the Debt Services Fund which consists principally of property taxes collected by the District and interest earnings.

Bonded Debt –

As of June 30, 2016, the District was obligated on General Obligation Bonds issued for Life Safety to be paid from the Debt Services Fund dated September 1, 2010 totaling \$1,060,000 and dated September 1, 2010 totaling \$370,000, and for Working Cash Bonds dated February 24, 2016 totaling \$2,000,000, Fire Safety Bonds dated February 24, 2016 totaling \$9,000,000, and General Obligation Bonds dated September 1, 2015 totaling \$15,063,327. The District also had Alternate Revenue Bonds outstanding to be paid from Facilities tax collected dated September 1, 2015 totaling \$10,685,000.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2016

Note #8 – General Long-Term Debt Account Group (cont'd).

Capital Leases –

As of June 30, 2016, the District had no outstanding lease/purchase agreement amounts.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2016:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due In Less Than One Year
General Obligation Bonds									
2009 Life Safety	2,585,000	9/1/09	2/15/16	3.17%	765,000	0	(765,000)	-0-	0
2010A Life Safety/WC	1,060,000	9/1/10	2/15/17	3.14%	1,060,000	0	0	1,060,000	1,060,000
2010B Life Safety/WC	1,545,000	9/1/10	2/15/17	3.83%	1,545,000	0	(1,175,000)	370,000	370,000
2015A Alternate Revenue	10,685,000	9/1/15	8/15/38	2-5%	0	10,685,000	0	10,685,000	165,000
2015B G.O.Bonds	15,063,327	9/1/15	2/15/35	2-5%	0	15,063,327	0	15,063,327	0
2016A Working Cash	2,000,000	2/24/16	8/15/19	2.125-2.375%	0	2,000,000	0	2,000,000	950,000
2016B Life Safety/GO	9,000,000	2/24/16	8/15/36	4.00%	0	9,000,000	0	9,000,000	0
Total					<u>3,370,000</u>	<u>36,748,327</u>	<u>(1,940,000)</u>	<u>38,178,327</u>	<u>2,545,000</u>

The annual debt service requirements of general obligation bonds and leases/other are as follows:

	Bonds		Leases/Other		Total	Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal & Interest
2017	2,545,000	1,931,822	0	0	2,545,000	1,931,822	4,476,822
2018	1,765,000	1,421,974	0	0	1,765,000	1,421,974	3,186,974
2019	1,835,000	1,354,175	0	0	1,835,000	1,354,175	3,189,175
2020	1,365,000	1,282,687	0	0	1,365,000	1,282,687	2,647,687
2021	1,425,000	1,220,987	0	0	1,425,000	1,220,987	2,645,987
2022	1,465,000	1,180,787	0	0	1,465,000	1,180,787	2,645,787
2023	1,510,000	1,136,687	0	0	1,510,000	1,136,687	2,646,687
2024	1,105,110	1,543,227	0	0	1,105,110	1,543,227	2,648,337
2025	1,088,217	1,564,646	0	0	1,088,217	1,564,646	2,652,863
2026	1,620,000	1,027,012	0	0	1,620,000	1,027,012	2,647,012
2027	700,000	972,513	0	0	700,000	972,513	1,672,513
2028	1,710,000	901,775	0	0	1,710,000	901,775	2,611,775
2029	1,820,000	827,964	0	0	1,820,000	827,964	2,647,964
2030	1,895,000	750,837	0	0	1,895,000	750,837	2,645,837
2031	1,975,000	670,588	0	0	1,975,000	670,588	2,645,588
2032	1,960,000	587,025	0	0	1,960,000	587,025	2,547,025
2033	2,150,000	494,400	0	0	2,150,000	494,400	2,644,400
2034	3,350,000	397,150	0	0	3,350,000	397,150	3,747,150
2035	2,360,000	283,900	0	0	2,360,000	283,900	2,643,900
2036	2,480,000	168,400	0	0	2,480,000	168,400	2,648,400
2037	675,000	68,700	0	0	675,000	68,700	743,700
2038	705,000	41,100	0	0	705,000	41,100	746,100
2039	<u>675,000</u>	<u>13,500</u>	<u>0</u>	<u>0</u>	<u>675,000</u>	<u>13,500</u>	<u>688,500</u>
	<u>38,178,327</u>	<u>19,841,856</u>	<u>0</u>	<u>0</u>	<u>38,178,327</u>	<u>19,841,856</u>	<u>58,020,183</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

Note #8 – General Long-Term Debt Account Group (cont'd).

Debt Services Fund Balance –

At June 30, 2016, the excess of assets over liabilities of the Debt Services Fund was allocable to the individual issues as follows:

<u>Bond Issue Dated</u>	<u>Amount</u>
February 15, 2007	357,398
September 1, 2010 2010A	633,732
September 1, 2010 2010B	220,339
September 1, 2015 2015A	800,113
September 1, 2015 2015B	964,509
February 24, 2016 2016A	309,336
February 24, 2016 2016B	<u>182,745</u>
	<u>3,468,172</u>

Legal Debt Limit –

Section 5/19-1 of the Illinois School Code limits the amount of qualifying debt of the District to 13.8% of the latest equalized assessed value. The District's equalized assessed value as of January 1, 2016 was \$337,213,380.

The estimated legal debt margin of the District at June 30, 2016, was calculated as follows:

Legal Debt Limit	46,535,446
Less Qualifying Debt	<u>(27,493,327)</u>
Legal Debt Margin	<u>19,042,119</u>

Note #9 - Tax Anticipation Warrants

During the fiscal year ended June 30, 2016, the District did not issue any tax anticipation warrants.

Note #10 - Interfund Receivables and Payables and Transfers

\$1,000,000 was transferred to the Educational Fund from the Working Cash Fund for general operations and \$798,866 was transferred from the Capital Projects Fund to the Debt Service Fund to pay for the Alternate Revenue Bonds due in the fiscal year ended June 30, 2017.

Note #11 - Common Bank Accounts

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

Note #12 - Deficit Fund Balances

As of June 30, 2016, the District had no deficit fund balances.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

Note #13 - Self Insurance Plan

All employees of the district are covered under the State of Illinois Unemployment Insurance Act. The district elected to be self-insured, and therefore, is liable to the State for any payments made to an unemployed worker claiming benefits.

The District is self-insured for medical coverage, which is provided to school personnel. SISCO administers claims for a fixed fee per enrolled employee. The District is responsible for the payment of claims up to annual levels of \$90,000 per employee and a maximum aggregate benefit of \$1,000,000. The minimum aggregate attachment point was \$1,847,097. Additional claims would be covered by commercial insurance. Future potential claims as of June 30, 2016 were not estimable.

At the beginning of each fiscal year, the District determines the amount of funds needed to operate the plan. This estimated total cost is used to develop standard unit charges for employees and for dependents covered under the plan.

The District has established a separate Self-Insurance Fund (Expendable Trust Fund) to account for the operation of this self-insurance plan. District contributions to the fund are made on the basis of 100% of the charges for employee coverage. Through payroll deductions, the employees are responsible for payment of the entire charges related to coverage of their dependents.

Note #14 - Contingencies

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The school board believes any adjustments that may arise from these audits will be insignificant to District operations.

The Illinois Department of Revenue discovered a misallocation of Corporate Personal Property Replacement Tax (CPPRT). It is estimated that the misallocation had resulted in an overpayment of \$59,139 in CPPRT to the District. The overpayment is expected to be recouped by the state through the reduction of future allocations that may begin as early as the January 2017 allocation.

Note #15 - Commitments

As of June 30, 2016, the District had the following construction commitments outstanding for the Capital Projects Fund:

Valley Construction	Northside School Renovation	\$4,083,000
Valley Construction	High School Partial Demolition	<u>259,750</u>
Total Outstanding Commitments		<u>\$4,342,750</u>

Operating Leases

The District entered into an operating lease for bus camera systems with Midwest Bus Sales, Inc. The lease term commenced March 13, 2015 and ends March 13, 2019. The yearly charge is \$13,256. Lease charges are paid through the Transportation and the Tort Funds.

The District entered into an operating lease for a 2015 GMC bus with Midwest Bus Sales, Inc. The lease term commenced November 20, 2014 and ends June 30, 2019. The yearly charge is \$10,191. Lease charges are paid through the Transportation Fund.

The District entered into an operating lease for a 2015 GMC mini tour bus with Midwest Bus Sales, Inc. The lease term commenced December 14, 2015 and ends December 15, 2020. The yearly charge is \$8,623.91. Lease charges are paid through the Transportation Fund.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Note #15 – Commitments (cont'd.)

The District entered into an operating lease for a security alarm system with American Capital Financial Services, Inc. The lease term commenced November 10, 2014 and ends November 10, 2016. The yearly charge is \$9,144. Lease charges are paid through the Tort Fund.

The District entered into an operating lease for copier equipment with Office Machine Consultants, Inc. The lease term commenced August 8, 2014 and ends August 8, 2019. The monthly charge is based on the number of copies run with a base fee of \$3,850 per month. Lease charges are paid through the Educational Fund.

Future minimum lease payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2017	87,415
2018	78,271
2019	78,271
2020	<u>8,624</u>
	256,431

Unpaid Teacher's Contracts

Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded as disbursements in the fiscal year when the disbursements are made. At June 30, 2016, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2016, amounted to \$1,045,914.

Vacation Pay – Vacation pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2016, the estimated unused vacation pay liability is \$31,239.

Sick Pay – Sick pay is considered to be an expenditure in the year paid. Accumulated sick pay benefits are available to eligible employees to use in future years. Sick pay does not vest if not used during the term of employment with the District.

Retirement Commitments – Retirement commitments are considered to be an expenditure in the year paid. Under the new contract, as of June 30, 2015, the District had qualified commitments for health insurance for retirees of \$8,100.

Termination Benefits – Termination benefits are considered to be an expenditure in the year paid. As of June 30, 2016, the District had estimated incentives due for teachers who have notified the District of their retirements of \$599,500.

Note #16 - Joint Agreements

The District is a member of the Quad-City Career and Technical Education Consortium located at 1275 Avenue of the Cities, East Moline, Illinois, and Henry-Stark Counties Cooperative for Special Education located at 1318 W. Sixth Street, Kewanee, Illinois, along with other area school districts. The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have an equity interest in the joint agreements. The joint agreements are separately audited and are not included in these financial statements. Audited financial statements for these joint agreements can be obtained from administrative offices as listed above.

Note #17 - Risk Management - Claims and Judgments

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016

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Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended June 30, 2016, there were no significant reductions in insurance coverage. There have been no settlements in excess of insurance coverage in the past three years.

The District is insured under a retrospectively rated policy for worker's compensation coverage. Whereas, the initial premium may be adjusted based on actual experience, adjustments in premiums are recorded when paid or received. During the year ended June 30, 2016, there were no significant adjustments in premiums based on actual experience.

Note #18 - Disbursements and Transfers in Excess of Budget

As of June 30, 2016, the District had no disbursements and/or transfers that exceeded the budget in any Fund.

Note #19 - Special Education Funded with General State Aid

During the fiscal year ended June 30, 2016, \$3,812 of Special Education function 1200 was paid with General State Aid revenue code 3001.

Note #20 - Subsequent Event

The District evaluates events and transactions that occur subsequent to year-end for potential recognition or disclosure in the financial statements through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE  
 ARISING FROM CASH TRANSACTIONS  
 ALL TRUST AND AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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<u>ASSETS</u>	Unit Activity Fund	Middle School Activity Fund	High School Activity Fund	Memorial and Scholarship Fund	Self-funded Insurance Fund	Total
Cash	117,124	87,516	102,896	5,573	2,732,265	3,045,374
Investments	-	-	-	113,642	0.00	113,642
Total Assets	<u>117,124</u>	<u>87,516</u>	<u>102,896</u>	<u>119,215</u>	<u>2,732,265</u>	<u>3,159,016</u>
 <u>LIABILITIES</u>						
Other Liabilities	-	-	-	-	-	-
Due to other Organizations	117,124	87,516	102,896	-	-	307,536
Total Liabilities	117,124	87,516	102,896	-	-	307,536
 <u>FUND BALANCE AND OTHER CREDITS</u>						
Net Assets Available for Benefits	-	-	-	119,215	2,732,265	2,851,480
 <u>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</u>	<u>117,124</u>	<u>87,516</u>	<u>102,896</u>	<u>119,215</u>	<u>2,732,265</u>	<u>3,159,016</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
UNIT ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	118,637.51	17,689.40	19,202.67	117,124.24
Total Assets	<u>118,637.51</u>	<u>17,689.40</u>	<u>19,202.67</u>	<u>117,124.24</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
<u>Unit Office</u>				
Administration Flower Fund	201.68	0.00	0.00	201.68
Cafeteria District Flower Fund	126.90	215.00	272.00	69.90
Elementary Book Week	1,067.19	0.00	0.00	1,067.19
H. Shoemaker CD Interest	76,616.38	0.00	3,174.62	73,441.76
Interest on NOW Account	18,100.96	2,663.16	3,296.76	17,467.36
Millikin Convenience Fund	3,127.16	249.90	645.05	2,732.01
Millikin Social Fund	1,167.65	1,728.00	1,649.09	1,246.56
Northside Convenience Fund	2,526.16	385.71	196.35	2,715.52
South West School - Convenience	546.34	1,352.18	1,752.99	145.53
Southwest Jeans	1,062.02	1,289.00	1,840.27	510.75
North Jeans	3,045.98	1,402.00	835.00	3,612.98
S.A.F.E.	5,359.30	1,000.00	751.10	5,608.20
Unit Office Convenience Fund	5,246.48	404.45	1,907.19	3,743.74
Social Worker/Student Needs	443.31	7,000.00	2,882.25	4,561.06
Total Liabilities (Due to other Organizations)	<u>118,637.51</u>	<u>17,689.40</u>	<u>19,202.67</u>	<u>117,124.24</u>
<b><u>FUND BALANCE</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>118,637.51</u>	<u>17,689.40</u>	<u>19,202.67</u>	<u>117,124.24</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
MIDDLE SCHOOL ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	82,917.55	125,552.65	120,954.63	87,515.57
Total Assets	<u>82,917.55</u>	<u>125,552.65</u>	<u>120,954.63</u>	<u>87,515.57</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
<b><u>Middle School</u></b>				
Band Fund	4,744.09	20,254.96	18,841.41	6,157.64
M.S. Builders Club	1,634.35	2,183.98	1,556.01	2,262.32
General Fund	13,986.52	8,940.32	9,109.08	13,817.76
Impact Food	8.75	590.00	34.87	563.88
Interest on NOW Account - MS	351.09	131.00	131.00	351.09
Library Fund	5,218.87	10,149.36	8,895.64	6,472.59
Special Ed Activity	1,331.43	35.00	129.16	1,237.27
P.E. Activities	1,504.29	6,311.28	6,289.66	1,525.91
Student Services	37,689.42	53,691.06	52,909.41	38,471.07
Student Council	2,991.05	6,194.62	5,699.78	3,485.89
Teacher Services	157.37	4,062.86	3,515.15	705.08
Vocal Fund (Choir)	1,129.10	1,833.01	1,492.65	1,469.46
Yearbook	10,351.19	8,361.00	9,843.82	8,868.37
6th Grade Band Fund	340.25	1,117.90	1,162.30	295.85
6th Grade Student Senate	1,479.78	1,696.30	1,344.69	1,831.39
Total Liabilities (Due to other Organizations)	<u>82,917.55</u>	<u>125,552.65</u>	<u>120,954.63</u>	<u>87,515.57</u>
<b><u>FUND BALANCE</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>82,917.55</u>	<u>125,552.65</u>	<u>120,954.63</u>	<u>87,515.57</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
HIGH SCHOOL ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	86,995.06	405,964.09	390,062.81	102,896.34
Total Assets	<u>86,995.06</u>	<u>405,964.09</u>	<u>390,062.81</u>	<u>102,896.34</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
ACT	270.56	0.00	140.00	130.56
Annuals (Yearbook)	533.71	19,072.63	19,312.29	294.05
Athletic Fund	19,595.80	137,135.74	128,424.12	28,307.42
Band Fund	7,379.44	4,693.00	5,903.28	6,169.16
Choir Fund	1,065.45	3,825.36	4,686.83	203.98
Class of 2015	982.44	0.00	982.44	0.00
Class of 2016	8,260.89	0.00	8,260.89	0.00
Class of 2017	970.32	20,292.01	13,931.66	7,330.67
Class of 2018	200.00	9,999.00	8,426.80	1,772.20
Class of 2019	0.00	250.00	37.86	212.14
Commercial Club (Vocational Careers Club)	4,325.01	13,657.25	11,391.39	6,590.87
Co-op Club	579.10	0.00	297.00	282.10
Future Business Leaders of America	31.00	529.00	52.00	508.00
First Robotics Club	1,849.25	0.00	125.00	1,724.25
F.F.A.	462.94	5,383.50	4,948.86	897.58
Health Fund	1,061.94	400.00	797.89	664.05
H.S. Library	2,858.72	899.23	1,042.71	2,715.24
H.S. Student Services	313.16	10,052.63	7,866.28	2,499.51
IHSA Speech	40.00	420.00	460.00	0.00
Interest on NOW Account - HS	96.66	0.00	0.00	96.66
Jazz Band/Swing Choir	10,610.95	2,687.00	1,778.63	11,519.32
Key Club	2,664.03	6,561.45	6,030.65	3,194.83
Life Skills	6,591.66	2,084.01	3,508.37	5,167.30
Miscellaneous Fund	4,555.80	35,327.20	30,813.99	9,069.01
Music Trip Fund	1,344.70	105,888.00	106,692.04	540.66
Pom Pon & Maplettes	371.33	350.00	103.00	618.33
Radio Club	973.35	1,529.70	426.00	2,077.05
The Troupe	(12.82)	4,475.00	4,024.04	438.14
Scholastic Bowl	135.31	1,095.74	627.31	603.74
Stage Fund	6,021.16	11,578.33	10,669.51	6,929.98
Studio Club	705.77	657.00	293.15	1,069.62
Student Council	1,639.74	6,996.31	7,707.95	928.10
Thespian Fund	517.69	125.00	300.87	341.82
Total Senior High School	<u>86,995.06</u>	<u>405,964.09</u>	<u>390,062.81</u>	<u>102,896.34</u>
Total Liabilities (Due to other Organizations)	<u>86,995.06</u>	<u>405,964.09</u>	<u>390,062.81</u>	<u>102,896.34</u>
<b><u>FUND BALANCE</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>86,995.06</u>	<u>405,964.09</u>	<u>390,062.81</u>	<u>102,896.34</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
 MEMORIALS AND SCHOLARSHIPS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	3,926.92	16,591.52	14,945.10	5,573.34
Investments	111,666.60	5,789.21	3,814.63	113,641.18
Total Assets	<u>115,593.52</u>	<u>22,380.73</u>	<u>18,759.73</u>	<u>119,214.52</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>FUND BALANCE and other Credits</u></b>				
King Memorial	40,447.96	7,907.45	7,213.86	41,141.55
Waterman Scholarship	75,145.56	14,473.28	11,545.87	78,072.97
Total Fund Balance and other Credits	<u>115,593.52</u>	<u>22,380.73</u>	<u>18,759.73</u>	<u>119,214.52</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>115,593.52</u>	<u>22,380.73</u>	<u>18,759.73</u>	<u>119,214.52</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - INSURANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Additions to Plan Assets Attributed to:		
Insurance Premiums Received	1,756,454.63	
Interest Earned	<u>3,456.55</u>	
Total Additions		1,759,911.18
Deductions from Plan Assets Attributed to:		
Claims Paid and Co-Insurance Premiums	<u>1,503,742.67</u>	
Total Deductions		<u>1,503,742.67</u>
Net Increase (Decrease)		256,168.51
Net Assets available for Benefits, July 1, 2015		<u>2,476,096.93</u>
Net Assets Available for Benefits, June 30, 2016		<u><u>2,732,265.44</u></u>

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2016**

DISTRICT/JOINT AGREEMENT NAME <b>Geneseo Community Unit School D</b>	RCDT NUMBER <b>28-037-2280-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>060-009381</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM <b>Gorenz and Associates, Ltd.</b> <b>4200 N. Knoxville Ave.</b> <b>Peoria IL 61614</b>	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i>  <b>648 North Chicago St.</b> <b>Geneseo</b> <b>IL 61254</b>		E-MAIL ADDRESS: <b>sramsay@gorenzcpa.com</b>	
		NAME OF AUDIT SUPERVISOR <b>Stephanie K. Ramsay, CPA</b>	
		CPA FIRM TELEPHONE NUMBER <b>309-685-7621</b>	FAX NUMBER <b>309-685-4758</b>

**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 ISBE (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 Title 2 CFR §200.515 (a)
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting 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 with Requirements Applicable to each Major Program and Internal Control over Compliance Title 2 CFR §200.515 (c)
- Schedule of Findings and Questioned Costs Title 2 CFR §200.515 (d) (1) - (3)
- Summary Schedule of Prior Year Audit Findings Title 2 CFR §200.511 (b)
- Corrective Action Plan Title 2 CFR §200.511 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form Title 2 CFR §200.512 (b)
- Copy(ies) of Management Letter(s)

Geneseo Community Unit School District No. 228  
28-037-2280-26  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			Prior to 6/30/15 (C)	7/01/15 - 6/30/16 (D)	Prior to 6/30/15 (E)	7/01/15 - 6/30/16 (F)			
<b>U.S. Department of Agriculture -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
(M) National School Lunch Program	10.555	15-4210-00	257,680	61,387	257,680	61,387		319,067	N/A
(M) National School Lunch Program	10.555	16-4210-00		239,070		239,070	(2)	239,070	N/A
(M) School Breakfast Program	10.553	15-4220-00	57,031	12,841	57,031	12,841		69,872	N/A
(M) School Breakfast Program	10.553	16-4220-00		55,421		55,421	(2)	55,421	N/A
Food Donation (3)	10.555	FY15			48,239			48,239	N/A
(M) Food Donation (3)	10.555	FY16				59,214		59,214	N/A
Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY15			38,461			38,461	N/A
(M) Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY16				40,253		40,253	N/A
<b>Pass-through program from</b>									
<b>St. Malachy's School</b>									
(M) National School Lunch Program	10.555	15-4210-01	5,399	1,931	6,126	1,204		7,330	N/A
(M) National School Lunch Program	10.555	16-4210-01		3,487		3,794	(2)	3,794	N/A
<b>Total U.S. Department of Agriculture - Pass-through programs</b>			<u>320,110</u>	<u>374,137</u>	<u>407,537</u>	<u>473,184</u>		<u>880,721</u>	
<b>U.S. Department of Education -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
Title I - Low Income	84.010	15-4300-00	82,471	82,974	165,445			165,445	181,408
Title I - Low Income	84.010	16-4300-00		106,991		189,452	(2)	189,452	193,664
IDEA Room and Board	84.027	15-4625-00	20,608	49,203	30,480	39,331		69,811	N/A
IDEA Room and Board	84.027	16-4625-00		71,497		89,576		89,576	N/A
Title II - Teacher Quality	84.367	15-4932-00	62,596		62,596			62,596	62,596
Title II - Teacher Quality	84.367	16-4932-00		36,264		53,037		53,037	53,037
<b>Total Dept. of Education passed-through ISBE</b>			<u>165,675</u>	<u>346,929</u>	<u>258,521</u>	<u>371,396</u>		<u>629,917</u>	

The accompanying notes to the Schedule of Federal Awards are an integral part of these financial statements.



Geneseo Community Unit School District No. 228  
28-037-2280-26  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			Prior to 6/30/15 (C)	7/01/15 - 6/30/16 (D)	Prior to 6/30/15 (E)	7/01/15 - 6/30/16 (F)			
<b>Henry-Stark Special Education Cooperative</b>									
IDEA Flow Through	84.027	16-4620-00		49,708		49,708		49,708	57,277
<b>Total U.S. Department of Education - Pass-through programs from Henry Stark SEA</b>				49,708		49,708		49,708	
<b>Pass-through program from Illinois Department of Human Services</b>									
S.T.E.P. (Note #5)	84.126	46CTD00020	23,228	-	23,228	-		23,228	23,228
S.T.E.P. (Note #5)	84.126	46CUD00020		30,970		30,970		30,970	30,970
<b>Total Dept. of Education passed-through IL Dept of Human Services</b>			23,228	30,970	23,228	30,970		54,198	
<b>Total U.S. Department of Education - Pass-through programs</b>			188,903	427,607	281,749	452,074		733,823	
<b>U.S. Department of Health and Human Services - Pass-through program from Illinois Department of Healthcare and Family Services</b>									
Medicaid Outreach	93.778	15-4991-00	14,212	4,888	14,804	5,092		19,896	N/A
Medicaid Outreach	93.778	16-4991-00		10,993		11,451		11,451	N/A
			14,212	15,881	14,804	16,543		31,347	
<b>Total U.S. Department of Health and Human Services - Pass-through programs</b>			14,212	15,881	14,804	16,543		31,347	
<b>Total Federal Awards</b>			523,225	817,625	704,090	941,801		1,645,891	
<b>Total Federal Awards Passed Through Illinois State Board of Education</b>			485,785	721,066	666,058	844,580		1,510,638	
<b>Total Federal Awards Passed Through Other Entities</b>			37,440	96,559	38,032	97,221		135,253	
<b>Total Federal Awards</b>			523,225	817,625	704,090	941,801		1,645,891	

(M) Indicates Major Federal Financial Assistance Program.  
(1) Revenue Carryover from Prior Year Project per ISBE.  
(2) Project not complete as of June 30, 2016.  
(3) Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**Geneseo Community Unit School District No. 228**

**28-037-2280-26**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**

**Year Ending June 30, 2016**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Geneseo CUSD #228** and is presented on the Cash Basis of Accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

**Note 2: Subrecipients<sup>6</sup>**

Of the federal expenditures presented in the schedule, **Geneseo CUSD #228** provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
The District had no Sub-recipients during the fiscal year ended June 30, 2016.		

**Note 3: Relationship to Basic Financial Statements and Program Financial Reports**

Federal awards received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources. Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported in the Program Financial Records for programs which have filed final reports as of June 30, 2016 with ISBE.

**Note 4: Matching Expenditures**

S.T.E.P. (CFDA #84.126) (Contract #46CUD00020) required matching expenditures of \$15,412. Total reported expenditures for the grant were \$30,970 not including the matching expenditures.

**Note 5: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by Geneseo CUSD #228 and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$99,467</u>
OTHER NON-CASH ASSISTANCE	<u>\$0</u>

**Note 6: Other Information**

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>No</u>
Auto	<u>No</u>
General Liability	<u>No</u>
Workers Compensation	<u>No</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>No</u>
District had Federal grants requiring matching expenditures	<u>Yes</u>
	(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

<sup>6</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipient information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee. Title 2 CFR §200.510 (b)(2)

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2016**

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

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

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

Type of auditor's report issued on compliance for major programs: Unqualified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR §200.516 (a)?  YES  NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
10.555	National Lunch Program Cluster

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

Auditee qualified as low-risk auditee?  YES  NO

<sup>7</sup> 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."

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

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> 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.

Geneseo Community Unit School District No. 228  
28-037-2280-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2016

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SECTION II - FINANCIAL STATEMENT FINDINGS

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1. FINDING NUMBER:<sup>11</sup>      2016- None Known      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

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3. Criteria or specific requirement

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4. Condition

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5. Context<sup>12</sup>

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6. Effect

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7. Cause

---

8. Recommendation

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

<b>For ISBE Review</b>	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2016 would be assigned a reference number of 2016-001, 2016-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

<sup>13</sup> See Title 2 CFR §200.521 *Management decision* for additional guidance on reporting management's response.

Geneseo Community Unit School District No. 228  
28-037-2280-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2016-None Known 2. THIS FINDING IS:  New  Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

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

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

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

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

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

9. Condition<sup>15</sup>

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

11. Context<sup>17</sup>

12. Effect

13. Cause

14. Recommendation

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

<b>For ISBE Review</b>	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

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

<sup>15</sup> Include facts that support the deficiency identified on the audit finding.

<sup>16</sup> Identify questioned costs as required by Title 2 CFR §200.516 (a)(3 - 4).

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

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

Geneseo Community Unit School District No. 228  
28-037-2280-26  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>  
Year Ending June 30, 2016

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2015 - None identified		

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

<sup>19</sup> Explanation of this schedule - Title 2 CFR §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

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

Geneseo Community Unit School District No. 228  
28-037-2280-26  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>  
Year Ending June 30, 2016

Corrective Action Plan

Finding No.: **2016- None**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:

Management Response:

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<sup>21</sup> Explanation of this schedule - Title 2 CFR §200.511 ( c)