

Geneseo Community Unit School District No. 228

Geneseo, Illinois

***Annual Financial Report
and other Financial Information***

June 30, 2015

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228

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Gorenz and Associates, Ltd.

Certified Public Accountants

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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, 2015, and the related notes to the financial statements, which collectively comprise Geneseo Community Unit School District No. 228's basic financial statements as listed in the table of contents.

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 the 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, 2015, or changes in financial position for the year then ended.

Unmodified 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, 2015, and its revenue received and expenditures disbursed during the fiscal year then ended and the respective budgetary comparison statements, in accordance with the financial reporting provisions prescribed by the Illinois State Board of Education and described in Note #1.

Other Reporting Responsibilities***Supplemental Information***

The schedules listed in the table of contents as “Supplemental Information” are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Geneseo Community Unit School District No. 228. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. In our opinion, the “Supplemental Information” and 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 2014 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 30, 2014 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2014 basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2015, 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

October 6, 2015

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 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, 2015 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 DATE, 2015. 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
October 6, 2015

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 OMB Circular A-133

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 Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

Gorenz and Associates, Ltd.

Peoria, Illinois
October 6, 2015

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
<u>Assets</u>													
Cash and Cash Equivalents	4,265,436	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	2,482,973			17,155,142
Investments										397,268			397,268
Land											542,305		542,305
Buildings & Building Improvements											26,893,226		26,893,226
Site Improvements & Infrastructure											587,130		587,130
Capitalized Equipment											2,497,037		2,497,037
Amounts Available in Debt Service Funds												1,648,973	1,648,973
Amounts to be Provided for Payment of Debt												1,721,027	1,721,027
Total Assets	4,265,436	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	2,880,241	30,519,698	3,370,000	51,442,108
<u>Liabilities and Fund Balances</u>													
Liabilities:													
Other Payables	63,499												63,499
Due to Organizations										288,550			288,550
Long Term Debt Payable												3,370,000	3,370,000
Total Liabilities	63,499	0	0	0	0	0	0	0	0	288,550	0	3,370,000	3,722,049
Fund Balances:													
Reserved	305,166				156,630					2,591,691			3,053,487
Unreserved	3,896,771	2,618,700	1,648,973	1,738,139	332,390	1,153,506	1,714,681	494,720	548,994				14,146,874
Investments in General Fixed Assets											30,519,698		30,519,698
Total Fund Balances	4,201,937	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	2,591,691	30,519,698	0	47,720,059
Total Liabilities and Fund Balances	4,265,436	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	2,880,241	30,519,698	3,370,000	51,442,108

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:										
Local Sources	9,799,732	1,665,793	1,905,609	688,230	756,945	1,018,597	170,505	424,288	96,026	16,525,725
State Sources	5,398,046			718,217						6,116,263
Federal Sources	797,006									797,006
Total Direct Receipts	15,994,784	1,665,793	1,905,609	1,406,447	756,945	1,018,597	170,505	424,288	96,026	23,438,994
Receipts for On-Behalf Payments	3,453,366									3,453,366
Total Receipts	19,448,150	1,665,793	1,905,609	1,406,447	756,945	1,018,597	170,505	424,288	96,026	26,892,360
Disbursements:										
Instruction	11,119,346				177,309					11,296,655
Support Services	5,910,871	1,374,167		1,816,056	443,488	365		592,359	39,218	10,176,524
Community Services	110,832				13,188					124,020
Payments to Other Governmental Units	933,011				31,476					964,487
Debt Services			2,010,300							2,010,300
Total Direct Disbursements	18,074,060	1,374,167	2,010,300	1,816,056	665,461	365	0	592,359	39,218	24,571,986
Disbursements for On-Behalf Payments	3,453,366									3,453,366
Total Disbursements	21,527,426	1,374,167	2,010,300	1,816,056	665,461	365	0	592,359	39,218	28,025,352
Excess of Direct Receipts Over (Under) Direct Disbursements	(2,079,276)	291,626	(104,691)	(409,609)	91,484	1,018,232	170,505	(168,071)	56,808	(1,132,992)
Other Sources of Funds:										
Permanent Transfers -										
Abolishment or Abatement of the Working Cash Fund	2,300,000									2,300,000
Transfer Among Other Funds	500,000									500,000
Sale of Fixed Assets	400	9,672								10,072
Other (Uses) of Funds:										
Permanent Transfers -										
Abolishment or Abatement of the Working Cash Fund							(2,300,000)			(2,300,000)
Transfer Among Other Funds		(500,000)								(500,000)
Total Other Sources and (Uses) of Funds	2,800,400	(490,328)	0	0	0	0	(2,300,000)	0	0	10,072
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	721,124	(198,702)	(104,691)	(409,609)	91,484	1,018,232	(2,129,495)	(168,071)	56,808	(1,122,920)
Fund Balances - July 1, 2014	3,480,813	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	15,731,590
Other Changes in Fund Balance - Increases (Decreases)	0	0	0	0	0	0	0	0	0	0
Fund Balances - June 30, 2015	4,201,937	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	14,608,670

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Local Sources:										
Ad Valorem Taxes Levied By Local Education Agency:										
Designated Purposes Levies	7,562,422	1,609,149	1,898,973	643,689	364,867		160,744	421,130	94,570	12,755,544
Leasing Levy	39,331									39,331
Special Education Levy	128,828									128,828
Social Security/Medicare Levy					357,362					357,362
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	5,037	1,065	1,424	428	411		322	284	14	8,985
Corporate Personal Property Replacement Taxes	474,656				30,000					504,656
Tuition:										
Summer School - Tuition From Pupils or Parents (In State)	7,630									7,630
Transportation Fees:										
Regular - Transp. Fees From Pupils or Parents (In State)				1,017						1,017
Interest on Investments	7,072	8,024	5,212	5,679	1,015	1,802	9,439	1,199	1,442	40,884
Food Services:										
Sales to Pupils - Lunch	684,577									684,577
Sales to Pupils - Other	31,333									31,333
Other Food Services	4,717									4,717
District/School Activity Income:										
Admissions - Athletic	85,391									85,391
Admissions - Other	24									24
Fees	1,510									1,510
Book Store Sales	975									975
Other Pupil Activity Revenue	103,622									103,622
Textbook Income:										
Rentals - Regular Textbooks	173,384									173,384
Sales - Other	684									684
Rentals		16,564								16,564
Contributions from Private Sources	206,260									206,260
Services Provided Other LEAs	12,656									12,656
Refund of Prior Years' Expenditures	39,948	30,991		37,417				1,675		110,031
Drivers' Education Fees	7,400									7,400
School Facility Occupation Tax Proceeds						1,016,795				1,016,795
Payments from Other LEAs	2,805				3,290					6,095
Sale of Vocational Projects	212,807									212,807
Other Local Revenue	6,663									6,663
Total Receipts from Local Sources	9,799,732	1,665,793	1,905,609	688,230	756,945	1,018,597	170,505	424,288	96,026	16,525,725

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From State Sources:										
Unrestricted Grants-in-Aid:										
General State Aid - Sec. 18-8.05	4,669,551									4,669,551
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	98									98
Extraordinary	231,441									231,441
Personnel	129,222									129,222
Orphanage - Individual	9,126									9,126
Career and Technical Education (CTE):										
CTE - Secondary Program Improvement (CTEI)	47,053									47,053
CTE - Agriculture Education	2,017									2,017
State Free Lunch and Breakfast	3,381									3,381
Driver Education	42,836									42,836
Transportation:										
Transportation - Regular / Vocational				582,076						582,076
Transportation - Special Education				136,141						136,141
Early Childhood - Block Grant	153,418									153,418
Other Restricted Revenues from State Funds	109,903									109,903
Total Receipts from State Sources	5,398,046	0	0	718,217	0	0	0	0	0	6,116,263
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
National School Lunch Program	328,817									328,817
School Breakfast Program	69,955									69,955
Title 1:										
Low Income	190,301									190,301
Federal - Special Education:										
I.D.E.A.-Flow Through	7,442									7,442
I.D.E.A.-Room & Board	55,605									55,605
Title II - Teacher Quality	65,396									65,396
Medicaid Matching - Administrative Outreach	19,158									19,158
Medicaid Matching - Fee for Service Program	27,813									27,813
Other Federal	32,519									32,519
Total Receipts from Federal Sources	797,006	0	0	0	0	0	0	0	0	797,006
Total Direct Receipts	15,994,784	1,665,793	1,905,609	1,406,447	756,945	1,018,597	170,505	424,288	96,026	23,438,994

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	7,004,039	6,894,347	(109,692)
Employee Benefits	1,153,280	1,188,210	34,930
Purchased Services	49,842	68,648	18,806
Supplies and Materials	328,153	493,218	165,065
Total Regular Programs	<u>8,535,314</u>	<u>8,644,423</u>	<u>109,109</u>
Pre-K Programs:			
Salaries	68,238	68,340	102
Employee Benefits	5,756	5,892	136
Supplies and Materials	691	156	(535)
Total Pre-K Programs	<u>74,685</u>	<u>74,388</u>	<u>(297)</u>
Special Education Programs:			
Salaries	785,190	814,777	29,587
Employee Benefits	117,395	131,792	14,397
Purchased Services	9,609	3,298	(6,311)
Supplies and Materials	11,102	7,816	(3,286)
Other Objects	4,025	128,341	124,316
Total Special Education Programs	<u>927,321</u>	<u>1,086,024</u>	<u>158,703</u>
Remedial and Supplemental Programs K-12:			
Salaries	79,054	68,864	(10,190)
Employee Benefits	1,544	3,927	2,383
Supplies and Materials	9,214	10,000	786
Total Remedial and Supplemental Programs K-12	<u>89,812</u>	<u>82,791</u>	<u>(7,021)</u>
CTE Programs:			
Salaries	257,712	295,336	37,624
Employee Benefits	41,594	51,786	10,192
Purchased Services	38,515	35,073	(3,442)
Supplies and Materials	233,045	83,355	(149,690)
Capital Outlay	688	1,821	1,133
Total CTE Programs	<u>571,554</u>	<u>467,371</u>	<u>(104,183)</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Interscholastic Programs:			
Salaries	428,277	424,545	(3,732)
Employee Benefits	32,052	31,850	(202)
Purchased Services	152,794	149,623	(3,171)
Supplies and Materials	62,547	65,153	2,606
Other Objects	6,560	6,573	13
Total Interscholastic Programs	<u>682,230</u>	<u>677,744</u>	<u>(4,486)</u>
Summer School Programs:			
Salaries	5,178	6,831	1,653
Employee Benefits	113	71	(42)
Supplies and Materials	782	1,104	322
Total Summer School Programs	<u>6,073</u>	<u>8,006</u>	<u>1,933</u>
Gifted Programs:			
Salaries	0	955	955
Employee Benefits	0	12	12
Supplies and Materials	1,415	3,334	1,919
Total Gifted Programs	<u>1,415</u>	<u>4,301</u>	<u>2,886</u>
Driver's Education Programs:			
Salaries	126,514	130,955	4,441
Employee Benefits	15,020	22,205	7,185
Purchased Services	1,584	3,407	1,823
Supplies and Materials	4,770	2,900	(1,870)
Total Drivers Education Programs	<u>147,888</u>	<u>159,467</u>	<u>11,579</u>
Special Education Programs K-12 - Private Tuition	<u>83,054</u>	<u>80,000</u>	<u>(3,054)</u>
Total Instruction	<u>11,119,346</u>	<u>11,284,515</u>	<u>165,169</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	150,412	142,800	(7,612)
Employee Benefits	31,975	37,594	5,619
Purchased Services	0	368	368
Supplies and Materials	0	74	74
Total Attendance and Social Work Services	<u>182,387</u>	<u>180,836</u>	<u>(1,551)</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Guidance Services:			
Salaries	342,482	350,724	8,242
Employee Benefits	51,779	52,808	1,029
Purchased Services	262	991	729
Supplies and Materials	1,061	700	(361)
Total Guidance Services	<u>395,584</u>	<u>405,223</u>	<u>9,639</u>
Health Services:			
Salaries	116,687	106,500	(10,187)
Employee Benefits	8,069	5,221	(2,848)
Purchased Services	2,599	323	(2,276)
Supplies and Materials	3,455	4,138	683
Other Objects	156	0	(156)
Total Health Services	<u>130,966</u>	<u>116,182</u>	<u>(14,784)</u>
Total Support Services-Pupils	<u>708,937</u>	<u>702,241</u>	<u>(6,696)</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	44,935	59,430	14,495
Employee Benefits	5,149	4,931	(218)
Purchased Services	95,832	216,491	120,659
Supplies and Materials	37,269	52,761	15,492
Total Improvement of Instructional Services	<u>183,185</u>	<u>333,613</u>	<u>150,428</u>
Educational Media Services:			
Salaries	429,380	450,523	21,143
Employee Benefits	55,359	54,500	(859)
Purchased Services	14,184	18,135	3,951
Supplies and Materials	221,347	207,300	(14,047)
Capital Outlay	0	873	873
Non-Capitalized Equipment	320,269	267,495	(52,774)
Total Educational Media Services	<u>1,040,539</u>	<u>998,826</u>	<u>(41,713)</u>
Total Support Services-Instructional Staff	<u>1,223,724</u>	<u>1,332,439</u>	<u>108,715</u>
Support Services-General Administration:			
Board of Education Services:			
Salaries	2,150	2,157	7
Purchased Services	106,793	158,441	51,648
Supplies and Materials	5,299	3,521	(1,778)
Other Objects	6,742	6,716	(26)
Total Board of Education Services	<u>120,984</u>	<u>170,835</u>	<u>49,851</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Executive Administration Services:			
Salaries	173,873	192,215	18,342
Employee Benefits	36,172	37,161	989
Purchased Services	3,958	1,599	(2,359)
Supplies and Materials	1,635	2,768	1,133
Other Objects	2,141	2,500	359
Total Executive Administration Services	<u>217,779</u>	<u>236,243</u>	<u>18,464</u>
Total Support Services-General Administration	<u>338,763</u>	<u>407,078</u>	<u>68,315</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	971,408	1,006,930	35,522
Employee Benefits	234,982	250,612	15,630
Purchased Services	9,693	22,281	12,588
Supplies and Materials	5,983	23,907	17,924
Other Objects	3,576	4,044	468
Total Office of the Principal Service	<u>1,225,642</u>	<u>1,307,774</u>	<u>82,132</u>
Total Support Services-School Administration	<u>1,225,642</u>	<u>1,307,774</u>	<u>82,132</u>
Support Services-Business:			
Fiscal Services:			
Salaries	255,825	249,224	(6,601)
Employee Benefits	35,769	36,942	1,173
Purchased Services	81,045	83,976	2,931
Supplies and Materials	17,209	14,687	(2,522)
Other Objects	1,318	670	(648)
Total Fiscal Services	<u>391,166</u>	<u>385,499</u>	<u>(5,667)</u>
Operation and Maintenance of Plant Services:			
Salaries	539,776	558,000	18,224
Employee Benefits	78,581	76,333	(2,248)
Capital Outlay	92,096	0	(92,096)
Total Operation and Maintenance of Plant Services	<u>710,453</u>	<u>634,333</u>	<u>(76,120)</u>
Pupil Transportation Services:			
Purchased Services	<u>54,875</u>	<u>59,854</u>	<u>4,979</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Food Services:			
Salaries	442,855	442,667	(188)
Employee Benefits	31,472	32,459	987
Purchased Services	9,841	19,706	9,865
Supplies and Materials	545,015	564,451	19,436
Capital Outlay	7,189	35,052	27,863
Other Objects	2,384	2,205	(179)
Non-Capitalized Equipment	6,840	8,019	1,179
Total Food Services	<u>1,045,596</u>	<u>1,104,559</u>	<u>58,963</u>
Total Support Services-Business	<u>2,202,090</u>	<u>2,184,245</u>	<u>(17,845)</u>
Support Services-Central:			
Information Services:			
Salaries	29,894	38,000	8,106
Employee Benefits	70	64	(6)
Purchased Services	3,787	11,529	7,742
Supplies and Materials	101	541	440
Total Information Services	<u>33,852</u>	<u>50,134</u>	<u>16,282</u>
Data Processing Services:			
Purchased Services	52,902	44,575	(8,327)
Supplies and Materials	3,516	2,482	(1,034)
Total Data Processing Services	<u>56,418</u>	<u>47,057</u>	<u>(9,361)</u>
Total Support Service-Central	<u>90,270</u>	<u>97,191</u>	<u>6,921</u>
Other Support Services:			
Salaries	110,961	141,100	30,139
Employee Benefits	3,805	3,819	14
Purchased Services	1,066	10,000	8,934
Supplies and Materials	5,613	32,100	26,487
Total Other Supporting Services	<u>121,445</u>	<u>187,019</u>	<u>65,574</u>
Total Supporting Services	<u>5,910,871</u>	<u>6,217,987</u>	<u>307,116</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Community Services:			
Salaries	91,029	178,655	87,626
Employee Benefits	14,100	14,319	219
Purchased Services	393	2,925	2,532
Supplies and Materials	5,310	6,746	1,436
Total Community Services	<u>110,832</u>	<u>202,645</u>	<u>91,813</u>
Payments to Other Governmental Units (In-State):			
Other Payments to Governmental Units:			
Other Objects	2,591	5,000	2,409
Payments to Other Governmental Units - Tuition (In-State):			
Regular Programs - Tuition	0	7,440	7,440
Special Education Programs - Tuition	930,420	924,694	(5,726)
Total Payments to Other Governmental Units - Tuition (In-State)	<u>930,420</u>	<u>932,134</u>	<u>1,714</u>
Total Payments to Other Governmental Units	<u>933,011</u>	<u>937,134</u>	<u>4,123</u>
Total Direct Disbursements	<u><u>18,074,060</u></u>	<u><u>18,642,281</u></u>	<u><u>568,221</u></u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Facilities Acquisition and Construction Services:			
Purchased Services	44,068	85,000	40,932
Operation and Maintenance of Plant Services:			
Salaries	284,091	279,500	(4,591)
Employee Benefits	27,244	27,400	156
Purchased Services	253,176	274,500	21,324
Supplies and Materials	706,120	796,500	90,380
Capital Outlay	59,468	300,000	240,532
Non-Capitalized Equipment	0	42,500	42,500
Total Operation and Maintenance of Plant Services	1,330,099	1,720,400	390,301
Total Direct Disbursements	1,374,167	1,805,400	431,233

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 DEBT SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Interest on Long-Term Debt	190,300	2,067,000	1,876,700
Payments of Principal on Long-Term Debt	1,820,000	0	(1,820,000)
Total Direct Disbursements	2,010,300	2,067,000	56,700

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 TRANSPORTATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	6,511	7,000	489
Purchased Services	1,591,342	1,594,000	2,658
Supplies and Materials	210,203	250,700	40,497
Other Objects	8,000	8,000	0
Total Direct Disbursements	1,816,056	1,859,700	43,644

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	112,227	79,122	(33,105)
Pre-K Programs:			
Employee Benefits	3,849	34,639	30,790
Special Education Programs:			
Employee Benefits	32,822	40,432	7,610
Remedial and Supplemental Programs K-12:			
Employee Benefits	13,868	9,556	(4,312)
CTE Programs:			
Employee Benefits	2,527	2,900	373
Interscholastic Programs:			
Employee Benefits	9,991	10,057	66
Summer School Programs:			
Employee Benefits	262	260	(2)
Gifted Programs:			
Employee Benefits	0	50	50
Driver's Education Programs:			
Employee Benefits	1,763	2,000	237
Total Instruction	<u>177,309</u>	<u>179,016</u>	<u>1,707</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	2,578	2,234	(344)
Guidance Services:			
Employee Benefits	4,800	4,900	100
Health Services:			
Employee Benefits	24,166	27,478	3,312
Total Support Services-Pupils	<u>31,544</u>	<u>34,612</u>	<u>3,068</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	8,223	9,387	1,164
Educational Media Services:			
Employee Benefits	22,521	27,482	4,961
Total Support Services-Instructional Staff	<u>30,744</u>	<u>36,869</u>	<u>6,125</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	164	164	0
Executive Administration Services:			
Employee Benefits	2,731	2,930	199
Risk Management and Claims Service Payments			
Employee Benefits	0	126	126
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction			
Employee Benefits	952	976	24
Total Support Services-General Administration	<u>3,847</u>	<u>4,196</u>	<u>349</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	69,731	74,511	4,780
Support Services-Business:			
Fiscal Services:			
Employee Benefits	46,665	37,000	(9,665)
Operation and Maintenance of Plant Services:			
Employee Benefits	172,550	196,564	24,014
Pupil Transportation Services:			
Employee Benefits	523	455	(68)
Food Services:			
Employee Benefits	80,477	91,029	10,552
Total Support Services-Business	<u>300,215</u>	<u>325,048</u>	<u>24,833</u>
Support Services-Central:			
Information Services:			
Employee Benefits	5,892	7,850	1,958
Other Support Services:			
Employee Benefits	1,515	1,515	0
Total Support Services	<u>443,488</u>	<u>484,601</u>	<u>41,113</u>
Community Services:			
Employee Benefits	13,188	21,258	8,070
Payments to Other Governmental Units			
Payments for Special Education Programs:			
Employee Benefits	31,476	31,845	369
Total Direct Disbursements	<u><u>665,461</u></u>	<u><u>716,720</u></u>	<u><u>51,259</u></u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Supplies and Materials	365	0	(365)
Total Direct Disbursements	365	0	(365)

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 TORT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupation Disease Act Payments:			
Purchased Services	140,528	150,000	9,472
Unemployment Insurance Payments:			
Purchased Services	14,354	10,000	(4,354)
Insurance Payments (regular or self-insurance):			
Purchased Services	185,814	200,000	14,186
Risk Management and Claims Services Payments:			
Salaries	0	1,000	1,000
Purchased Services	138,990	88,000	(50,990)
Non-Capitalized Equipment	5,256	30,000	24,744
Total Risk Management and Claims Payments	144,246	119,000	(25,246)
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	4,000	5,000	1,000
Purchased Services	102,815	100,000	(2,815)
Total Educational, Inspectional, Supervisory Services	106,815	105,000	(1,815)
Legal Services:			
Purchased Services	602	2,000	1,398
Total Direct Disbursements	592,359	586,000	(6,359)

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 FIRE PREVENTION AND SAFETY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	<u>39,218</u>	<u>195,150</u>	<u>155,932</u>
Total Direct Disbursements	<u><u>39,218</u></u>	<u><u>195,150</u></u>	<u><u>155,932</u></u>

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

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

JUNE 30, 2015

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.

Certain joint agreements have been determined to be part of the reporting entity because the District exercises significant influence over the assets, operations, and management of the joint agreement. However, the joint agreements are required to be separately audited and reported to the Illinois State Board of Education. These financial statements therefore represent only the financial condition and operations of the primary government, Geneseo Community Unit School District No. 228.

The joint agreement consists of Rock River Alternative School. The financial information for the joint agreement can be obtained from the District's administrative office located at 209 S. College, Geneseo, IL 61254.

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, 2015

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, 2015

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 \$747,120, which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$14,296,932. 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

JUNE 30, 2015

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 18, 2014. An amended budget was passed on June 11, 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
 JUNE 30, 2015

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

H. Total Memorandum Only

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

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

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 2014 levy was passed by the board on December 11, 2014. 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 \$7,266,575 in taxes from the 2014 tax levy prior to June 30, 2015. The balance of taxes recorded in these statements are from 2013 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 2014 Rate</u>	<u>Actual 2013 Rate</u>	<u>Actual 2012 Rate</u>
Educational	2.35000	2.3500	2.3106	2.3500
Operations & Maintenance	0.50000	0.5000	0.4917	0.5000
Transportation	0.20000	0.2000	0.1967	0.2000
Debt Services	None	0.5637	0.6114	0.5997
Municipal Retirement	None	0.1232	0.0999	0.1034
Social Security	None	0.1292	0.0878	0.0861
Tort Immunity	None	0.1322	0.1271	0.1284
Leasing	0.05000	0.0031	0.0227	0.0454
Special Education	0.04000	0.0400	0.0394	0.0400
Fire Prevention and Safety	0.05000	0.0500	0.0046	0.0032
Working Cash	0.05000	<u>0.0500</u>	<u>0.0492</u>	<u>0.0047</u>
Total		<u>4.1414</u>	<u>4.0411</u>	<u>4.0609</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

JUNE 30, 2015

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 \$305,166. This balance is included in the financial statements as Reserved in the Educational Fund.

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2015, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2015, expenditures disbursed from federal grants exceeded the revenue received for those specific purposes in the Educational Fund, resulting in no restricted balance.

5. 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 \$156,630. This balance is included in the financial statements as unreserved in the Municipal Retirement/Social Security Fund.

6. 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 \$2,476,097. The District also had a trust account for memorials totaling \$115,594 as of June 30, 2015. These balances totaling \$2,591,691 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, 2015

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, 2015, the total amount of unpaid contracts and benefits for services performed during the fiscal year ended June 30, 2015 amounted to \$1,542,155. 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 or committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are 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	305,166	1,542,155	0	2,354,616	305,166	3,896,771
Operations & Maintenance	0	2,618,700	0	0	0	0	2,618,700
Debt Services	0	1,648,973	0	0	0	0	1,648,973
Transportation	0	1,738,139	0	0	0	0	1,738,139
Municipal Retirement	0	489,020	0	0	0	156,630	332,390
Working Cash	0	0	0	0	1,714,681	0	1,714,681
Capital Project	0	1,153,506	0	0	0	0	1,153,506
Tort Liability	0	494,720	0	0	0	0	494,720
Fire Life Safety	0	548,994	0	0	0	0	548,994
Trust and Agency	0	2,591,691	0	0	0	2,591,691	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

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

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

As of June 30, 2015, \$6,194,311 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>\$ 6,194,311</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, 2015, the district had the following investments and maturities.

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Mutual Funds	111,667	116,548	111,667	0	0	0
ISDLAF	352,644	352,644	352,644	0	0	0
Total	<u>464,311</u>	<u>469,192</u>	<u>464,311</u>	<u>0</u>	<u>0</u>	<u>0</u>

Credit Risk

As of June 30, 2015, 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>
Mutual Funds	116,548	AAA

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

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, 2015:

24% - Mutual Funds
 76% - ISDLAF

ISDLAF+ (Investment Pool) -

During the year ended June 30, 2015, 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 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions*</u>	Balance <u>June 30, 2015</u>
Non-Depreciable Land	507,298	35,007	0	542,305
Permanent Buildings	26,893,226	0	0	26,893,226
Improvements Other than Buildings	587,130	0	0	587,130
10-Year Equipment	2,373,429	99,918	210,493	2,262,854
5-Year Equipment	146,444	24,516	0	170,960
3-Year Equipment	<u>63,223</u>	<u>0</u>	<u>0</u>	<u>63,223</u>
Totals	<u>30,570,750</u>	<u>159,441</u>	<u>210,493</u>	<u>30,519,698</u>

* To remove fully depreciated equipment and assets sold.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #6 – Retirement Fund Commitments

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.

A. Teacher's Retirement System of the State of Illinois

The school district participates in the Teacher's 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.htm>; by writing to TRS at 2815 West Washington Street, 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.

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, 2015, 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.

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

JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2015, State of Illinois contributions recognized by the district were based on the state's proportionate share of the collective net pension liability associated with the district, and the district recognized revenue and expenditures of \$3,349,763 in pension contributions that the State of Illinois made.

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, 2015, were \$58,915 and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the district to pay 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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$6,315 were paid from federal and special trust funds that required employer contributions of \$2,084. These contributions are deferred because they were paid after the June 30, 2014 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, 2015, 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, 2015, the employer paid \$8,933 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities and Pension Expense

At June 30, 2015, the employer has 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 disclosed by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,383,885
State's proportionate share of the net pension liability associated with the employer	\$63,862,347
Total	\$65,246,232

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was 0.0022739476 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was 0.0021723375 percent.

For the year ended June 30, 2015, the employer recognized pension expense of \$58,915 on a cash basis under this plan.

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. 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. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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:

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18	8.58
Aggregate bonds	16	2.27
U.S. TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk parity	8	5.57
Diversified inflation strategy	1	3.96
Private equity	14	13.03
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 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 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note #6 – Retirement Fund Commitments (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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer’s proportionate share of the net pension liability	\$1,709,030	\$1,383,885	\$1,114,628

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2014 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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$103,603, and the employer recognized revenue and expenditures of this amount during the year.

Note #6 – Retirement Fund Commitments (cont'd.)

B. THIS Fund Contributions (cont'd.)

• **Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the employer paid \$77,194 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

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 www.imrf.org.

Benefits provided.

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

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

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

JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

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

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

Employees covered by benefit terms.

At December 31, 2014, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	100
Active employees	<u>105</u>
Total Members	338

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 2014 was 16.14%. The total employer contribution paid for 2014 was \$352,317. The District's contribution rate for the calendar year 2015 is 11.67%. The actual contributions paid during the fiscal year ended June 30, 2015 were \$305,675. 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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

Actuarial assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- 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 7.50%.
- **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.
- 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.

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Discount rate

A Single Discount Rate of 7.49% 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 3.56%, and the resulting single discount rate is 7.49%.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

Changes in the Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability <u>(a)- (b)</u>
Balances at 12/31/13	\$ 13,315,028	\$ 13,088,877	\$ 226,151
Changes for the year:			
Service cost	274,148		274,148
Interest on Total Pension Liability	980,288		980,288
Change of Benefit Terms	0		0
Differences between expected and actual Experience of Total Pension Liability	(22,588)		(22,588)
Changes of assumptions	644,824		644,824
Contributions-Employer		349,009	(349,009)
Contributions-Employee		98,254	(98,254)
Net investment income		788,786	(788,786)
Benefit Payments, including Refunds of Employee Contributions	(763,194)	(763,194)	0
Other changes (Net Transfers)		88,065	(88,065)
Net changes	<u>1,113,478</u>	<u>560,920</u>	<u>552,558</u>
Balances at 12/31/14	<u>\$ 14,428,506</u>	<u>\$ 13,649,797</u>	<u>\$ 778,709</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 7.49 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 (6.49 percent) or 1-percentage-point higher (8.49 percent) than the current rate:

	1% Decrease <u>6.49%</u>	Current Single Discount Rate Assumption <u>7.49%</u>	1% Increase <u>8.49%</u>
Total Pension Liability	\$ 16,152,542	\$ 14,428,506	\$ 12,988,786
Plan Fiduciary Net Position	<u>13,649,797</u>	<u>13,649,797</u>	<u>13,649,797</u>
Net Pension Liability(Asset)	\$ 2,502,745	\$ 778,709	\$ (661,011)

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.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

Note #6 – Retirement Fund Commitments (cont'd.)

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

Payable to the Pension Plan

At June 30, 2015, the District had a payable of \$- for the outstanding amount of contributions to IMRF for the year ended June 30, 2015.

Note #7 – Long-Term Debt, Capital Leases, and Other Financing Arrangements

Long-term debt at June 30, 2014, 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, 2015, the District was obligated on General Obligation Bonds issued for Life Safety to be paid from the Debt Services Fund dated September 1, 2009 totaling \$765,000 and dated September 1, 2010 totaling \$1,060,000, and dated September 1, 2011 totaling \$1,545,000.

Capital Leases –

As of June 30, 2015, 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, 2015:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due In</u>
									<u>Less Than One Year</u>
General Obligation Bonds									
2009 Life Safety	2,585,000	9/1/09	2/15/16	3.17%	2,585,000	0	(1,820,000)	765,000	765,000
2010A Life Safety/WC	1,060,000	9/1/10	2/15/17	3.14%	1,060,000	0	0	1,060,000	0
2010B Life Safety/WC	1,545,000	9/1/10	2/15/17	3.83%	<u>1,545,000</u>	<u>0</u>	<u>0</u>	<u>1,545,000</u>	<u>1,175,000</u>
Total					<u>5,190,000</u>	<u>0</u>	<u>(1,820,000)</u>	<u>3,370,000</u>	<u>1,940,000</u>

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

	<u>Bonds</u>		<u>Leases/Other</u>		<u>Total</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	1,940,000	126,602	0	0	1,940,000	126,602
2017	<u>1,430,000</u>	<u>52,826</u>	<u>0</u>	<u>0</u>	<u>1,430,000</u>	<u>52,826</u>
	<u>3,370,000</u>	<u>179,428</u>	<u>0</u>	<u>0</u>	<u>3,370,000</u>	<u>179,428</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #7 – Long-Term Debt, Capital Leases, and Other Financing Arrangements (cont'd.)

Debt Services Fund Balance –

At June 30, 2015, 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>
March 1, 2005	105,242
February 15, 2007	533,709
September 1, 2009	374,054
September 1, 2010	28,657
September 1, 2010	<u>607,311</u>
	<u>1,648,973</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, 2015 was \$332,856,121.

The estimated legal debt margin of the District at June 30, 2015, was calculated as follows:

Legal Debt Limit	45,934,145
Less Qualifying Debt	<u>(3,370,000)</u>
Legal Debt Margin	<u>42,564,145</u>

Note #8 - Tax Anticipation Warrants

During the fiscal year ended June 30, 2015, the District did not issue any tax anticipation warrants.

Note #9 - Interfund Receivables and Payables and Transfers

\$2,300,000 was transferred from the Educational Fund to the Working Cash Fund for general operations and \$500,000 was transferred from the Educational Fund to the Operations and Maintenance Fund to supplement State Aid during the fiscal year ended June 30, 2015.

Note #10 - 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 #11 - Deficit Fund Balances

As of June 30, 2015, the District had no deficit fund balances.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #12 - 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. Additional claims would be covered by commercial insurance. Future potential claims as of June 30, 2015 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 #13 - 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.

Note #14 - Commitments

As of June 30, 2015, the District had the following construction commitments outstanding for the Fire/Life Safety Fund:

GB Clark Corporation	Window Replacements	\$111,800
Git R Done Construction	Life Skills/Toilet Room Remodel	35,000
Sterling Commercial Roofing	Gymnasium Roof Replacement	<u>216,122</u>
Total Outstanding Commitments		<u>\$362,922</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 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.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

Note #14 – Commitments (cont'd.)

The District entered into an operating lease for phone systems with Geneseo Communications. The lease term commenced October 29, 2014 and will end in the fiscal year ended June 30, 2016. The yearly charge is \$57,089 the first year and \$58,043 the second year. Lease charges are paid through the Operations and Maintenance and Tort Funds.

Annual commitments under the above operating leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	136,835
2017	78,791
2018	69,647
2019	69,647
2020	<u>3,850</u>
	358,770

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, 2015, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2015, amounted to \$1,505,291.

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, 2015, the estimated unused vacation pay liability is \$28,464.

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 \$8,400.

Termination Benefits – Termination benefits are considered to be an expenditure in the year paid. As of June 30, 2015, the District had estimated incentives due for teachers who have notified the District of their retirements of \$288,084.

Note #15 - 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.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #16 - Risk Management - Claims and Judgments

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended June 30, 2015, 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, 2015, there were no significant adjustments in premiums based on actual experience.

Note #17 - Disbursements and Transfers in Excess of Budget

As of June 30, 2015, the District had disbursements and/or transfers that exceeded the budget as follows:

The Capital Projects Fund had \$365 with a budget of \$-0-.
The Tort Fund had \$592,359 with a budget of \$586,000.

Note #18 - Other Liabilities

The members of Rock River Alternative School voted to dissolve the cooperative as of June 30, 2014 and entered into an agreement for dissolution. The remaining assets of the cooperative totaling \$68,735.95 were distributed to the administrative district to be used for any potential liabilities of the cooperative. As of June 30, 2015, the remaining assets totaled \$63,499.30. Once the liabilities have been paid, the administrative district will distribute the funds to the member districts as per the agreement.

Note #19 - Post-Retirement Health Care Plan

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, 2015.

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 \$411 per month for individual coverage and \$912 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.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note #20 – Subsequent Event

After June 30, 2015, the District issued \$9,000,000 of Fire Safety Bonds and \$11,000,000 of General Obligation Bonds.

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 other than those mentioned above 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, 2015

<u>ASSETS</u>	<u>Unit Activity Fund</u>	<u>Middle School Activity Fund</u>	<u>High School Activity Fund</u>	<u>Memorial and Scholarship Fund</u>	<u>Self-funded Insurance Fund</u>	<u>Total</u>
Cash	118,637	82,918	86,995	3,927	2,190,496	2,482,973
Investments	-	-	-	111,667	285,601	397,268
Total Assets	<u>118,637</u>	<u>82,918</u>	<u>86,995</u>	<u>115,594</u>	<u>2,476,097</u>	<u>2,880,241</u>
<u>LIABILITIES</u>						
Other Liabilities	-	-	-	-	-	-
Due to other Organizations	118,637	82,918	86,995	-	-	288,550
Total Liabilities	<u>118,637</u>	<u>82,918</u>	<u>86,995</u>	-	-	<u>288,550</u>
<u>FUND BALANCE AND OTHER CREDITS</u>						
Net Assets Available for Benefits	-	-	-	115,594	2,476,097	2,591,691
<u>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</u>	<u>118,637</u>	<u>82,918</u>	<u>86,995</u>	<u>115,594</u>	<u>2,476,097</u>	<u>2,880,241</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, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	117,935.86	14,098.11	13,396.46	118,637.51
Total Assets	<u>117,935.86</u>	<u>14,098.11</u>	<u>13,396.46</u>	<u>118,637.51</u>
<u>LIABILITIES (Due to other Organizations)</u>				
<u>Unit Office</u>				
Administration Flower Fund	201.68	0.00	0.00	201.68
Cafeteria District Flower Fund	76.85	160.00	109.95	126.90
Elementary Book Week	1,067.19	0.00	0.00	1,067.19
H. Shoemaker CD Interest	76,616.38	0.00	0.00	76,616.38
Interest on NOW Account	18,668.05	160.41	727.50	18,100.96
Millikin Convenience Fund	2,773.21	2,359.90	2,005.95	3,127.16
Millikin Social Fund	946.79	1,893.50	1,672.64	1,167.65
Northside Convenience Fund	5,174.47	410.17	3,058.48	2,526.16
South West School - Convenience	755.31	775.70	984.67	546.34
Southwest Jeans	1,049.66	1,010.00	997.64	1,062.02
North Jeans	0.00	3,720.98	675.00	3,045.98
S.A.F.E.	4,310.77	2,540.00	1,491.47	5,359.30
Unit Office Convenience Fund	4,361.36	1,067.45	182.33	5,246.48
Social Worker/Student Needs	1,934.14	0.00	1,490.83	443.31
Total Liabilities (Due to other Organizations)	<u>117,935.86</u>	<u>14,098.11</u>	<u>13,396.46</u>	<u>118,637.51</u>
<u>FUND BALANCE</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>117,935.86</u>	<u>14,098.11</u>	<u>13,396.46</u>	<u>118,637.51</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, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	77,958.74	124,584.38	119,625.57	82,917.55
Total Assets	<u>77,958.74</u>	<u>124,584.38</u>	<u>119,625.57</u>	<u>82,917.55</u>
<u>LIABILITIES (Due to other Organizations)</u>				
<u>Middle School</u>				
Band Fund	1,293.14	17,290.25	13,839.30	4,744.09
M.S. Builders Club	1,480.11	2,015.57	1,861.33	1,634.35
General Fund	12,886.43	8,586.88	7,486.79	13,986.52
Impact Food	61.09	0.00	52.34	8.75
Interest on NOW Account - MS	351.09	0.00	0.00	351.09
Library Fund	4,568.60	9,745.08	9,094.81	5,218.87
Special Ed Activity	0.00	1,541.05	209.62	1,331.43
P.E. Activities	1,444.56	3,172.88	3,113.15	1,504.29
Student Services	36,631.72	58,926.68	57,868.98	37,689.42
Student Council	3,971.90	6,603.17	7,584.02	2,991.05
Teacher Services	239.77	4,871.55	4,953.95	157.37
Vocal Fund (Choir)	546.18	1,800.88	1,217.96	1,129.10
Yearbook	12,018.34	6,965.00	8,632.15	10,351.19
6th Grade Band Fund	530.95	2,574.95	2,765.65	340.25
6th Grade Student Senate	1,934.86	490.44	945.52	1,479.78
Total Liabilities (Due to other Organizations)	<u>77,958.74</u>	<u>124,584.38</u>	<u>119,625.57</u>	<u>82,917.55</u>
<u>FUND BALANCE</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>77,958.74</u>	<u>124,584.38</u>	<u>119,625.57</u>	<u>82,917.55</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, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	85,837.39	308,318.45	307,160.78	86,995.06
Total Assets	<u>85,837.39</u>	<u>308,318.45</u>	<u>307,160.78</u>	<u>86,995.06</u>
<u>LIABILITIES (Due to other Organizations)</u>				
ACT	130.56	140.00	0.00	270.56
Annuals (Yearbook)	5,682.19	18,707.77	23,856.25	533.71
Athletic Fund	18,772.50	152,819.08	151,995.78	19,595.80
Band Fund	3,978.39	7,999.75	4,598.70	7,379.44
Choir Fund	1,170.39	2,493.23	2,598.17	1,065.45
Class of 2014	4,363.12	0.00	4,363.12	0.00
Class of 2015	4,035.47	0.00	3,053.03	982.44
Class of 2016	3,168.85	19,969.00	14,876.96	8,260.89
Class of 2017	237.50	9,904.00	9,171.18	970.32
Class of 2018	0.00	200.00	0.00	200.00
Commercial Club (Vocational Careers Club)	1,223.67	18,026.00	14,924.66	4,325.01
Co-op Club	1,313.05	0.00	733.95	579.10
Future Business Leaders of America	75.00	0.00	44.00	31.00
First Robotics Club	1,718.74	2,534.96	2,404.45	1,849.25
F.F.A.	903.44	2,480.57	2,921.07	462.94
Health Fund	1,455.02	150.00	543.08	1,061.94
H.S. Library	2,464.78	1,088.94	695.00	2,858.72
H.S. Student Services	(938.84)	10,162.33	8,910.33	313.16
IHSA Speech	40.00	0.00	0.00	40.00
Interest on NOW Account - HS	96.66	0.00	0.00	96.66
Jazz Band/Swing Choir	9,467.80	3,035.00	1,891.85	10,610.95
Key Club	2,035.77	7,063.21	6,434.95	2,664.03
Life Skills	8,587.61	809.00	2,804.95	6,591.66
Miscellaneous Fund	4,239.30	27,396.09	27,079.59	4,555.80
Music Trip Fund	1,844.70	0.00	500.00	1,344.70
Pom Pon & Maplettes	106.83	639.00	374.50	371.33
Radio Club	41.93	1,077.42	146.00	973.35
The Troupe	697.69	4,040.00	4,750.51	(12.82)
Scholastic Bowl	382.31	215.00	462.00	135.31
Stage Fund	6,502.92	7,734.00	8,215.76	6,021.16
Studio Club	659.99	604.00	558.22	705.77
Student Council	862.36	8,680.10	7,902.72	1,639.74
Thespian Fund	517.69	350.00	350.00	517.69
Total Senior High School	<u>85,837.39</u>	<u>308,318.45</u>	<u>307,160.78</u>	<u>86,995.06</u>
Total Liabilities (Due to other Organizations)	<u>85,837.39</u>	<u>308,318.45</u>	<u>307,160.78</u>	<u>86,995.06</u>
<u>FUND BALANCE</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>85,837.39</u>	<u>308,318.45</u>	<u>307,160.78</u>	<u>86,995.06</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, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	3,186.97	15,948.84	15,208.89	3,926.92
Investments	105,743.28	8,712.75	2,789.43	111,666.60
Total Assets	108,930.25	24,661.59	17,998.32	115,593.52
<u>LIABILITIES (Due to other Organizations)</u>	0.00	0.00	0.00	0.00
<u>FUND BALANCE and other Credits</u>				
King Memorial	38,341.63	10,421.11	8,314.78	40,447.96
Waterman Scholarship	70,588.62	14,240.48	9,683.54	75,145.56
Total Fund Balance and other Credits	108,930.25	24,661.59	17,998.32	115,593.52
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	108,930.25	24,661.59	17,998.32	115,593.52

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, 2015

Additions to Plan Assets Attributed to:		
Insurance Premiums Received	1,768,198.00	
Interest Earned	<u>2,854.27</u>	
Total Additions		1,771,052.27
Deductions from Plan Assets Attributed to:		
Claims Paid and Co-Insurance Premiums	<u>1,581,962.93</u>	
Total Deductions		<u>1,581,962.93</u>
Net Increase (Decrease)		189,089.34
Net Assets available for Benefits, July 1, 2014		<u>2,287,007.59</u>
Net Assets Available for Benefits, June 30, 2015		<u><u>2,476,096.93</u></u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Revenue Received Before Advance Taxes:										
Local Sources										
Real Estate Taxes (1)	7,750,305	1,606,091	1,996,975	642,501	613,097		160,491	415,156	15,018	13,199,634
Other Local Revenue	2,069,151	56,644	6,636	44,541	34,716	1,018,597	9,761	3,158	1,456	3,244,660
General State Aid	4,669,551									4,669,551
Other State Sources	728,495			718,217						1,446,712
Federal Sources	797,006									797,006
Total Direct Receipts	16,014,508	1,662,735	2,003,611	1,405,259	647,813	1,018,597	170,252	418,314	16,474	23,357,563
Expenditures Disbursed:										
Instruction	11,119,346				177,309					11,296,655
Support Services	5,910,871	1,374,167		1,816,056	443,488	365		592,359	39,218	10,176,524
Community Services	110,832				13,188					124,020
Payments to Other Governmental Units	933,011				31,476					964,487
Debt Services			2,010,300							2,010,300
Total Direct Disbursements	18,074,060	1,374,167	2,010,300	1,816,056	665,461	365	0	592,359	39,218	24,571,986
Excess of Receipts Over (Under) Disbursements	(2,059,552)	288,568	(6,689)	(410,797)	(17,648)	1,018,232	170,252	(174,045)	(22,744)	(1,214,423)
Other Sources (Uses):										
Other Sources	2,800,400	9,672	0	0	0	0	0	0	0	2,810,072
Other Uses	0	(500,000)	0	0	0	0	(2,300,000)	0	0	(2,800,000)
Total Other Sources (Uses)	2,800,400	(490,328)	0	0	0	0	(2,300,000)	0	0	10,072
Excess of Receipts Over (Under) Disbursements and Other Sources (Uses)	740,848	(201,760)	(6,689)	(410,797)	(17,648)	1,018,232	(2,129,748)	(174,045)	(22,744)	(1,204,351)
Fund Balance Before Advanced Taxes, July 1, 2014	(737,887)	1,943,151	666,584	1,798,012	63,802	135,274	3,756,698	436,805	484,007	8,546,446
Fund Balance Before Advanced Taxes, June 30, 2015	2,961	1,741,391	659,895	1,387,215	46,154	1,153,506	1,626,950	262,760	461,263	7,342,095
Advanced Taxes Received Prior to June 30, 2015	4,198,976	877,309	989,078	350,924	442,866	0	87,731	231,960	87,731	7,266,575
Changes in Fund Balance	0	0	0	0	0	0	0	0	0	0
Fund Balance After Advanced Taxes, June 30, 2015	4,201,937	2,618,700	1,648,973	1,738,139	489,020	1,153,506	1,714,681	494,720	548,994	14,608,670

(1) Real Estate Receipts have been reduced by the 2014 Levy received prior to June 30, 2015, and increased by the 2013 Levy received prior to June 30, 2014.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF BONDED INDEBTEDNESS
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

JUNE 30, 2015

General Obligation Life Safety Bonds
Dated: September 1, 2009
Original Issue: \$2,585,000
Principal Due: February 15
Interest Due: August and February 15
Paying Agent: UMB Bank, N.A.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
	<u>Rate</u>		<u>August 15</u>	<u>February 15</u>	
2015-16	3.17	765,000	13,388	13,388	791,776
Totals		765,000	13,388	13,388	791,776

General Obligation Life Safety Bonds/Working Cash Bonds
Dated: September 1, 2010
Original Issue: \$1,060,000
Principal Due: February 15
Interest Due: August and February 15
Paying Agent: UMB Bank, N.A.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
	<u>Rate</u>		<u>August 15</u>	<u>February 15</u>	
2015-16	3.14	0.00	18,550	18,550	37,100
2016-17	3.14	1,060,000	18,550	18,550	1,097,100
Totals		1,060,000	37,100	37,100	1,134,200

General Obligation Working Cash Bonds
Dated: September 1, 2010
Original Issue: \$1,545,000
Principal Due: February 15
Interest Due: August and February 15
Paying Agent: UMB Bank, N.A.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
	<u>Rate</u>		<u>August 15</u>	<u>February 15</u>	
2015-16	3.83	1,175,000	31,363	31,363	1,237,726
2016-17	3.83	370,000	31,363	31,363	432,726
Totals		1,545,000	62,726	62,726	1,670,452

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF TAXES EXTENDED AND COLLECTED
JUNE 30, 2015

	Educational Levy	Special Education Levy	Leasing Levy	Operation & Maintenance Levy	Debt Service Levy	Trans- portation Levy	Municipal Retirement Levy	Social Security Levy	Working Cash Levy	Tort Immunity Levy	Fire Safety Levy	Total All Levies	
<u>2012 Levy</u>													
Assessed Valuation	319,452,991												
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.04540</u>	<u>0.50000</u>	<u>0.59970</u>	<u>0.20000</u>	<u>0.10340</u>	<u>0.08610</u>	<u>0.00470</u>	<u>0.12840</u>	<u>0.00320</u>	<u>4.06090</u>	
Taxes Extended	<u>7,507,145</u>	<u>127,781</u>	<u>145,032</u>	<u>1,597,265</u>	<u>1,915,760</u>	<u>638,906</u>	<u>330,314</u>	<u>275,049</u>	<u>15,014</u>	<u>410,178</u>	<u>10,222</u>	<u>12,972,666</u>	
Taxes Collected	100.51%	<u>7,545,107</u>	<u>128,427</u>	<u>145,765</u>	<u>1,605,341</u>	<u>1,925,446</u>	<u>642,137</u>	<u>331,985</u>	<u>276,440</u>	<u>15,090</u>	<u>412,252</u>	<u>10,274</u>	<u>13,038,264</u>
<u>2013 Levy</u>													
Assessed Valuation	330,532,161												
Tax Rate per \$100.00	<u>2.31060</u>	<u>0.03940</u>	<u>0.02270</u>	<u>0.49170</u>	<u>0.61140</u>	<u>0.19670</u>	<u>0.09990</u>	<u>0.08780</u>	<u>0.04920</u>	<u>0.12710</u>	<u>0.00460</u>	<u>4.04110</u>	
Taxes Extended	<u>7,637,276</u>	<u>130,230</u>	<u>75,031</u>	<u>1,625,227</u>	<u>2,020,874</u>	<u>650,157</u>	<u>330,202</u>	<u>290,207</u>	<u>162,622</u>	<u>420,106</u>	<u>15,204</u>	<u>13,357,136</u>	
Advance Taxes Received Prior to June 30, 2014	4,108,285	70,054	40,361	874,251	1,087,080	349,736	177,624	156,110	87,478	225,986	8,179	7,185,144	
Taxes received July 1, 2014 thru June 30, 2015	<u>3,427,930</u>	<u>58,453</u>	<u>33,677</u>	<u>729,470</u>	<u>907,052</u>	<u>291,817</u>	<u>148,208</u>	<u>130,257</u>	<u>72,991</u>	<u>188,561</u>	<u>6,824</u>	<u>5,995,240</u>	
Taxes Collected	98.68%	<u>7,536,215</u>	<u>128,507</u>	<u>1,603,721</u>	<u>1,994,132</u>	<u>641,553</u>	<u>325,832</u>	<u>286,367</u>	<u>160,469</u>	<u>414,547</u>	<u>15,003</u>	<u>13,180,384</u>	
<u>2014 Levy</u>													
Assessed Valuation	332,856,121												
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.00310</u>	<u>0.50000</u>	<u>0.56370</u>	<u>0.20000</u>	<u>0.12320</u>	<u>0.12920</u>	<u>0.05000</u>	<u>0.13220</u>	<u>0.05000</u>	<u>4.14140</u>	
Taxes Extended	<u>7,822,119</u>	<u>133,142</u>	<u>10,319</u>	<u>1,664,281</u>	<u>1,876,310</u>	<u>665,712</u>	<u>410,079</u>	<u>430,050</u>	<u>166,428</u>	<u>440,036</u>	<u>166,428</u>	<u>13,784,904</u>	
Advance Taxes Received Prior to June 30, 2015	<u>4,123,352</u>	<u>70,185</u>	<u>5,439</u>	<u>877,309</u>	<u>989,078</u>	<u>350,924</u>	<u>216,169</u>	<u>226,697</u>	<u>87,731</u>	<u>231,960</u>	<u>87,731</u>	<u>7,266,575</u>	
Taxes Receivable	<u>3,698,767</u>	<u>62,957</u>	<u>4,880</u>	<u>786,972</u>	<u>887,232</u>	<u>314,788</u>	<u>193,910</u>	<u>203,353</u>	<u>78,697</u>	<u>208,076</u>	<u>78,697</u>	<u>6,518,329</u>	

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2015**

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

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 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 § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- 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* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- Copy of Federal Data Collection Form § .320 (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, 2015

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 6/30/14 (C)	7/01/14 - 6/30/15 (D)	Prior to 6/30/14 (E)	7/01/14 - 6/30/15 (F)			
U.S. Department of Agriculture -									
Pass-through program from									
Illinois State Board of Education									
(M) National School Lunch Program	10.555	14-4210-00	235,498	63,697	235,498	63,697		299,195	N/A
(M) National School Lunch Program	10.555	15-4210-00		257,680		257,680	(2)	257,680	N/A
(M) School Breakfast Program	10.553	14-4220-00	54,284	12,924	54,284	12,924		67,208	N/A
(M) School Breakfast Program	10.553	15-4220-00		57,031		57,031	(2)	57,031	N/A
Food Donation (3)	10.555	FY14			68,906			68,906	N/A
(M) Food Donation (3)	10.555	FY15				48,239		48,239	N/A
Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY14			20,455			20,455	N/A
(M) Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY15				38,461		38,461	N/A
Pass-through program from									
St. Malachy's School									
(M) National School Lunch Program	10.555	14-4210-01	4,187	2,041	4,792	1,436		6,228	N/A
(M) National School Lunch Program	10.555	15-4210-01		5,399		6,126	(2)	6,126	N/A
Total U.S. Department of Agriculture - Pass-through programs			<u>293,969</u>	<u>398,772</u>	<u>383,935</u>	<u>485,594</u>	<u>-</u>	<u>869,529</u>	
U.S. Department of Education -									
Pass-through program from									
Illinois State Board of Education									
Title I - Low Income	84.010	14-4300-00	108,074	107,830	215,904			215,904	225,156
Title I - Low Income	84.010	15-4300-00		82,471		165,445		165,445	181,408
IDEA Room and Board	84.027	14-4625-00		34,997	14,747	20,250		34,997	N/A
IDEA Room and Board	84.027	15-4625-00		20,608		30,480		30,480	N/A
Title II - Teacher Quality	84.367	14-4932-00	44,224	2,800	47,024			47,024	56,441
Title II - Teacher Quality	84.367	15-4932-00		62,596		62,596		62,596	62,596
Total Dept. of Education passed-through ISBE			<u>152,298</u>	<u>311,302</u>	<u>277,675</u>	<u>278,771</u>		<u>556,446</u>	

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

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 6/30/14 (C)	7/01/14 - 6/30/15 (D)	Prior to 6/30/14 (E)	7/01/14 - 6/30/15 (F)			
Pass-through program from									
Henry Stark Special Education Association									
IDEA - Flow Through	84.020	14-4620-00	7,571		7,571			7,571	11,841
IDEA - Flow Through	84.020	15-4620-00		7,442		7,442		7,442	14,074
Total U.S. Department of Education - Pass-through programs			<u>159,869</u>	<u>318,744</u>	<u>285,246</u>	<u>286,213</u>	<u>-</u>	<u>564,017</u>	
U.S. Department of Health and Human Services -									
Illinois Department of Human Services									
S.T.E.P. (Note #5)	84.126	46CSD00020	23,228		23,228			23,228	23,228
S.T.E.P. - Performance Bonus (Note #5)	84.126	46CSD00020		9,291	9,291			9,291	N/A
S.T.E.P. (Note #5)	84.126	46CTD00020		23,228	-	23,228	-	23,228	23,228
			<u>23,228</u>	<u>32,519</u>	<u>32,519</u>	<u>23,228</u>	<u>-</u>	<u>55,747</u>	
Pass-through program from									
Illinois Department of Healthcare and Family Services									
Medicaid Outreach	93.778	14-4991-00	15,829	4,946	16,489	5,153		21,642	N/A
Medicaid Outreach	93.778	15-4991-00	-	14,212	-	14,804		14,804	N/A
			<u>15,829</u>	<u>19,158</u>	<u>16,489</u>	<u>19,957</u>	<u>-</u>	<u>36,446</u>	
Total U.S. Department of Health and Human Services - Pass-through programs			<u>39,057</u>	<u>51,677</u>	<u>49,008</u>	<u>43,185</u>	<u>-</u>	<u>92,193</u>	
Total Federal Awards			<u>492,895</u>	<u>769,193</u>	<u>718,189</u>	<u>814,992</u>	<u>-</u>	<u>1,525,739</u>	
Total Federal Awards Passed Through Illinois State Board of Education			446,267	710,074	661,610	764,365	-	1,425,975	
Total Federal Awards Passed Through Other Entities			<u>46,628</u>	<u>59,119</u>	<u>56,579</u>	<u>50,627</u>		<u>99,764</u>	
Total Federal Awards			<u>492,895</u>	<u>769,193</u>	<u>718,189</u>	<u>814,992</u>	<u>-</u>	<u>1,525,739</u>	

(M) Indicates Major Federal Financial Assistance Program.

(1) Revenue Carryover from Prior Year Project per ISBE.

(2) Project not complete as of June 30, 2015.

(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, 2015

Note 1: Basis of Presentation⁵

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 Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. 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: Subrecipients⁶

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
There were no subrecipients during FY -15.		

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, 2015 with ISBE.

Note 4: Matching Expenditures

S.T.E.P. (CFDA #84.126) (Contract #46CTD00020) required matching expenditures of \$19,825. Total reported expenditures for the grant were \$46,455.

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)**:	\$86,700
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.

⁵ This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶ Circular A-133 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 subrecipie 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.

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

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

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
10.555, 10.553	School Lunch Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? YES X NO

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

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

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

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

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2015- None** 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards 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, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2015- None** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

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

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review

Date: _____ Resolution Criteria Code Number _____

Initials: _____ Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ 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 FINDINGS¹⁹
Year Ending June 30, 2015

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
2014-None identified		

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

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

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

Geneseo Community Unit School District No. 228
28-037-2280-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- None**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:

Management Response:

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.