

Geneseo Community Unit School District No. 228

Geneseo, Illinois

*Annual Financial Report
and other Financial Information*

June 30, 2013

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228

TABLE OF CONTENTS
JUNE 30, 2013

<u>Financial Section</u>	<u>Page No.</u>
Independent Auditor's Report	4-5
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	6-7
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by <u>OMB Circular A-133</u>	8-9
<u>Basic Financial Statements- Regulatory Basis</u>	<u>Statement</u>
Statement of Assets and Liabilities Arising from Cash Transactions	1 10
Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances - (All Funds)	2 11
Statement of Revenue Received (All Funds)	3 12-14
Statement of Expenditures Disbursed (and Comparison with Budget):	
Educational Fund	4 15-20
Operations and Maintenance Fund	5 21
Debt Services Fund	6 22
Transportation Fund	7 23
Municipal Retirement/Social Security Fund	8 24-25
Tort Fund	9 26
Fire and Safety Fund	10 27
Notes to the Basic Financial Statements	28-47
<u>Supplemental Information</u>	
Combining Schedule of Assets, Liabilities and Fund Balance Arising from Cash Transactions – All Trust and Agency Funds	48

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228

TABLE OF CONTENTS
JUNE 30, 2013

<u>Supplemental Information</u> (cont'd.)	<u>Page No.</u>
Schedule of Changes in Assets, Liabilities and Fund Balances:	
Unit Activity Fund	49
Middle School Activity Fund	50
High School Activity Fund	51-52
Memorials and Scholarships	53
Schedule of Changes in Net Assets Available for Benefits –	
Cash Basis – Fiduciary Fund Type:	
Trust Fund – Insurance	54
Trust Fund – Flexible Benefit Plan	55
Schedule of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balance Before Advance Taxes	56
Schedule of Bonded Indebtedness	57-58
Schedule of Taxes Extended and Collected	59
<u>Annual Federal Financial Compliance Section</u>	
Cover Sheet	60
Schedule of Expenditures of Federal Awards	61-63
Notes to the Schedule of Expenditures of Federal Awards (SEFA)	64
Schedule of Findings and Questioned Costs-Summary of Auditor's Results	65
Schedule Findings and Questioned Costs-Financial Statements	66
Schedule of Findings and Questioned Costs	67
Summary Schedule of Prior Audit Findings	68

Gorenz and Associates, Ltd.
Certified Public Accountants

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

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Geneseo Community Unit School District No. 228 as of and for the fiscal year ended June 30, 2013, 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, 2013, or changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of Geneseo Community Unit School District No. 228 as of June 30, 2013, 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 2012 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 19, 2012 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2012 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 September 18, 2013, on our consideration of Geneseo Community Unit School District No. 228 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geneseo Community Unit School District No. 228’s internal control over financial reporting and compliance.

Gorenz and Associates, Ltd.

Peoria, Illinois
September 18, 2013

Gorenz and Associates, Ltd.
Certified Public Accountants

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

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

**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

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

Report on Internal Control and Compliance

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Geneseo Community Unit School District No. 228 as of and for the year ended June 30, 2013 and the related notes to the financial statements which collectively comprise Geneseo Community Unit School District No. 228's basic financial statements, and have issued our report thereon dated September 18, 2013. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Geneseo Community Unit School District No. 228's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Geneseo Community Unit School District No. 228's internal control. Accordingly we do not express an opinion on the effectiveness of Geneseo Community Unit School District No. 228's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gorenz and Associates, Ltd.

Peoria, Illinois
September 18, 2013

Gorenz and Associates, Ltd.
Certified Public Accountants

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

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

**Independent Auditors' 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, 2013. 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, 2013.

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.

Report on Internal Control Over Compliance

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

Greeng and Associates, Ltd.

Peoria, Illinois
September 18, 2013

GENESKO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2013

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	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	4,898,119	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	1,865,958			18,631,620
Investments									384,496			384,496
Other Current Assets	3,853											3,853
Land										507,298		507,298
Buildings & Building Improvements										26,805,020		26,805,020
Site Improvements & Infrastructure										587,130		587,130
Capitalized Equipment										2,786,431		2,786,431
Amounts Available in Debt Service Funds											1,671,141	1,671,141
Amounts to be Provided for Payment of Debt											5,303,859	5,303,859
Total Assets	4,901,972	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	2,250,454	30,685,879	6,975,000	56,680,848
<u>Liabilities and Fund Balances</u>												
Liabilities:												
Due to Organizations									271,754			271,754
Long Term Debt Payable											6,975,000	6,975,000
Total Liabilities	0	0	0	0	0	0	0	0	271,754	0	6,975,000	7,246,754
Fund Balances:												
Reserved	592,925				168,446				1,978,700			2,740,071
Unreserved	4,309,047	2,748,298	1,671,141	1,980,349	276,560	3,739,166	765,543	518,040				16,008,144
Investments in General Fixed Assets										30,685,879		30,685,879
Total Fund Balances	4,901,972	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	1,978,700	30,685,879	0	49,434,094
Total Liabilities and Fund Balances	4,901,972	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	2,250,454	30,685,879	6,975,000	56,680,848

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, 2013

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:									
Local Sources	9,964,518	1,713,821	1,917,311	650,602	614,015	31,866	439,488	18,830	15,350,451
State Sources	6,064,290	50,000		1,345,733					7,460,023
Federal Sources	643,841								643,841
Total Direct Receipts	16,672,649	1,763,821	1,917,311	1,996,335	614,015	31,866	439,488	18,830	23,454,315
Receipts for On-Behalf Payments	2,979,100								2,979,100
Total Receipts	19,651,749	1,763,821	1,917,311	1,996,335	614,015	31,866	439,488	18,830	26,433,415
Disbursements:									
Instruction	10,575,856				189,583				10,765,439
Support Services	5,964,191	1,365,293		1,830,652	463,527		504,910	160,004	10,288,577
Community Services	143,038				22,350				165,388
Payments to Other Governmental Units	979,973				28,468				1,008,441
Debt Services			2,031,215						2,031,215
Total Direct Disbursements	17,663,058	1,365,293	2,031,215	1,830,652	703,928	0	504,910	160,004	24,259,060
Disbursements for On-Behalf Payments	2,979,100								2,979,100
Total Disbursements	20,642,158	1,365,293	2,031,215	1,830,652	703,928	0	504,910	160,004	27,238,160
Excess of Direct Receipts Over (Under) Direct Disbursements	(990,409)	398,528	(113,904)	165,683	(89,913)	31,866	(65,422)	(141,174)	(804,745)
Other Sources of Funds:									
Permanent Transfers - Abolishment or Abatement of the Working Cash Fund				600,000	400,000		250,000		1,250,000
Sale of Fixed Assets	960	667							1,627
Transfer to Debt Service to Pay Principal on Capital Leases			150,000						150,000
Other Uses of Funds:									
Permanent Transfers - Abolishment of Abatement of the Working Cash Fund						(1,250,000)			(1,250,000)
Transfer to Debt Service to Pay Principal on Capital Leases		(150,000)							(150,000)
Total Other Sources and (Uses) of Funds	960	(149,333)	150,000	600,000	400,000	(1,250,000)	250,000	0	1,627
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	(989,449)	249,195	36,096	765,683	310,087	(1,218,134)	184,578	(141,174)	(803,118)
Fund Balances - July 1, 2012	5,891,421	2,499,103	1,635,045	1,214,666	134,919	4,957,300	580,965	659,214	17,572,633
Other Changes in Fund Balance - Increases (Decreases)	0	0	0	0	0	0	0	0	0
Fund Balances - June 30, 2013	4,901,972	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	16,769,515

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, 2013

Statement 3

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	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	7,547,858	1,606,018	1,912,629	642,437	317,891	19,847	430,406	17,205	12,494,291
Leasing Levy	152,644								152,644
Special Education Levy	128,516								128,516
Social Security/Medicare Levy					264,811				264,811
Payments in Lieu of Taxes:									
Mobile Home Privilege Tax	9,850								9,850
Local Housing Authorities	1,525	313	370	125	108		88	12	2,541
Corporate Personal Property Replacement Taxes	430,051				30,000				460,051
Tuition:									
Summer School - Tuition From Pupils or Parents (In State)	10,888								10,888
Transportation Fees:									
Regular - Transp. Fees From Pupils or Parents (In State)				2,392					2,392
Interest on Investments	15,842	7,551	4,312	5,648	1,190	12,019	1,714	1,613	49,889
Food Services:									
Sales to Pupils - Lunch	796,045								796,045
Sales to Pupils - Other	33,147								33,147
Other Food Services	1,716								1,716
District/School Activity Income:									
Admissions - Athletic	80,511								80,511
Fees	3,724								3,724
Book Store Sales	1,525								1,525
Other Pupil Activity Revenue	123,565								123,565
Textbook Income:									
Rentals - Regular Textbooks	172,276								172,276
Sales - Other	152								152
Rentals		68,335							68,335
Contributions from Private Sources	207,863								207,863
Refund of Prior Years' Expenditures	34,986	31,604			15		7,280		73,885
Drivers' Education Fees	7,958								7,958
Sale of Vocational Projects	203,876								203,876
Total Receipts from Local Sources	9,964,518	1,713,821	1,917,311	650,602	614,015	31,866	439,488	18,830	15,350,451

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, 2013

Statement 3

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	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	5,161,132								5,161,132
Restricted Grants-in-Aid:									
Special Education:									
Private Facilities Tuition	383								383
Extraordinary	435,884								435,884
Personnel	185,797								185,797
Orphanage - Individual	8,593								8,593
Summer School	1,611								1,611
Career and Technical Education (CTE):									
CTE - Secondary Program Improvement (CTEI)	44,399								44,399
CTE - Agriculture Education	1,998								1,998
State Free Lunch and Breakfast	7,667								7,667
Driver Education	42,621								42,621
Transportation:									
Transportation - Regular / Vocational				974,662					974,662
Transportation - Special Education				371,071					371,071
Early Childhood - Block Grant	171,035								171,035
School Infrastructure - Maintenance Projects		50,000							50,000
Other Restricted Revenues from State Funds	3,170								3,170
Total Receipts from State Sources	6,064,290	50,000	0	1,345,733	0	0	0	0	7,460,023

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, 2013

Statement 3

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Federal Sources:									
Restricted Grants-in-Aid Received Directly from									
the Federal Government Through the State:									
National School Lunch Program	311,621								311,621
School Breakfast Program	65,873								65,873
Title 1:									
Low Income	139,435								139,435
Federal - Special Education:									
I.D.E.A.-Room & Board	2,156								2,156
Other ARRA Funds	8,592								8,592
Title II - Teacher Quality	61,666								61,666
Medicaid Matching - Administrative Outreach	18,165								18,165
Medicaid Matching - Fee for Service Program	16,994								16,994
Other Federal	19,339								19,339
Total Receipts from Federal Sources	643,841	0	0	0	0	0	0	0	643,841
Total Direct Receipts	16,672,649	1,763,821	1,917,311	1,996,335	614,015	31,866	439,488	18,830	23,454,315

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, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	6,727,461	6,572,073	(155,388)
Employee Benefits	1,085,932	1,065,934	(19,998)
Purchased Services	58,597	100,950	42,353
Supplies and Materials	204,481	312,600	108,119
Total Regular Programs	<u>8,076,471</u>	<u>8,051,557</u>	<u>(24,914)</u>
Pre-K Programs:			
Salaries	61,970	65,196	3,226
Employee Benefits	6,513	11,038	4,525
Supplies and Materials	730	2,000	1,270
Total Pre-K Programs	<u>69,213</u>	<u>78,234</u>	<u>9,021</u>
Special Education Programs:			
Salaries	762,335	815,458	53,123
Employee Benefits	120,532	101,498	(19,034)
Purchased Services	6,093	3,600	(2,493)
Supplies and Materials	27,119	4,800	(22,319)
Other Objects	932	30,200	29,268
Total Special Education Programs	<u>917,011</u>	<u>955,556</u>	<u>38,545</u>
Remedial and Supplemental Programs K-12:			
Salaries	132,699	120,236	(12,463)
Employee Benefits	4,311	47,237	42,926
Purchased Services	0	33,000	33,000
Supplies and Materials	26,156	100	(26,056)
Total Remedial and Supplemental Programs K-12	<u>163,166</u>	<u>200,573</u>	<u>37,407</u>
CTE Programs:			
Salaries	256,142	250,310	(5,832)
Employee Benefits	57,636	55,006	(2,630)
Purchased Services	44,952	58,711	13,759
Supplies and Materials	197,528	87,360	(110,168)
Total CTE Programs	<u>556,258</u>	<u>451,387</u>	<u>(104,871)</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, 2013

	Actual	Budget	Variance with Budget
Interscholastic Programs:			
Salaries	387,058	399,150	12,092
Employee Benefits	30,721	32,890	2,169
Purchased Services	136,519	155,500	18,981
Supplies and Materials	59,920	64,400	4,480
Capital Outlay	9,855	0	(9,855)
Other Objects	6,475	6,900	425
Total Interscholastic Programs	<u>630,548</u>	<u>658,840</u>	<u>28,292</u>
Summer School Programs:			
Salaries	7,593	6,000	(1,593)
Employee Benefits	88	65	(23)
Supplies and Materials	1,221	1,200	(21)
Total Summer School Programs	<u>8,902</u>	<u>7,265</u>	<u>(1,637)</u>
Gifted Programs:			
Supplies and Materials	280	10,000	9,720
Total Gifted Programs	<u>280</u>	<u>10,000</u>	<u>9,720</u>
Driver's Education Programs:			
Salaries	125,515	128,000	2,485
Employee Benefits	20,290	18,871	(1,419)
Purchased Services	3,913	3,500	(413)
Supplies and Materials	3,714	3,300	(414)
Total Drivers Education Programs	<u>153,432</u>	<u>153,671</u>	<u>239</u>
Special Education Programs K-12 - Private Tuition	575	0	(575)
Total Instruction	<u>10,575,856</u>	<u>10,567,083</u>	<u>(8,773)</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	169,759	164,112	(5,647)
Employee Benefits	36,231	41,922	5,691
Purchased Services	0	1,450	1,450
Supplies and Materials	328	500	172
Total Attendance and Social Work Services	<u>206,318</u>	<u>207,984</u>	<u>1,666</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, 2013

	Actual	Budget	Variance with Budget
Guidance Services:			
Salaries	322,793	328,000	5,207
Employee Benefits	47,685	50,906	3,221
Purchased Services	1,541	1,400	(141)
Supplies and Materials	582	750	168
Total Guidance Services	<u>372,601</u>	<u>381,056</u>	<u>8,455</u>
Health Services:			
Salaries	117,001	110,000	(7,001)
Employee Benefits	5,044	5,222	178
Purchased Services	700	600	(100)
Supplies and Materials	4,758	7,600	2,842
Total Health Services	<u>127,503</u>	<u>123,422</u>	<u>(4,081)</u>
Total Support Services-Pupils	<u>706,422</u>	<u>712,462</u>	<u>6,040</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	154,158	231,704	77,546
Employee Benefits	27,000	33,563	6,563
Purchased Services	118,542	189,440	70,898
Supplies and Materials	16,247	12,500	(3,747)
Other Objects	0	1,200	1,200
Total Improvement of Instructional Services	<u>315,947</u>	<u>468,407</u>	<u>152,460</u>
Educational Media Services:			
Salaries	394,584	432,603	38,019
Employee Benefits	50,826	54,875	4,049
Purchased Services	13,531	29,400	15,869
Supplies and Materials	134,099	148,800	14,701
Capital Outlay	372,040	125,000	(247,040)
Other Objects	291	2,400	2,109
Non-Capitalized Equipment	27,402	530,031	502,629
Total Educational Media Services	<u>992,773</u>	<u>1,323,109</u>	<u>330,336</u>
Total Support Services-Instructional Staff	<u>1,308,720</u>	<u>1,791,516</u>	<u>482,796</u>
Support Services-General Administration:			
Board of Education Services:			
Salaries	2,060	2,100	40
Purchased Services	99,848	106,500	6,652
Supplies and Materials	9,208	4,100	(5,108)
Other Objects	6,832	6,500	(332)
Total Board of Education Services	<u>117,948</u>	<u>119,200</u>	<u>1,252</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, 2013

	Actual	Budget	Variance with Budget
Executive Administration Services:			
Salaries	164,530	173,000	8,470
Employee Benefits	34,392	35,618	1,226
Purchased Services	8,488	8,000	(488)
Supplies and Materials	3,516	2,500	(1,016)
Capital Outlay	0	4,500	4,500
Other Objects	2,708	0	(2,708)
Total Executive Administration Services	<u>213,634</u>	<u>223,618</u>	9,984
Total Support Services-General Administration	<u>331,582</u>	<u>342,818</u>	11,236
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	940,166	954,800	14,634
Employee Benefits	232,395	230,615	(1,780)
Purchased Services	22,284	22,600	316
Supplies and Materials	5,139	13,000	7,861
Other Objects	4,501	4,800	299
Total Office of the Principal Service	<u>1,204,485</u>	<u>1,225,815</u>	21,330
Total Support Services-School Administration	<u>1,204,485</u>	<u>1,225,815</u>	21,330
Support Services-Business:			
Fiscal Services:			
Salaries	284,730	320,700	35,970
Employee Benefits	42,200	42,327	127
Purchased Services	77,639	70,200	(7,439)
Supplies and Materials	23,566	13,000	(10,566)
Other Objects	760	750	(10)
Total Fiscal Services	<u>428,895</u>	<u>446,977</u>	18,082
Operation and Maintenance of Plant Services:			
Salaries	532,093	562,000	29,907
Employee Benefits	78,405	85,343	6,938
Non-Capitalized Equipment	0	5,000	5,000
Total Operation and Maintenance of Plant Services	<u>610,498</u>	<u>652,343</u>	41,845
Pupil Transportation Services:			
Salaries	49,968	0	(49,968)
Purchased Services	0	62,000	62,000
Total Pupil Transportation Services	<u>49,968</u>	<u>62,000</u>	12,032

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, 2013

	Actual	Budget	Variance with Budget
Food Services:			
Salaries	422,087	420,500	(1,587)
Employee Benefits	28,307	24,912	(3,395)
Purchased Services	11,465	22,500	11,035
Supplies and Materials	595,740	616,300	20,560
Capital Outlay	7,495	40,000	32,505
Other Objects	2,107	1,600	(507)
Non-Capitalized Equipment	5,376	5,500	124
Total Food Services	<u>1,072,577</u>	<u>1,131,312</u>	<u>58,735</u>
Total Support Services-Business	<u>2,161,938</u>	<u>2,292,632</u>	<u>130,694</u>
Support Services-Central:			
Information Services:			
Salaries	28,545	23,000	(5,545)
Employee Benefits	62	53	(9)
Purchased Services	14,905	16,000	1,095
Supplies and Materials	103	5,500	5,397
Non-Capitalized Equipment	2,539	2,500	(39)
Total Information Services	<u>46,154</u>	<u>47,053</u>	<u>899</u>
Data Processing Services:			
Purchased Services	48,365	50,000	1,635
Supplies and Materials	2,400	3,200	800
Total Data Processing Services	<u>50,765</u>	<u>53,200</u>	<u>2,435</u>
Total Support Service-Central	<u>96,919</u>	<u>100,253</u>	<u>3,334</u>
Other Support Services:			
Salaries	100,075	96,000	(4,075)
Employee Benefits	3,945	3,109	(836)
Purchased Services	40,765	59,000	18,235
Supplies and Materials	9,340	24,500	15,160
Total Other Supporting Services	<u>154,125</u>	<u>182,609</u>	<u>28,484</u>
Total Supporting Services	<u>5,964,191</u>	<u>6,648,105</u>	<u>683,914</u>
Community Services:			
Salaries	128,428	126,726	(1,702)
Employee Benefits	7,376	7,849	473
Purchased Services	1,968	6,504	4,536
Supplies and Materials	5,266	5,150	(116)
Total Community Services	<u>143,038</u>	<u>146,229</u>	<u>3,191</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, 2013

	Actual	Budget	Variance with Budget
Payments to Other Governmental Units - Tuition (In-State):			
Regular Programs - Tuition	14,883	25,000	10,117
Special Education Programs - Tuition	965,090	1,150,000	184,910
Total Payments to Other Governmental Units - Tuition (In-State)	979,973	1,175,000	195,027
Total Payments to Other Governmental Units	979,973	1,175,000	195,027
Provision for Contingencies	0	50,000	50,000
Total Direct Disbursements	17,663,058	18,586,417	923,359

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
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<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	23,482	5,000	(18,482)
Total Facilities Acquisition and Construction Services:	<u>23,482</u>	<u>5,000</u>	<u>(18,482)</u>
Operation and Maintenance of Plant Services:			
Salaries	286,527	313,850	27,323
Employee Benefits	22,597	34,400	11,803
Purchased Services	269,036	496,000	226,964
Supplies and Materials	709,343	735,260	25,917
Capital Outlay	45,092	212,500	167,408
Non-Capitalized Equipment	9,216	57,500	48,284
Total Operation and Maintenance of Plant Services	<u>1,341,811</u>	<u>1,849,510</u>	<u>507,699</u>
Total Support Services-Business	<u>1,365,293</u>	<u>1,854,510</u>	<u>489,217</u>
Provision for Contingencies	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Total Direct Disbursements	<u><u>1,365,293</u></u>	<u><u>1,879,510</u></u>	<u><u>514,217</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
 DEBT SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	341,215	1,884,610	1,543,395
Payments of Principal on Long-Term Debt	<u>1,690,000</u>	<u>0</u>	<u>(1,690,000)</u>
Total Debt Service	<u>2,031,215</u>	<u>1,884,610</u>	<u>(146,605)</u>
Total Direct Disbursements	<u><u>2,031,215</u></u>	<u><u>1,884,610</u></u>	<u><u>(146,605)</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
 TRANSPORTATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	6,871	16,500	9,629
Employee Benefits	0	2,030	2,030
Purchased Services	1,561,082	1,659,500	98,418
Supplies and Materials	262,699	270,500	7,801
Total Pupil Transportation Services	<u>1,830,652</u>	<u>1,948,530</u>	<u>117,878</u>
Total Direct Disbursements	<u><u>1,830,652</u></u>	<u><u>1,948,530</u></u>	<u><u>117,878</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
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	111,069	78,405	(32,664)
Pre-K Programs:			
Employee Benefits	3,838	32,637	28,799
Special Education Programs:			
Employee Benefits	37,986	42,368	4,382
Remedial and Supplemental Programs K-12:			
Employee Benefits	23,148	23,303	155
CTE Programs:			
Employee Benefits	2,567	2,545	(22)
Interscholastic Programs:			
Employee Benefits	9,061	8,801	(260)
Summer School Programs:			
Employee Benefits	159	88	(71)
Driver's Education Programs:			
Employee Benefits	1,755	1,868	113
Total Instruction	<u>189,583</u>	<u>190,015</u>	<u>432</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	2,792	3,097	305
Guidance Services:			
Employee Benefits	4,546	4,838	292
Health Services:			
Employee Benefits	26,321	25,779	(542)
Total Support Services-Pupils	<u>33,659</u>	<u>33,714</u>	<u>55</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	10,152	11,097	945
Educational Media Services:			
Employee Benefits	26,757	35,106	8,349
Total Support Services-Instructional Staff	<u>36,909</u>	<u>46,203</u>	<u>9,294</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	157	163	6
Executive Administration Services:			
Employee Benefits	2,747	5,023	2,276
Risk Management and Claims Service Payments			
Employee Benefits	118	126	8

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, 2013

	Actual	Budget	Variance with Budget
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction Employee Benefits	830	792	(38)
Total Support Services-General Administration	3,852	6,104	2,252
Support Services-School Administration: Office of the Principal Services: Employee Benefits	70,157	69,195	(962)
Total Support Services-School Administration	70,157	69,195	(962)
Support Services-Business: Fiscal Services: Employee Benefits	35,217	36,014	797
Operation and Maintenance of Plant Services: Employee Benefits	188,666	194,120	5,454
Pupil Transportation Services: Employee Benefits	526	2,616	2,090
Food Services: Employee Benefits	86,371	85,951	(420)
Total Support Services-Business	310,780	318,701	7,921
Support Services-Central: Information Services: Employee Benefits	6,835	4,475	(2,360)
Total Support Service-Central	6,835	4,475	(2,360)
Other Support Services: Employee Benefits	1,335	1,190	(145)
Total Support Services	463,527	479,582	16,055
Community Services: Employee Benefits	22,350	22,404	54
Payments to Other Governmental Units Payments for Special Education Programs: Employee Benefits	28,468	25,271	(3,197)
Total Payments to Other Governmental Units	28,468	25,271	(3,197)
Total Direct Disbursements	703,928	717,272	13,344

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, 2013

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupation Disease Act Payments:			
Purchased Services	109,138	112,000	2,862
Total Workers' Compensation Payments	<u>109,138</u>	<u>112,000</u>	<u>2,862</u>
Unemployment Insurance Payments:			
Purchased Services	709	20,000	19,291
Total Unemployment Insurance Payments	<u>709</u>	<u>20,000</u>	<u>19,291</u>
Insurance Payments (regular or self-insurance):			
Purchased Services	193,791	212,000	18,209
Total Insurance Payments	<u>193,791</u>	<u>212,000</u>	<u>18,209</u>
Risk Management and Claims Services Payments:			
Salaries	500	1,000	500
Purchased Services	105,253	100,000	(5,253)
Total Risk Management and Claims Payments	<u>105,753</u>	<u>101,000</u>	<u>(4,753)</u>
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	3,500	3,600	100
Purchased Services	89,483	106,000	16,517
Total Educational, Inspectional, Supervisory Services	<u>92,983</u>	<u>109,600</u>	<u>16,617</u>
Legal Services:			
Purchased Services	2,536	15,000	12,464
Total Legal Services	<u>2,536</u>	<u>15,000</u>	<u>12,464</u>
Total Support Services-General Administration	<u>504,910</u>	<u>569,600</u>	<u>64,690</u>
Total Direct Disbursements	<u><u>504,910</u></u>	<u><u>569,600</u></u>	<u><u>64,690</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
 FIRE PREVENTION AND SAFETY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	3,804	225,000	221,196
Capital Outlay	156,200	0	(156,200)
Total Facilities Acquisition & Construction	160,004	225,000	64,996
Total Support Services	160,004	225,000	64,996
Total Direct Disbursements	160,004	225,000	64,996

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, 2013

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, 2013

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 the 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 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 Fire Prevention and Safety Fund is 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, 2013

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 \$786,285 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$13,303,898. 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, 2013

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, which was not amended was passed on September 13, 2012.

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 interest-bearing 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, as well as 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, 2013

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 2012 levy was passed by the board on December 13, 2012. 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 \$7,063,646 in taxes from the 2012 tax levy prior to June 30, 2013. The balance of taxes recorded in these statements are from 2011 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 2012 Rate</u>	<u>Actual 2011 Rate</u>	<u>Actual 2010 Rate</u>
Educational	2.35000	2.3500	2.3483	2.35000
Operations & Maintenance	0.50000	0.5000	0.4997	0.50000
Transportation	0.20000	0.2000	0.1999	0.20000
Debt Services	None	0.5997	0.5901	0.05710
Municipal Retirement	None	0.1034	0.0937	0.08540
Social Security	None	0.0861	0.0781	0.06960
Tort Immunity	None	0.1284	0.1405	0.15020
Leasing	0.05000	0.0454	0.0500	0.05000
Special Education	0.04000	0.0400	0.0400	0.04000
Fire Prevention and Safety	0.05000	0.0032	0.0079	0.00740
Working Cash	0.05000	<u>0.0047</u>	<u>0.0079</u>	<u>0.05000</u>
Total		<u>4.0609</u>	<u>4.0561</u>	<u>4.05560</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, 2013

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. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Cash receipts and 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 \$592,925. 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, 2013, 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, 2013, 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 \$168,446. 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 and the Flexible Benefit Trust accounts exceeded related expenditures for these trusts resulting in restricted fund balances of \$1,849,145 and \$23,888. The District also had trust account for memorial totaling \$105,668 as of June 30, 2013. These balances totaling \$1,978,701 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 policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

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, 2013, the total amount of unpaid contracts and benefits for services performed during the fiscal year ended June 30, 2013 amounted to \$1,715,546. 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	592,925	1,715,546	0	2,593,501	592,925	4,309,047
Operations & Maintenance	0	2,748,298	0	0	0	0	2,748,298
Debt Services	0	1,671,141	0	0	0	0	1,671,141
Transportation	0	1,980,349	0	0	0	0	1,980,349
Municipal Retirement	0	445,006	0	0	0	168,446	276,560
Working Cash	0	0	0	0	3,739,166	0	3,739,166
Tort Liability	0	765,543	0	0	0	0	765,543
Fire Prevention and Safety	0	518,040	0	0	0	0	518,040
Trust and Agency	0	1,978,700	0	0	0	1,978,700	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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

H. Expenditures of Fund Balance

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

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 ICS 235), and Section 8-7 of the School Code of Illinois. These include the following items:

- (1) 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) bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- (3) in interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- (4) in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
- (5) in money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) or (2) above and to agreements to repurchase such obligations;
- (6) in short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States;
- (7) 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; provided, however, the principal office of any such credit union must be located within the State of Illinois;
- (8) in a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act;
- (9) in the Illinois School District Liquid Asset Fund Plus;
- (10) in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder;
- (11) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto. Paragraph 11 supersedes paragraphs 1-10 and controls in the event of conflict.

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, 2013

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

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

At June 30, 2013, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$18,564,585. The bank balance was \$18,723,866. As of June 30, 2013, the following District's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk as follows (carrying amounts are presented as additional information only):

	Carrying Amount	Bank Balance
Risk Class #1	500,044	500,045
Risk Class #2	11,927,957	12,092,237
Risk Class #3	6,136,584	6,136,584
Risk Class #4	<u>0</u>	<u>0</u>
	<u>18,564,585</u>	<u>18,728,866</u>

Risk Class #1 includes deposits that are insured or collateralized by securities held by an independent financial institution.

Risk Class #2 includes deposits that are uninsured and collateralized with securities held by the pledging financial institution.

Risk Class #3 includes deposits that are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the district's name.

Risk Class #4 includes deposits that are uninsured and uncollateralized.

During the year ended June 30, 2013, the depository banks used by the District pledged \$19,107,382 in securities to secure the District's deposits in excess of the amount insured by the FDIC. \$12,453,084 of the pledged securities are held by the financial institutions' trust department or agent in the district's name and \$6,654,298 are held by the pledging institution but not in the District's name.

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, \$6,136,583 of the District's investments were subject to custodial credit risk due to the collateral not being held by an independent financial institution.

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, 2013, the district had the following investments and maturities.

Investment Type	Book Value	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
Mutual Funds	99,098	105,858	99,099	0	0	0
ISDLAF	<u>352,433</u>	<u>352,433</u>	<u>352,433</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>451,531</u>	<u>458,290</u>	<u>451,531</u>	<u>0</u>	<u>0</u>	<u>0</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

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

Credit Risk

As of June 30, 2013, 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	105,858	AAA

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

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, 2013:

- 21.9% - Mutual Funds
- 78.1% - ISDLAF

ISDLAF+ (Investment Pool) -

During the year ended June 30, 2013, 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 bankers' acceptances. CDs purchased under this program are fully FDIC insured and have been classified as deposits for financial statement purposes.

Reconciliation

A reconciliation of cash and investments as shown on the combined balance sheet follows:

Carrying Amount of Deposits	18,564,585
Carrying Amount of Investments	<u>451,531</u>
	<u>19,016,116</u>
Cash and Cash Equivalents	18,631,620
Investments	<u>384,496</u>
	<u>19,016,116</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

Note #5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions*</u>	Balance <u>June 30, 2013</u>
Non-Depreciable Land	507,298	0	0	507,298
Permanent Buildings	26,805,020	0	0	26,805,020
Improvements Other than Buildings	406,620	180,510	0	587,130
10-Year Equipment	2,501,964	389,390	298,245	2,593,109
5-Year Equipment	109,317	20,782	0	130,099
3-Year Equipment	<u>63,223</u>	<u>0</u>	<u>0</u>	<u>63,223</u>
Totals	<u>30,393,442</u>	<u>590,682</u>	<u>298,245</u>	<u>30,685,879</u>

* To remove fully depreciated equipment and assets sold.

Note #6 - Retirement Fund Commitments

A. Teachers' Retirement System of the State of Illinois

The school district participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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 state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The state of Illinois makes contributions directly to TRS on behalf of the district's TRS-covered employee.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$2,884,460 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012, and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$2,492,177) and 23.10 percent (\$2,338,921), respectively.

The district makes other types of employer contributions directly to TRS.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013, were \$60,365. Contributions for the years ended June 30, 2012, and June 30, 2011, were \$59,151 and \$59,380, respectively.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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 was first effective in 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.

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$3,726 were paid from federal and special trust funds that required employer contributions of \$1,045. For the years ended June 30, 2012, and June 30, 2011, required district contributions were \$22,603 and \$25,503, respectively.

Early Retirement Option (ERO). The district is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the district paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2012, and June 30, 2011, the district paid \$-0- and \$130,842 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2013, the district paid \$90 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012, and June 30, 2011, the district paid \$8,556 and \$524 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the district during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2013 the district paid \$-0- to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012, and June 30, 2011, the district paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

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

JUNE 30, 2013

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

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

Salary increases over 6 percent and excess sick leave. (cont'd.)

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, PO Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

B. THIS Fund Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. 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 the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$94,640 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2012 and June 30, 2011, were 0.88 percent of pay, both years. State contributions on behalf of District employees were \$88,840 and \$90,073, respectively.

- **Employer contributions to THIS Fund** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.69 percent during the years ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the District paid \$70,980 to the THIS Fund. For the years ended June 30, 2012, and June 30, 2011, the District paid \$67,299 and \$67,555 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

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

C. Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF uses a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 16.06 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution rate for year 2012 was \$353,732.

Three-Year Trend Information for the Regular Plan

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/12	353,732	100%	\$0
12/31/11	336,532	100%	0
12/31/10	336,724	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 67.86 percent funded. The actuarial accrued liability for benefits was \$5,758,486 and the actuarial value of assets was \$3,907,938, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,850,548. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,202,563 and the ratio of the UAAL to the covered payroll was 84 percent.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

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

Long-term debt at June 30, 2013, 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, 2013, the District was obligated on General Obligation Bonds issued for Life Safety to be paid from the Debt Services Fund dated February 15, 2007 totaling \$1,645,000, dated September 1, 2009 totaling \$2,585,000 and dated September 1, 2010 totaling \$1,060,000, and dated September 1, 2011 totaling \$1,545,000.

Capital Leases –

As of June 30, 2013, the District had an outstanding lease/purchase agreement to purchase the unit office building for \$140,000.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2013:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Due In
									Less Than One Year
General Obligation Bonds									
2005 Life Safety	6,460,000	3/1/05	2/15/13	3.20-5.70%	335,000	-	(335,000)	0	-
2007 Life Safety	3,720,000	2/15/07	2/15/14	5.20-5.70%	2,850,000	-	(1,205,000)	1,645,000	1,645,000
2009 Life Safety	2,585,000	9/1/09	2/15/16	3.17%	2,585,000	-	-	2,585,000	-
2010A Life Safety/WC	1,060,000	9/1/10	2/15/17	3.14%	1,060,000	-	-	1,060,000	-
2010B Life Safety/WC	1,545,000	9/1/10	2/15/17	3.83%	<u>1,545,000</u>	-	-	<u>1,545,000</u>	-
Subtotal General Obligation Bonds					<u>8,375,000</u>	-	<u>(1,540,000)</u>	<u>6,835,000</u>	<u>1,645,000</u>
Capital Leases & Other									
Henry Hammond Hospital					<u>290,000</u>	-	<u>(150,000)</u>	<u>140,000</u>	<u>140,000</u>
Subtotal Capital Leases & Other					<u>290,000</u>	-	<u>(150,000)</u>	<u>140,000</u>	<u>140,000</u>
Total					<u>8,665,000</u>	-	<u>(1,690,000)</u>	<u>6,975,000</u>	<u>1,785,000</u>

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

	Bonds		Leases/Other		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2014	1,645,000	261,036	140,000	-	1,785,000	261,036
2015	1,820,000	190,302	-	-	1,820,000	190,302
2016	1,940,000	126,602	-	-	1,940,000	126,602
2017	<u>1,430,000</u>	<u>52,826</u>	-	-	<u>1,430,000</u>	<u>52,826</u>
	<u>6,835,000</u>	<u>630,766</u>	<u>140,000</u>	-	<u>6,975,000</u>	<u>630,766</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

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

Debt Services Fund Balance –

At June 30, 2013, 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	104,610
February 15, 2007	1,437,985
September 1, 2009	50,572
September 1, 2010	30,589
September 1, 2010	<u>47,385</u>
	<u>1,671,141</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, 2013 was \$319,452,991.

The estimated legal debt margin of the District at June 30, 2013, was calculated as follows:

Legal Debt Limit	44,084,513
Less Qualifying Debt	<u>(6,975,000)</u>
Legal Debt Margin	<u>37,109,513</u>

Note #8 - Tax Anticipation Warrants

During the fiscal year ended June 30, 2013, the District did not issue any tax anticipation warrants.

Note #9 - Interfund Receivables and Payables and Transfers

The Working Cash Fund made a permanent transfer to the Tort Fund for \$250,000 and to the Transportation Fund for \$600,000 as well as to the Municipal Retirement/Social Security Fund for \$400,000 during the year ended June 30, 2013. These transfers were made to fund current operations. The Operations and Maintenance Fund also transferred \$150,000 to Debt Service for a capital lease purchase.

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, 2013, the District had no deficit fund balances.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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. Mutual Medical 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, 2013 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, 2013, the District had no construction commitments outstanding.

Unpaid Teachers' Contracts

Teachers' 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, 2013, the total amount of unpaid teachers' contracts for services performed during the year ended June 30, 2013, amounted to \$1,427,620.

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, 2013, the estimated unused vacation pay liability is \$27,843.

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, 2013, the District had no qualified commitments for health insurance for retirees.

Termination Benefits – Termination benefits are considered to be an expenditure in the year paid. As of June 30, 2013, the District had estimated incentives due for teachers who have notified the District of their retirements of \$260,083.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

Note #15 – Other Post-Employment Benefits

Other Post-Employment Benefits - The District's most recent actuarial valuation was completed during October of 2010.

The District's Other Post-Employment Benefits (OPEB) consists of allowing certified and support staff who meet the minimum requirements for early retirement under TRS and IMRF to remain covered in the District's health care plan, but are not provided any explicit subsidy to do so.

Actuarial Assumptions

Demographic assumptions include such items as mortality, turnover, probabilities of disablement, rates of spousal participation, spousal ages, participation and retirement rates. Because the participants are primarily certified teachers, the actuary chose to use the mortality table used by the Teachers' Retirement System (TRS) actuary for its annual pension valuation.

About 50% attrition in the first year of employment, reducing to 20% by the third year, was assumed. After the third year, low turnover is expected for both certified and support staff.

Early retirement rates were established both for certified and non-certified employees. Disablement rates were assumed to be zero because no special OPEB would be forthcoming for disability. Participation was assumed to be 30% for certified employees and 50% for support staff.

Economic assumptions include the discount rate of future benefit payments, theoretical rate of return on assets, Health Care Cost Trend Rates by year, Medicare inflation rates by year and the general inflation rate as indicated by the CPI.

The discount rate and the theoretical rate of return on assets are set equal to 5.00%. This is 78 basis points lower than the expected yield rate for Moody's AA long-term corporate bonds as of June 2009. There are no funds currently in a Trust.

The Health Care Cost Trend Rate ("HCCTR") is the annual rate of change in the cost of health care benefits due to factors other than changes in the composition of the plan population. These include health care inflation, changes in health care utilization or delivery patterns, plan design, technological advances and changes in the health status of the plan participants as well as cost-shifting from the general population not paying the full value of services used. HCCTR is restricted to economic conditions largely outside the employer's control. Differing types of services may have different trend rates.

The concept of HCCTR is not directly comparable to "medical trend" as the latter term is customarily used in the insurance field. Whereas medical trend generally covers a one- or two-year period for active and retirees combined, HCCTR is a long-term economic assumption.

Additionally, medical trend contains elements not included within the HCCTR definition, such as leveraging due to plan cost-sharing features, Medicare reimbursement levels, and demographic changes, all of which are addressed in separate assumptions. Adverse selection from COBRA coverage, flexible benefit elections, recoupment of prior losses, government-mandated benefits, and fluctuation margins are not taken account in the HCCTR.

In selecting the HCCTR, it was recognized that the high increase of medical costs during the early 2000's cannot continue indefinitely. Ultimately, health costs are limited by a percent of the GNP beyond which the nation will not be willing to afford additional health care at the expense of other needs. Currently, medical care accounts for 17% of the GNP. The July 2009 Consumer Price Index for medical care indicates an annual inflation rate of 3.2% for the preceding twelve months. It was significantly greater than the overall inflation rate of 1.5% posted for the preceding twelve months. The CPI and Medicare trend assumptions are intimately linked to the health care cost trend assumption. A change in one must be accompanied by a review of the others for consistency and sensibility.

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

JUNE 30, 2013

Note #15 – Other Post-Employment Benefits (cont'd.)

Actuarial Assumptions (cont'd.)

Therefore, the HCCTR, is a “select and ultimate” assumption. The rate for the initial year is lowered gradually over a select period of time and ultimately settles at a permanent, lower level.

There is, however, and “implicit rate subsidy” stemming from the fact that the District budgets a blended uniform rate for all employees and retirees. GASB Statement 45 addresses the potential effects that implicit rate subsidies may have on liabilities.

Retirees from staff may be covered by the PPO, which is self-insured. There is an implicit rate subsidy in the blended rate used by the District. An “aging” table to account for the additional cost of the staff members who retire was factored in. The aging factors represent the difference between the cost of an employee (based on age and sex) and the blended rate for the group as a whole.

Dental benefits are included in the blended rates for the group. Although these benefits are subject to the different implicit rate subsidy effects from the medical benefits, a composite table to include them all together has been used.

As of July 1, 2009, the Actuarial Accrued Liability (AAL) was \$1,420,423 and the annual OPEB expense (Annual Required Contribution or “ARC”) for 2013 was \$154,341. The net OPEB Obligation expected at the end of the year is \$61,760.

The schedule of funding progress, presented as Other Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note #16 - Joint Agreements

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

Note #17 - Risk Management - Claims and Judgments

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2013, 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 workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience, adjustments in premiums are recorded when paid or received. During the year ended June 30, 2012, there were no significant adjustments in premiums based on actual experience.

Note #18 - Disbursements and Transfers in Excess of Budget

The District had no excess of disbursements and transfers over budget in the any fund during the year ended June 30, 2013.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

Note #19 - Flexible Benefit Plan

On January 1, 1992, the District enacted a flexible benefit plan for its employees. The plan was developed to allow employees who meet certain eligibility requirements to use before-tax earnings to purchase benefits under the plan. These benefits include insurance premiums for medical, dental, and/or group-term life (up to \$50,000 face amount), and qualified health/dental expenses not covered by an insurance plan. This is a qualified employee benefit plan under Section 125 of the Internal Revenue Code.

Note #20 – Related Party Transactions

Rock River Alternative School entered into an annual renewable lease agreement with the district to lease a building. Rock River Alternative School paid \$4,841 per month for ten months, totaling \$48,410.

The District provides administrative services to Rock River Alternative School and received a fee of \$46,550 during the year ended June 30, 2013, for these services.

Note #21 – Other Assets

The District paid an ERO-Member payment for an employee. The employee is repaying the District for the balance over a five year timeframe. The balance receivable as of June 30, 2013 was \$3,853.

Note #22 – Subsequent Event

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through September 18, 2013, the date the financial statements were available to be issued.

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, 2013

<u>ASSETS</u>	Unit Activity Fund	Middle School Activity Fund	High School Activity Fund	Memorial and Scholarship Fund	Self-funded Insurance Fund	Flex Benefit Plan Fund	Total
Cash	120,618	79,538	71,598	6,569	1,563,748	23,888	1,865,958
Investments	0.00	-	-	99,099	285,397	-	384,496
Total Assets	<u>120,618</u>	<u>79,538</u>	<u>71,598</u>	<u>105,668</u>	<u>1,849,145</u>	<u>23,888</u>	<u>2,250,454</u>
 <u>LIABILITIES</u>							
Other Liabilities	-	-	-	-	-	-	-
Due to other Organizations	120,618	79,538	71,598	-	-	-	271,754
Total Liabilities	<u>120,618</u>	<u>79,538</u>	<u>71,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,754</u>
 <u>FUND BALANCE AND OTHER CREDITS</u>							
Net Assets Available for Benefits	-	-	-	105,668	1,849,145	23,888	1,978,701
 <u>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</u>	 <u>120,618</u>	 <u>79,538</u>	 <u>71,598</u>	 <u>105,668</u>	 <u>1,849,145</u>	 <u>23,888</u>	 <u>2,250,455</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, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	127,040.32	11,144.04	17,566.83	120,617.53
Total Assets	<u>127,040.32</u>	<u>11,144.04</u>	<u>17,566.83</u>	<u>120,617.53</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	143.80	185.00	198.00	130.80
Elementary Book Week	1,067.19	0.00	0.00	1,067.19
H. Shoemaker CD Interest	79,247.71	96.50	2,727.83	76,616.38
Interest on NOW Account	29,089.20	171.47	4,975.56	24,285.11
Millikin Convenience Fund	2,442.31	2,002.31	1,629.42	2,815.20
Millikin Social Fund	1,287.88	1,863.00	2,537.60	613.28
Millikin Student Store	3.67	0.00	3.67	0.00
Northside Convenience Fund	3,992.07	1,884.32	1,608.68	4,267.71
South West School - Convenience	574.10	1,589.85	1,465.23	698.72
Southwest Jeans	803.84	874.00	763.81	914.03
S.A.F.E.	2,519.73	1,304.50	944.00	2,880.23
Unit Office Convenience Fund	4,337.61	237.00	381.55	4,193.06
Social Worker/Student Needs	1,329.53	936.09	331.48	1,934.14
Total Liabilities (Due to other Organizations)	<u>127,040.32</u>	<u>11,144.04</u>	<u>17,566.83</u>	<u>120,617.53</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>127,040.32</u>	<u>11,144.04</u>	<u>17,566.83</u>	<u>120,617.53</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, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	69,667.44	146,569.43	136,699.03	79,537.84
Total Assets	<u>69,667.44</u>	<u>146,569.43</u>	<u>136,699.03</u>	<u>79,537.84</u>
<u>LIABILITIES (Due to other Organizations)</u>				
<u>Middle School</u>				
Band Fund	3,585.64	17,419.63	16,339.88	4,665.39
M.S. Builders Club	471.09	2,975.25	2,623.52	822.82
General Fund	11,520.24	15,513.92	12,936.00	14,098.16
Impact Food	61.09	0.00	0.00	61.09
Interest on NOW Account - MS	444.60	112.43	0.00	557.03
Library Fund	3,116.16	9,173.59	8,784.71	3,505.04
P.E. Activities	1,404.56	3,912.09	3,907.09	1,409.56
Student Services	29,122.37	76,488.76	71,145.25	34,465.88
Student Council	3,339.50	5,223.46	5,394.34	3,168.62
Teacher Services	1,191.25	3,117.75	3,663.41	645.59
Vocal Fund (Choir)	346.46	1,485.25	1,512.59	319.12
Yearbook	12,668.77	7,130.00	6,860.04	12,938.73
6th Grade Band Fund	116.66	1,260.87	898.22	479.31
6th Grade Student Senate	2,279.05	2,756.43	2,633.98	2,401.50
Total Liabilities (Due to other Organizations)	<u>69,667.44</u>	<u>146,569.43</u>	<u>136,699.03</u>	<u>79,537.84</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>69,667.44</u>	<u>146,569.43</u>	<u>136,699.03</u>	<u>79,537.84</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, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	76,055.63	295,092.80	299,550.08	71,598.35
Total Assets	<u>76,055.63</u>	<u>295,092.80</u>	<u>299,550.08</u>	<u>71,598.35</u>
 <u>LIABILITIES (Due to other Organizations)</u>				
ACT	139.56	0.00	0.00	139.56
Annuals (Yearbook)	6,001.52	23,908.21	24,599.56	5,310.17
Athletic Fund	7,983.94	110,080.80	106,670.26	11,394.48
Band Fund	7,720.66	2,925.75	8,957.50	1,688.91
Choir Fund	977.86	2,135.34	3,072.62	40.58
Class of 2012	2,572.55	0.00	2,572.55	0.00
Class of 2013	5,063.44	65.00	4,646.54	481.90
Class of 2014	3,547.88	22,315.48	17,168.33	8,695.03
Class of 2015	664.53	9,959.75	6,492.19	4,132.09
Class of 2016	0.00	455.00	383.69	71.31
Commercial Club (Vocational Careers Club)	1,000.63	6,007.00	3,956.77	3,050.86
Co-op Club	2,318.55	0.00	380.85	1,937.70
Future Business Leaders of America	130.00	0.00	22.00	108.00
First Robotics Club	907.68	1,723.70	796.59	1,834.79
F.F.A.	44.75	4,105.56	3,984.56	165.75
Health Fund	1,705.02	0.00	170.00	1,535.02
H.S. Library	1,673.06	759.11	565.39	1,866.78
H.S. Student Services	143.50	15,598.51	15,045.53	696.48
IHSA Speech	40.00	0.00	0.00	40.00
Interest on NOW Account - HIS	49.11	116.13	0.00	165.24
J. Kyle Braid	1,584.09	0.00	1,584.09	0.00
Jazz Band/Swing Choir	6,562.22	3,420.50	1,736.22	8,246.50
Key Club	1,811.05	5,111.35	4,807.71	2,114.69
Life Skills	1,301.79	32.00	326.46	1,007.33
Miscellaneous Fund	3,291.33	30,100.25	28,307.10	5,084.48
Music Trip Fund	1,548.70	0.00	500.00	1,048.70
Pom Pon & Maplettes	475.28	300.00	680.00	95.28
Radio Club	694.23	0.00	140.00	554.23
The Troupe	3,882.87	4,321.33	6,037.07	2,167.13
Stage Fund	10,245.48	9,642.17	13,261.02	6,626.63
Step Program	0.00	34,768.84	34,768.84	0.00

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, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
Studio Club	651.60	12.00	51.00	612.60
Student Council	665.06	7,229.02	7,795.64	98.44
Thespian Fund	657.69	0.00	70.00	587.69
Total Senior High School	<u>76,055.63</u>	<u>295,092.80</u>	<u>299,550.08</u>	<u>71,598.35</u>
Total Liabilities (Due to other Organizations)	<u>76,055.63</u>	<u>295,092.80</u>	<u>299,550.08</u>	<u>71,598.35</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>76,055.63</u>	<u>295,092.80</u>	<u>299,550.08</u>	<u>71,598.35</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, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	5,813.14	15,122.27	14,366.06	6,569.35
Investments	<u>97,568.17</u>	<u>23,200.95</u>	<u>21,670.47</u>	<u>99,098.65</u>
Total Assets	<u>103,381.31</u>	<u>38,323.22</u>	<u>36,036.53</u>	<u>105,668.00</u>
<u>LIABILITIES (Due to other Organizations)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>FUND BALANCE and other Credits</u>				
King Memorial	37,252.98	17,999.15	17,327.86	37,924.27
Waterman Scholarship	<u>66,128.33</u>	<u>20,324.07</u>	<u>18,708.67</u>	<u>67,743.73</u>
Total Fund Balance and other Credits	<u>103,381.31</u>	<u>38,323.22</u>	<u>36,036.53</u>	<u>105,668.00</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>103,381.31</u>	<u>38,323.22</u>	<u>36,036.53</u>	<u>105,668.00</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Additions to Plan Assets Attributed to:		
Insurance Premiums Received	1,749,755.66	
Interest Earned	<u>1,811.84</u>	
Total Additions		1,751,567.50
Deductions from Plan Assets Attributed to:		
Claims Paid and Co-Insurance Premiums	<u>1,232,632.21</u>	
Total Deductions		<u>1,232,632.21</u>
Net Increase (Decrease)		518,935.29
Net Assets available for Benefits, July 1, 2012		<u>1,330,209.31</u>
Net Assets Available for Benefits, June 30, 2013		<u><u>1,849,144.60</u></u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - FLEXIBLE BENEFIT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Additions to Plan Assets Attributed to:	
Interest Earned	38.06
Contributions Received	<u>55,761.70</u>
 Total Additions	 55,799.76
Deductions from Plan Assets Attributed to:	
Claims Paid and Co-Insurance Premiums	<u>58,006.74</u>
 Total Deductions	 <u>58,006.74</u>
 Net Increase (Decrease)	 (2,206.98)
 Net Assets Available for Benefits, July 1, 2012	 <u>26,094.70</u>
 Net Assets Available for Benefits, June 30, 2013	 <u><u>23,887.72</u></u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER FINANCING
 SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Revenue Received Before Advance Taxes:									
Local Sources									
Real Estate Taxes (1)	7,813,614	1,601,306	1,890,982	640,586	550,473	25,347	450,274	25,314	12,997,896
Other Local Revenue	2,135,500	107,803	4,682	8,165	31,313	12,019	9,082	1,625	2,310,189
State Sources	6,064,290	50,000		1,345,733					7,460,023
Federal Sources	643,841								643,841
Total Direct Receipts	16,657,245	1,759,109	1,895,664	1,994,484	581,786	37,366	459,356	26,939	23,411,949
Expenditures Disbursed:									
Instruction	10,575,856				189,583				10,765,439
Support Services	5,964,191	1,365,293		1,830,652	463,527		504,910	160,004	10,288,577
Community Services	143,038				22,350				165,388
Payments to Other Governmental Units	979,973				28,468				1,008,441
Debt Services			2,031,215						2,031,215
Total Direct Disbursements	17,663,058	1,365,293	2,031,215	1,830,652	703,928	0	504,910	160,004	24,259,060
Excess of Receipts Over (Under) Disbursements	(1,005,813)	393,816	(135,551)	163,832	(122,142)	37,366	(45,554)	(133,065)	(847,111)
Other Financing Sources (Uses):									
Other Financing Sources	960	667	150,000	600,000	400,000	0	250,000	0	1,401,627
Other Financing Uses	0	(150,000)	0	0	0	(1,250,000)	0	0	(1,400,000)
Total Other Financing Sources (Uses)	960	(149,333)	150,000	600,000	400,000	(1,250,000)	250,000	0	1,627
Excess of Receipts Over (Under) Disbursements and Other Financing Sources (Uses)	(1,004,853)	244,483	14,449	763,832	277,858	(1,212,634)	204,446	(133,065)	(845,484)
Fund Balance Before Advanced Taxes, July 1, 2012	1,670,620	1,634,101	613,557	868,631	(162,474)	4,943,625	337,754	645,539	10,551,353
Fund Balance Before Advanced Taxes, June 30, 2013	665,767	1,878,584	628,006	1,632,463	115,384	3,730,991	542,200	512,474	9,705,869
Advanced Taxes Received Prior to June 30, 2013	4,236,205	869,714	1,043,135	347,886	329,622	8,175	223,343	5,566	7,063,646
Changes in Fund Balance	0	0	0	0	0	0	0	0	0
Fund Balance After Advanced Taxes, June 30, 2013	4,901,972	2,748,298	1,671,141	1,980,349	445,006	3,739,166	765,543	518,040	16,769,515

(1) Real Estate Receipts have been reduced by the 2012 Levy received prior to June 30, 2013, and increased by the 2011 Levy received prior to June 30, 2012.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 SCHEDULE OF BONDED INDEBTEDNESS
 GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
JUNE 30, 2013

General Obligation Life Safety Bonds
 Dated: February 15, 2007
 Original Issue: \$3,720,000
 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>	
2013-14	5.70	1,645,000	35,367	35,367	1,715,734
Totals		1,645,000	35,367	35,367	1,715,734

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>	
2013-14	3.17	0.00	45,238	45,238	90,476
2014-15	3.17	1,820,000	45,238	45,238	1,910,476
2015-16	3.17	765,000	13,388	13,388	791,776
Totals		2,585,000	103,864	103,864	2,792,728

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
SCHEDULE OF BONDED INDEBTEDNESS
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
JUNE 30, 2013

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>	
2013-14	3.14	0.00	18,550	18,550	37,100
2014-15	3.14	0.00	18,550	18,550	37,100
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	74,200	74,200	1,208,400

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>	
2013-14	3.83	0.00	31,363	31,363	62,726
2014-15	3.83	0.00	31,363	31,363	62,726
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	125,452	125,452	1,795,904

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
 SCHEDULE OF TAXES EXTENDED AND COLLECTED
 JUNE 30, 2013

	<u>Educational Levy</u>	<u>Special Education Levy</u>	<u>Leasing Levy</u>	<u>Operation & Maintenance Levy</u>	<u>Debt Service Levy</u>	<u>Trans- portation Levy</u>	<u>Municipal Retirement Levy</u>	<u>Social Security Levy</u>	<u>Working Cash Levy</u>	<u>Tort Immunity Levy</u>	<u>Fire Safety Levy</u>	<u>Total All Levies</u>
<u>2010 Levy</u>												
Assessed Valuation	316,256,509											
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.58710</u>	<u>0.20000</u>	<u>0.08540</u>	<u>0.06960</u>	<u>0.01590</u>	<u>0.15020</u>	<u>0.00740</u>	<u>4.05560</u>
Taxes Extended	<u>7,432,028</u>	<u>126,503</u>	<u>158,128</u>	<u>1,581,283</u>	<u>1,856,742</u>	<u>632,513</u>	<u>270,083</u>	<u>220,115</u>	<u>50,285</u>	<u>475,017</u>	<u>23,403</u>	<u>12,826,100</u>
Taxes Collected	99.86%	<u>7,421,417</u>	<u>126,322</u>	<u>157,903</u>	<u>1,579,025</u>	<u>631,610</u>	<u>269,697</u>	<u>219,800</u>	<u>50,213</u>	<u>474,339</u>	<u>23,369</u>	<u>12,807,786</u>
<u>2011 Levy</u>												
Assessed Valuation	320,464,016											
Tax Rate per \$100.00	<u>2.34830</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.49970</u>	<u>0.59010</u>	<u>0.19990</u>	<u>0.09370</u>	<u>0.07810</u>	<u>0.00790</u>	<u>0.14050</u>	<u>0.00790</u>	<u>4.05610</u>
Taxes Extended	<u>7,525,456</u>	<u>128,186</u>	<u>160,232</u>	<u>1,601,359</u>	<u>1,891,058</u>	<u>640,608</u>	<u>300,275</u>	<u>250,282</u>	<u>25,317</u>	<u>450,252</u>	<u>25,317</u>	<u>12,998,342</u>
Advance Taxes Received Prior to June 30, 2012	4,065,007	69,242	86,552	865,002	1,021,488	346,035	162,199	135,194	13,675	243,211	13,675	7,021,280
Taxes received July 1, 2012 thru June 30, 2013	<u>3,451,067</u>	<u>58,784</u>	<u>73,480</u>	<u>734,361</u>	<u>867,213</u>	<u>293,774</u>	<u>137,702</u>	<u>114,776</u>	<u>11,610</u>	<u>206,479</u>	<u>11,610</u>	<u>5,960,856</u>
Taxes Collected	99.88%	<u>7,516,074</u>	<u>128,026</u>	<u>1,600,322</u>	<u>1,888,701</u>	<u>639,809</u>	<u>299,901</u>	<u>249,970</u>	<u>25,285</u>	<u>449,690</u>	<u>25,285</u>	<u>12,982,136</u>
<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>
Advance Taxes Received Prior to June 30, 2013	<u>4,087,658</u>	<u>69,577</u>	<u>78,970</u>	<u>869,714</u>	<u>1,043,135</u>	<u>347,886</u>	<u>179,857</u>	<u>149,765</u>	<u>8,175</u>	<u>223,343</u>	<u>5,566</u>	<u>7,063,646</u>
Taxes Receivable	<u>3,419,487</u>	<u>58,204</u>	<u>66,062</u>	<u>727,551</u>	<u>872,625</u>	<u>291,020</u>	<u>150,457</u>	<u>125,284</u>	<u>6,839</u>	<u>186,835</u>	<u>4,656</u>	<u>5,909,020</u>

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2013**

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	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 648 North Chicago St. Geneseo 61254		E-MAIL ADDRESS sramsay@gorenzcpa.com	
		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)

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

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 6/30/12 (C)	7/01/12 - 6/30/13 (D)	Prior to 6/30/12 (E)	7/01/12 - 6/30/13 (F)			
U.S. Department of Agriculture -									
Pass-through program from									
Illinois State Board of Education									
(M) School Lunch - Regular, Free & Reduced	10.555	12-4210-00	234,344	57,213	234,344	57,213		291,557	N/A
(M) School Lunch - Regular, Free & Reduced	10.555	13-4210-00		248,027		248,027	(2)	248,027	N/A
(M) School Breakfast Program	10.553	12-4220-00	53,783	12,020	53,783	12,020		65,803	N/A
(M) School Breakfast Program	10.553	13-4220-00		53,853		53,853	(2)	53,853	N/A
Food Donation (3)	10.555	FY12			73,894			73,894	N/A
(M) Food Donation (3)	10.555	FY13				63,000		63,000	N/A
Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY12			14,815			14,815	N/A
(M) Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY13				14,925		14,925	N/A
Pass-through program from									
St. Malachy's School									
(M) School Lunch Program - Regular, Free and Reduced	10.555	12-4210-01	5,696	1,693	5,696	1,693		7,389	N/A
(M) School Lunch Program - Regular, Free and Reduced	10.555	13-4210-01		4,688		4,688	(2)	4,688	N/A
Total U.S. Department of Agriculture - Pass-through programs			<u>293,823</u>	<u>377,494</u>	<u>382,532</u>	<u>455,419</u>		<u>837,951</u>	

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

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 6/30/12 (C)	7/01/12 - 6/30/13 (D)	Prior to 6/30/12 (E)	7/01/12 - 6/30/13 (F)			
U.S. Department of Education -									
Pass-through program from									
Illinois State Board of Education									
Title I - Low Income	84.010	12-4300-00	124,580	43,544	158,342	9,782		168,124	187,978
Title I - Low Income	84.010	13-4300-00		95,891		152,918		152,918	202,608
I.D.E.A. - Room & Board - Excess Cost	84.027	12-4625-XC		2,156	2,156			2,156	N/A
(M) ARRA - Education Jobs Fund	84.410	12-4880-00		8,592		8,592		8,592	N/A
Title II - Teacher Quality	84.281	12-4932-00	51,936	13,634	65,570			65,570	68,374
Title II - Teacher Quality	84.281	13-4932-00		48,032		56,539		56,539	59,235
Total Dept. of Education passed-through ISBE			<u>176,516</u>	<u>211,849</u>	<u>226,068</u>	<u>227,831</u>		<u>453,899</u>	

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Incumbrances (G)	Final Status (H)	Budget (I)
			Prior to 6/30/12 (C)	7/01/12 - 6/30/13 (D)	Prior to 6/30/12 (E)	7/01/12 - 6/30/13 (F)			
Total U.S. Department of Education - Pass-through programs			<u>176,516</u>	<u>211,849</u>	<u>226,068</u>	<u>227,831</u>	<u>-</u>	<u>453,899</u>	
U.S. Department of Health and Human Services -									
Illinois Department of Human Services									
S.T.E.P. (Note #3)	84.126	46CQ012251	20,178	-	20,178	-	20,178	20,178	20,178
S.T.E.P. (Note #3)	84.126	46CRD00020	-	19,339	-	22,281	-	22,281	22,281
			<u>20,178</u>	<u>19,339</u>	<u>20,178</u>	<u>22,281</u>	<u>-</u>	<u>42,459</u>	
Pass-through program from									
Illinois Department of Healthcare and Family Services									
Medicaid Outreach	93.778	12-4991-00	18,233	3,963	18,995	4,126	-	23,121	N/A
Medicaid Outreach	93.778	13-4991-00	-	14,202	-	14,794	-	14,794	N/A
			<u>18,233</u>	<u>18,165</u>	<u>18,995</u>	<u>18,920</u>	<u>-</u>	<u>37,915</u>	
Total U.S. Department of Health and Human Services - Pass-through programs			<u>38,411</u>	<u>37,504</u>	<u>39,173</u>	<u>41,201</u>	<u>-</u>	<u>80,374</u>	
Total Federal Awards			<u>508,750</u>	<u>626,847</u>	<u>647,773</u>	<u>724,451</u>	<u>-</u>	<u>1,372,224</u>	
Total Federal Awards Passed Through Illinois State Board of Education			470,339	589,343	608,600	683,250	-	1,291,850	
Total Federal Awards Passed Through Other Entities			<u>38,411</u>	<u>37,504</u>	<u>39,173</u>	<u>41,201</u>	<u>-</u>	<u>80,374</u>	
Total Federal Awards			<u>508,750</u>	<u>626,847</u>	<u>647,773</u>	<u>724,451</u>	<u>-</u>	<u>1,372,224</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, 2013.

(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, 2013

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Geneseo CUSD No. 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 No. 228** provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
No Subrecipients during FY 13.		

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, 2013, with the ISBE.

Note 4: Insurance, Loans and Loan Guarantees Outstanding

There was no federal insurance in effect during the year and there were no loans or loan guarantees outstanding as of June 30, 2013.

Note 5: Matching Expenditures

The District had required matching expenditures during the year ended June 30, 2012 as follows:

Program	CFDA #	Project #	Amount Expended	Amount Budgeted
S.T.E.P. Grant	84.126	46CRD00020	17,644	17,644

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, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X NO
- 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 NO
- 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: Unqualified
(Unqualified, 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, 10553	Lunch Program Cluster
84.410	ARRA - Education Jobs Fund

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 unqualified, indicate the type of report issued for each program. Example: "Unqualified for all major programs except for [name of program], which was qualified 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, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ None Known 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 last two 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 2003 would be assigned a reference number of 02-01, 02-02, 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, 2013

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

3. Federal Program Name and Year: _____

4. Project No.: _____

5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

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

9. 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, 2013

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
12-01	Unauthorized Loan	Corrected

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.