

Geneseo Community Unit School District No. 228

Geneseo, Illinois

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

June 30, 2010

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

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Geneseo Community Unit School District No. 228 as of and for the fiscal year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the school district's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note #1, Geneseo Community Unit School District No. 228 has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also as described in Note 1, Geneseo Community Unit School District No. 228 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Geneseo Community Unit School District No. 228 as of June 30, 2010, or changes in financial position for the fiscal year then ended.

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Geneseo Community Unit School District No. 228 as of June 30, 2010, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

In accordance with Government Auditing Standards, we have also issued a report dated September 21, 2010, on our consideration of Geneseo Community Unit School District No. 228's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and should be considered in assessing the results of our audit.

The information listed in the table of contents identified as "Required Supplementary Information" is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as "Supplemental Information" are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements of Geneseo Community Unit School District No. 228. The "Supplementary Information" and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The 2009 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated October 2, 2009, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2009 financial statements taken as a whole.

Horngren & Associates Ltd.

Peoria, Illinois
September 21, 2010

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

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

**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

We have audited the financial statements of Geneseo Community Unit School District No. 228 as of and for the year ended June 30, 2010, and have issued our report thereon dated September 21, 2010. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Geneseo Community Unit School District No. 228's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the school district's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 over financial reporting that might be deficiencies, significant deficiencies or be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

Compliance and Other Matters (Cont'd)

In accordance with SAS No. 114 *The Auditor's Communication With Those Charged With Governance* we have issued a separate letter dated September 21, 2010 to the Board of Education addressing those required communications.

This report is intended solely for the information and use of the Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grumman Associates Ltd.

Peoria, Illinois
September 21, 2010

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

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

**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program
and Internal Control Over Compliance in Accordance with
OMB Circular A-133**

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

Compliance

We have audited Geneseo Community Unit School District No. 228's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Geneseo Community Unit School District No. 228's management. Our responsibility is to express an opinion on Geneseo Community Unit School District No. 228's compliance based on our audit.

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. Our audit does not provide a legal determination on Geneseo Community Unit School District No. 228's compliance with those requirements.

In our opinion, Geneseo Community Unit School District No. 228 complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

The management of Geneseo Community Unit School District No. 228 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Geneseo Community Unit School District No. 228's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Geneseo Community Unit School District No. 228's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended solely for the information of the Board of Education, management, the Illinois State Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sorenson and Associates Ltd.

Peoria, Illinois
September 21, 2010

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GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
JUNE 30, 2010

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
<u>Assets</u>					
Cash and Cash Equivalents	5,162,390	2,292,836	1,486,543	688,219	378,556
Investments					
Interfund Receivable					
Other Current Assets	14,682				
Land					
Buildings & Building Improvements					
Site Improvements & Infrastructure					
Capitalized Equipment					
Amounts Available in Debt Service Funds					
Amounts to be Provided for Payment of Debt					
Total Assets	<u>5,177,072</u>	<u>2,292,836</u>	<u>1,486,543</u>	<u>688,219</u>	<u>378,556</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Interfund Payables				500,000	
Due to Organizations					
Long Term Debt Payable					
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>
Fund Balances:					
Reserved	278,397				
Unreserved	4,898,675	2,292,836	1,486,543	188,219	378,556
Investments in General Fixed Assets					
Total Fund Balances	<u>5,177,072</u>	<u>2,292,836</u>	<u>1,486,543</u>	<u>188,219</u>	<u>378,556</u>
Total Liabilities and Fund Balances	<u>5,177,072</u>	<u>2,292,836</u>	<u>1,486,543</u>	<u>688,219</u>	<u>378,556</u>

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

Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
4,008,311	220,133	922,601	1,048,000			16,207,589
			178,704			178,704
500,000						500,000
						14,682
				467,298		467,298
				25,146,093		25,146,093
				375,823		375,823
				2,270,014		2,270,014
					1,486,543	1,486,543
					7,129,549	7,129,549
<u>4,508,311</u>	<u>220,133</u>	<u>922,601</u>	<u>1,226,704</u>	<u>28,259,228</u>	<u>8,616,092</u>	<u>53,776,295</u>
						500,000
			265,540			265,540
					8,616,092	8,616,092
<u>0</u>	<u>0</u>	<u>0</u>	<u>265,540</u>	<u>0</u>	<u>8,616,092</u>	<u>9,381,632</u>
						278,397
4,508,311	220,133	922,601	961,164			15,857,038
				28,259,228		28,259,228
<u>4,508,311</u>	<u>220,133</u>	<u>922,601</u>	<u>961,164</u>	<u>28,259,228</u>	<u>0</u>	<u>44,394,663</u>
<u>4,508,311</u>	<u>220,133</u>	<u>922,601</u>	<u>1,226,704</u>	<u>28,259,228</u>	<u>8,616,092</u>	<u>53,776,295</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES -
ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Educational	Operations and Maintenance	Debt Service	Transportation
Revenue Received:				
Local Sources	9,731,309	1,688,709	1,718,449	637,325
State Sources	6,264,569			1,002,247
Federal Sources	1,963,724			
Total Direct Receipts	17,959,602	1,688,709	1,718,449	1,639,572
Receipts for On-Behalf Payments	2,514,154			
Total Receipts	20,473,756	1,688,709	1,718,449	1,639,572
Expenditures Disbursed:				
Instruction	10,926,936			
Support Services	5,514,991	1,985,478		1,740,204
Community Services	140,555			
Payments to Other Governmental Units	849,020			
Debt Services			1,707,174	
Total Direct Disbursements	17,431,502	1,985,478	1,707,174	1,740,204
Disbursements for On-Behalf Payments	2,514,154			
Total Disbursements	19,945,656	1,985,478	1,707,174	1,740,204
Excess (Deficiency) of Receipts Over Disbursements	528,100	(296,769)	11,275	(100,632)
Other Financing Sources:				
Permanent Transfers -				
Transfer Among Other Funds	1,000,000	650,000		
Principal on Bonds Sold				
Sale of Fixed Assets	2,500	6,101		
Transfer to Debt Service to Pay Principal on Capital Leases			111,423	
Transfer to Debt Service to Pay Interest on Capital Leases			2,921	
Other Financing (Uses):				
Permanent Transfers -				
Abolishment of Abatement of the Working Cash Fund				
Transfer Among Other Funds	(650,000)			
Transfer to Debt Service to Pay Principal on Capital Leases	(100,740)	(10,683)		
Transfer to Debt Service to Pay Interest on Capital Leases	(2,921)			
Total Other Financing Sources and (Uses)	248,839	645,418	114,344	0
Excess (Deficiency) of Receipts Over Disbursements and Other Financing Sources (Uses)	776,939	348,649	125,619	(100,632)
Beginning Fund Balance - July 1, 2009	4,400,133	1,944,187	1,360,924	288,851
Changes in Fund Balance	0	0	0	0
Ending Fund Balance - June 30, 2010	5,177,072	2,292,836	1,486,543	188,219

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

<u>Municipal Retirement/ Social Security</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
552,456	223,050	312,129	167,803	15,031,230
				7,266,816
				1,963,724
<u>552,456</u>	<u>223,050</u>	<u>312,129</u>	<u>167,803</u>	<u>24,261,770</u>
				2,514,154
<u>552,456</u>	<u>223,050</u>	<u>312,129</u>	<u>167,803</u>	<u>26,775,924</u>
163,036				11,089,972
417,910		491,174	1,258,811	11,408,568
18,880				159,435
16,486				865,506
				1,707,174
<u>616,312</u>	<u>0</u>	<u>491,174</u>	<u>1,258,811</u>	<u>25,230,655</u>
				2,514,154
<u>616,312</u>	<u>0</u>	<u>491,174</u>	<u>1,258,811</u>	<u>27,744,809</u>
(63,856)	223,050	(179,045)	(1,091,008)	(968,885)
				1,650,000
	1,000,000		1,585,000	2,585,000
				8,601
				111,423
				2,921
	(1,000,000)			(1,000,000)
				(650,000)
				(111,423)
				(2,921)
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,585,000</u>	<u>2,593,601</u>
(63,856)	223,050	(179,045)	493,992	1,624,716
442,412	4,285,261	399,178	428,609	13,549,555
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>378,556</u>	<u>4,508,311</u>	<u>220,133</u>	<u>922,601</u>	<u>15,174,271</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue Received:			
Receipts From Local Sources:			
Ad Valorem Taxes Levied:			
Designated Purposes Levies	7,333,154	1,560,245	1,701,000
Leasing Levy	156,025		
Special Education Levy	124,820		
Social Security/Medicare Levy			
Payments in Lieu of Taxes:			
Corporate Personal Property			
Replacement Taxes	374,510		
Tuition:			
Summer School Tuition:			
From Pupils or Parents	4,022		
Career and Technical Education Tuition:			
From Pupils or Parents	1,850		
Transportation Fees:			
Regular Transportation Fees:			
From Pupils or Parents			
Interest on Investments	60,903	31,310	17,449
Food Services:			
Sales to Pupils - Lunch	841,908		
Sales to Pupils - Other	32,505		
Other Food Services	2,640		
Pupil Activities:			
Admissions - Athletic	72,813		
Admissions - Other	45,369		
Fees	1,743		
Other Pupil Activity Revenue	119,742		
Textbooks:			
Rentals:			
Regular Textbooks	281,585		
Rentals	250	60,665	
Contributions from Private Sources	198,312	11,811	
Refund of Prior Years' Expenditures	69,413	24,678	
Drivers' Education Fees	9,745		
Total Receipts from Local Sources	<u>9,731,309</u>	<u>1,688,709</u>	<u>1,718,449</u>

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

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
624,099	267,776	156,025	302,036	156,025	12,100,360
					156,025
	252,161				124,820
					252,161
	25,000				399,510
					4,022
					1,850
4,262					4,262
8,964	6,140	67,025	2,974	11,778	206,543
					841,908
					32,505
					2,640
					72,813
					45,369
					1,743
					119,742
					281,585
					60,915
					210,123
	1,379		7,119		102,589
					9,745
<u>637,325</u>	<u>552,456</u>	<u>223,050</u>	<u>312,129</u>	<u>167,803</u>	<u>15,031,230</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Receipts From State Sources:			
Unrestricted Grants-in-Aid:			
General State Aid - Sec. 18-8.05	5,440,436		
Restricted Grants-in-Aid:			
Special Education:			
Private Facilities Tuition	23,144		
Extraordinary	271,857		
Personnel	216,913		
Orphanage - Individual	13,950		
Summer School	1,039		
State Free Lunch and Breakfast	6,555		
School Breakfast Incentive	501		
Driver Education	30,440		
Transportation Aid:			
Regular / Vocational			
Special Education			
Early Childhood:			
Block Grant	176,900		
Reading Improvement Block Grant	31,169		
School Safety and Educational Improvement Block Grant	11,493		
Other State Funds	40,172		
Total Receipts from State Sources	<u>6,264,569</u>	<u>0</u>	<u>0</u>
Receipts From Federal Sources:			
Restricted Grants-in-Aid Received			
Directly from the Federal			
Government Through the State:			
National School Lunch Program	262,735		
School Breakfast Program	52,915		
Title 1:			
Low Income	192,026		
Other	5,050		
Federal - Special Education:			
I.D.E.A.-Room & Board	54,982		
Career and Technical Education - Perkins:			
Title III E Tech. Prep.	5,065		
ARRA - General State Aid - Education Stabilization	907,376		
ARRA - Title I - Low Income	82,144		
ARRA - General State Aid - Government Stabilization	302,016		
Title II - Teacher Quality	68,907		
Medicaid Matching - Administrative Outreach	30,508		
Total Receipts from Federal Sources	<u>1,963,724</u>	<u>0</u>	<u>0</u>
Total Direct Receipts	<u>17,959,602</u>	<u>1,688,709</u>	<u>1,718,449</u>

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

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
					5,440,436
					23,144
					271,857
					216,913
					13,950
					1,039
					6,555
					501
					30,440
790,045					790,045
212,202					212,202
					176,900
					31,169
					11,493
					40,172
<u>1,002,247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,266,816</u>
					262,735
					52,915
					192,026
					5,050
					54,982
					5,065
					907,376
					82,144
					302,016
					68,907
					30,508
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,963,724</u>
<u>1,639,572</u>	<u>552,456</u>	<u>223,050</u>	<u>312,129</u>	<u>167,803</u>	<u>24,261,770</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Interscholastic Programs:			
Salaries	346,293	366,850	20,557
Employee Benefits	31,929	32,118	189
Purchased Services	121,213	126,570	5,357
Supplies and Materials	55,837	57,785	1,948
Capital Outlay	11,687	0	(11,687)
Other Objects	2,485	2,135	(350)
Total Interscholastic Programs	<u>569,444</u>	<u>585,458</u>	<u>16,014</u>
Summer School Programs:			
Salaries	3,068	4,500	1,432
Employee Benefits	34	41	7
Purchased Services	150	242	92
Supplies and Materials	1,040	1,515	475
Total Summer School Programs	<u>4,292</u>	<u>6,298</u>	<u>2,006</u>
Gifted Programs:			
Purchased Services	0	1,299	1,299
Supplies and Materials	7,104	9,090	1,986
Total Gifted Programs	<u>7,104</u>	<u>10,389</u>	<u>3,285</u>
Driver's Education Programs:			
Salaries	102,086	0	(102,086)
Purchased Services	3,588	4,306	718
Supplies and Materials	2,632	3,400	768
Total Drivers Education Programs	<u>108,306</u>	<u>7,706</u>	<u>(100,600)</u>
Total Instruction	<u>10,926,936</u>	<u>11,435,135</u>	<u>508,199</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	171,821	164,452	(7,369)
Employee Benefits	35,777	32,918	(2,859)
Purchased Services	445	2,376	1,931
Supplies and Materials	39	758	719
Total Attendance and Social Work Services	<u>208,082</u>	<u>200,504</u>	<u>(7,578)</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Guidance Services:			
Salaries	317,064	322,064	5,000
Employee Benefits	40,547	38,504	(2,043)
Purchased Services	1,563	1,008	(555)
Supplies and Materials	2,687	1,900	(787)
Total Guidance Services	<u>361,861</u>	<u>363,476</u>	<u>1,615</u>
Health Services:			
Salaries	102,039	108,000	5,961
Employee Benefits	4,810	4,706	(104)
Purchased Services	744	2,030	1,286
Supplies and Materials	8,335	9,000	665
Total Health Services	<u>115,928</u>	<u>123,736</u>	<u>7,808</u>
Total Support Services-Pupils	<u>685,871</u>	<u>687,716</u>	<u>1,845</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	172,116	192,175	20,059
Employee Benefits	30,578	31,122	544
Purchased Services	108,813	187,348	78,535
Supplies and Materials	152,388	141,738	(10,650)
Other Objects	1,373	1,174	(199)
Total Improvement of Instructional Services	<u>465,268</u>	<u>553,557</u>	<u>88,289</u>
Educational Media Services:			
Salaries	349,359	383,879	34,520
Employee Benefits	26,259	25,631	(628)
Purchased Services	13,829	267,379	253,550
Supplies and Materials	154,332	179,650	25,318
Other Objects	371	1,200	829
Non-Capitalized Equipment	303,118	300,600	(2,518)
Total Educational Media Services	<u>847,268</u>	<u>1,158,339</u>	<u>311,071</u>
Total Support Services-Instructional Staff	<u>1,312,536</u>	<u>1,711,896</u>	<u>399,360</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Operation and Maintenance of			
Plant Services:			
Salaries	521,672	550,500	28,828
Employee Benefits	71,920	78,453	6,533
Non-Capitalized Equipment	0	1,800	1,800
Total Operation and Maintenance of Plant Services	<u>593,592</u>	<u>630,753</u>	<u>37,161</u>
Pupil Transportation Services:			
Purchased Services	<u>32,149</u>	<u>80,000</u>	<u>47,851</u>
Food Services:			
Salaries	400,465	409,820	9,355
Employee Benefits	24,112	23,592	(520)
Purchased Services	37,604	20,950	(16,654)
Supplies and Materials	575,248	645,010	69,762
Capital Outlay	40,163	73,000	32,837
Other Objects	1,150	1,150	0
Non-Capitalized Equipment	8,293	10,000	1,707
Total Food Services	<u>1,087,035</u>	<u>1,183,522</u>	<u>96,487</u>
Total Support Services-Business	<u>2,054,269</u>	<u>2,268,888</u>	<u>214,619</u>
Support Services-Central:			
Data Processing Services:			
Purchased Services	28,918	26,038	(2,880)
Supplies and Materials	6,057	12,120	6,063
Total Support Service-Central	<u>34,975</u>	<u>38,158</u>	<u>3,183</u>
Total Supporting Services	<u>5,514,991</u>	<u>6,246,664</u>	<u>731,673</u>
Community Services:			
Salaries	126,027	145,500	19,473
Employee Benefits	5,143	8,138	2,995
Purchased Services	2,013	3,563	1,550
Supplies and Materials	7,372	10,500	3,128
Total Community Services	<u>140,555</u>	<u>167,701</u>	<u>27,146</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Operation and Maintenance of			
Plant Services:			
Salaries	521,672	550,500	28,828
Employee Benefits	71,920	78,453	6,533
Non-Capitalized Equipment	0	1,800	1,800
Total Operation and Maintenance of Plant Services	<u>593,592</u>	<u>630,753</u>	<u>37,161</u>
Pupil Transportation Services:			
Purchased Services	<u>32,149</u>	<u>80,000</u>	<u>47,851</u>
Food Services:			
Salaries	400,465	409,820	9,355
Employee Benefits	24,112	23,592	(520)
Purchased Services	37,604	20,950	(16,654)
Supplies and Materials	575,248	645,010	69,762
Capital Outlay	40,163	73,000	32,837
Other Objects	1,150	1,150	0
Non-Capitalized Equipment	<u>8,293</u>	<u>10,000</u>	<u>1,707</u>
Total Food Services	<u>1,087,035</u>	<u>1,183,522</u>	<u>96,487</u>
Total Support Services-Business	<u>2,054,269</u>	<u>2,268,888</u>	<u>214,619</u>
Support Services-Central:			
Data Processing Services:			
Purchased Services	28,918	26,038	(2,880)
Supplies and Materials	<u>6,057</u>	<u>12,120</u>	<u>6,063</u>
Total Support Service-Central	<u>34,975</u>	<u>38,158</u>	<u>3,183</u>
Total Supporting Services	<u>5,514,991</u>	<u>6,246,664</u>	<u>731,673</u>
Community Services:			
Salaries	126,027	145,500	19,473
Employee Benefits	5,143	8,138	2,995
Purchased Services	2,013	3,563	1,550
Supplies and Materials	<u>7,372</u>	<u>10,500</u>	<u>3,128</u>
Total Community Services	<u>140,555</u>	<u>167,701</u>	<u>27,146</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Payments to Other Governmental Units (In-State):			
Payments for CTE Programs:			
Other Objects	0	3,800	3,800
Other Payments to Governmental Units:			
Other Objects	4,085	6,133	2,048
Total Payments to Other Governmental Units (In-State)	4,085	9,933	5,848
Payments to Other Governmental Units - Tuition (In-State):			
Regular Programs - Tuition	52,448	19,370	(33,078)
Special Education Programs - Tuition	790,637	763,582	(27,055)
CTE Programs - Tuition	1,850	0	(1,850)
Total Payments to Other Governmental Units - Tuition (In-State)	844,935	782,952	(61,983)
Total Payments to Other Governmental Units	849,020	792,885	(56,135)
Provision for Contingencies	0	120,000	120,000
Total Direct Disbursements	17,431,502	18,762,385	1,330,883

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Facilities Acquisition and			
Construction Services:			
Purchased Services	9,610	35,000	25,390
Operation and Maintenance of			
Plant Services:			
Salaries	292,691	325,500	32,809
Employee Benefits	30,121	31,050	929
Purchased Services	787,157	891,100	103,943
Supplies and Materials	732,385	813,200	80,815
Capital Outlay	100,628	115,000	14,372
Non-Capitalized Equipment	32,781	30,000	(2,781)
Termination Benefits	105	250	145
Total Operation and Maintenance of			
Plant Services	1,975,868	2,206,100	230,232
Total Support Services	1,985,478	2,241,100	255,622
Provision for Contingencies	0	30,000	30,000
Total Direct Disbursements	1,985,478	2,271,100	285,622

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	310,751	1,782,830	1,472,079
Payments of Principal on Long-Term Debt	1,396,423	0	(1,396,423)
Total Direct Disbursements	<u>1,707,174</u>	<u>1,782,830</u>	<u>75,656</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	13,595	17,340	3,745
Employee Benefits	2,341	2,234	(107)
Purchased Services	1,538,015	1,496,745	(41,270)
Supplies and Materials	186,253	228,639	42,386
Capital Outlay	0	15,210	15,210
	<u>1,740,204</u>	<u>1,760,168</u>	<u>19,964</u>
Total Direct Disbursements			

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	92,014	72,492	(19,522)
Pre-K Programs:			
Employee Benefits	6,750	41,053	34,303
Special Education Programs:			
Employee Benefits	37,896	40,524	2,628
Remedial and Supplemental Programs K-12:			
Employee Benefits	16,351	14,442	(1,909)
CTE Programs:			
Employee Benefits	1,536	1,178	(358)
Interscholastic Programs:			
Employee Benefits	8,391	8,527	136
Summer School Programs:			
Employee Benefits	98	123	25
Total Instruction	<u>163,036</u>	<u>178,339</u>	<u>15,303</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	0	4,738	4,738
Guidance Services:			
Employee Benefits	4,499	4,379	(120)
Health Services:			
Employee Benefits	24,101	18,892	(5,209)
Total Support Services-Pupils	<u>28,600</u>	<u>28,009</u>	<u>(591)</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	8,599	9,807	1,208
Educational Media Services:			
Employee Benefits	40,829	37,478	(3,351)
Total Support Services-Instructional Staff	<u>49,428</u>	<u>47,285</u>	<u>(2,143)</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	151	149	(2)
Executive Administration Services:			
Employee Benefits	8,109	12,727	4,618
Risk Management and Claims Service Payments			
Employee Benefits	114	97	(17)
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction			
Employee Benefits	531	491	(40)
Total Support Services-General Administration	<u>8,905</u>	<u>13,464</u>	<u>4,559</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	<u>60,417</u>	<u>58,431</u>	<u>(1,986)</u>
Support Services-Business:			
Fiscal Services:			
Employee Benefits	27,699	27,626	(73)
Operation and Maintenance of Plant Services:			
Employee Benefits	164,628	159,678	(4,950)
Pupil Transportation Services:			
Employee Benefits	2,781	2,880	99
Food Services:			
Employee Benefits	75,452	69,824	(5,628)
Total Support Services-Business	<u>270,560</u>	<u>260,008</u>	<u>(10,552)</u>
Total Support Services	<u>417,910</u>	<u>407,197</u>	<u>(10,713)</u>
Community Services:			
Employee Benefits	<u>18,880</u>	<u>17,735</u>	<u>(1,145)</u>
Payments to Other Governmental Units			
Payments for Special Education Programs:			
Employee Benefits	<u>16,486</u>	<u>18,763</u>	<u>2,277</u>
Total Direct Disbursements	<u>616,312</u>	<u>622,034</u>	<u>5,722</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupational Disease Act Payments:			
Purchased Services	130,829	120,494	(10,335)
Unemployment Insurance Payments:			
Purchased Services	6,847	2,866	(3,981)
Insurance Payments (regular or self-insurance):			
Purchased Services	177,983	209,866	31,883
Risk Management and Claims Services Payments:			
Salaries	500	513	13
Purchased Services	49,427	53,624	4,197
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	2,750	2,750	0
Purchased Services	99,969	98,530	(1,439)
Total Educational, Inspectional, Supervisory Services	102,719	101,280	(1,439)
Legal Services:			
Purchased Services	22,869	11,288	(11,581)
Total Support Services-General Administration	491,174	499,931	8,757
Total Direct Disbursements	491,174	499,931	8,757

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
FIRE PREVENTION & SAFETY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	1,249,100	1,383,000	133,900
Supplies and Materials	9,711	10,000	289
	<u>1,258,811</u>	<u>1,393,000</u>	<u>134,189</u>
Total Direct Disbursements			

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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. Principals 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 and the Operations and Maintenance Fund are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund. Lease and Special Education tax levies are included in these funds.

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

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

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

Governmental Funds - (cont'd.)

The 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 Service 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
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$547,233 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$12,328,710. 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 Service 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
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

D. Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17-1 of the Illinois Compiled Statutes. The original budget was passed on September 23, 2009, and was amended on June 24, 2010.

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
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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. The 2009 levy was passed by the board on December 10, 2009. 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 \$6,515,411 in taxes from the 2009 tax levy prior to June 30, 2010. The balance of taxes recorded in these statements are from 2008 and prior tax levies.

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

	Maximum Rate	Actual 2009 Rate	Actual 2008 Rate	Actual 2007 Rate
Educational	2.35000	2.35000	2.35000	2.34270
Operations & Maintenance	0.50000	0.50000	0.50000	0.49850
Transportation	0.20000	0.20000	0.20000	0.19940
Debt Service	None	0.56310	0.52590	0.53810
Municipal Retirement	None	0.08770	0.08380	0.08240
Social Security	None	0.07490	0.08710	0.09780
Tort Immunity	None	0.07970	0.11500	0.13730
Leasing	0.05000	0.05000	0.05000	0.04990
Special Education	0.04000	0.04000	0.04000	0.03990
Fire Prevention and Safety	0.05000	0.05000	0.05000	0.04990
Working Cash	0.05000	<u>0.05000</u>	<u>0.05000</u>	<u>0.04990</u>
Total		<u>4.04540</u>	<u>4.05180</u>	<u>4.08580</u>

Note # 3 - Special Tax Levies and Restricted Equity

Proceeds from federal grants, state grants, and flow-through mini-grants and related expenditures have been included in the revenue received and expenditures disbursed of the Educational Fund. At June 30, 2010, revenues received from these sources exceeded the related expenditures disbursed, resulting in a restricted balance of \$82,144.

Proceeds from the Special Education and Leasing tax levies and related expenditures have been included in the revenue received and expenditures disbursed of the Educational Fund. At June 30, 2010, expenditures disbursed from the Special Education tax levy exceeded the revenue received for the related purposes in the Educational Fund, resulting in no restricted balance. The revenue received for the Leasing tax levy exceeded the related expenditures disbursed, leaving a restricted Educational Fund balance of \$196,253.

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HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note # 4 – Deposits and Investments

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

At June 30, 2010, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$15,940,650. The bank balance was \$16,046,202. As of June 30, 2010, 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):

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Risk Class # 1	9,871,422	9,976,974
Risk Class # 2	6,069,228	6,069,228
Risk Class # 3	0	0
Risk Class # 4	0	0
	<u>15,940,650</u>	<u>16,046,202</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, 2010, the depository banks used by the District pledged \$17,065,135 in federal securities to secure the District's deposits in excess of the amount insured by the FDIC. The pledged securities are held by a third party financial institutions' trust department or agent 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, \$6,069,228 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, 2010, the district had the following investments and maturities.

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Preferred Stock	18,558	19,090	18,558	0	0	0
Mutual Funds	75,100	73,878	75,100	0	0	0
ISDLAF	351,985	351,985	351,985	0	0	0
Total	<u>445,643</u>	<u>444,953</u>	<u>445,643</u>	<u>0</u>	<u>0</u>	<u>0</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

Credit Risk

As of June 30, 2010, 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>
Preferred Stock	19,090	AAA
Mutual Funds	73,878	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, 2010:

16.8% - Mutual Funds
79.0% - ISDLAF

ISDLAF+ (Investment Pool) -

During the year ended June 30, 2010, 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	15,940,650
Carrying Amount of Investments	<u>445,643</u>
	<u>16,386,293</u>
 Cash and Cash Equivalents	 16,207,589
Investments	<u>178,704</u>
	<u>16,386,293</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note # 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions*</u>	Balance <u>June 30, 2010</u>
Non-Depreciable Land	467,298	0	0	467,298
Permanent Buildings	25,146,093	0	0	25,146,093
Improvements Other than Buildings	364,136	11,687	0	375,823
10-Year Equipment	2,550,999	27,446	480,971	2,097,474
5-Year Equipment	36,135	73,182	0	109,317
3-Year Equipment	0	63,223	0	63,223
Totals	<u>28,564,661</u>	<u>175,538</u>	<u>480,971</u>	<u>28,259,228</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 primary responsibility for the funding of 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, 2010, was 9.4 percent of creditable earnings. 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, 2009 and 2008.

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$2,426,027 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009, and June 30, 2008, the on-behalf contributions to TRS that were made by the State of Illinois as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$1,834,332) and 13.11 percent (\$1,366,743), respectively.

The state contributions to TRS for the years ended June 30, 2010, 2009, and 2008 were based on an actuarial formula.

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, 2010, were \$60,865. Contributions for the years ended June 30, 2009, and June 30, 2008, were \$62,290 and \$60,466, respectively.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$114,756 were paid from federal and special trust funds that required employer contributions of \$26,830. For the years ended June 30, 2009, and June 30, 2008, required district contributions were \$33,535 and \$21,453, 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the district paid \$94,706 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009, and June 30, 2008, the district paid \$-0- and \$-0- in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave. Public Act 94-0004 added two additional employer contributions to TRS.

- 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, 2010, the district paid \$69,675 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2009, and June 30, 2008, the district paid \$-0- and \$-0- 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 used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010).

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

For the year ended June 30, 2010, 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, 2009, and June 30, 2008, the district paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. 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.

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 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$88,127, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008, were also 0.84 percent of pay. State contributions on behalf of District employees were \$90,213 and \$87,572, respectively.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

B. THIS Fund Contributions (cont'd.)

- **Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, 2009, and 2008. For the year ended June 30, 2010, the District paid \$66,095 to the THIS Fund. For the years ended June 30, 2009, and June 30, 2008, the District paid \$67,660 and \$65,679 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

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 contribution rate for calendar year 2009 was 11.65 percent of annual covered payroll. 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. For 2009, the District's annual pension cost of \$258,620 for the Regular plan was equal to the District's required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	258,620	100%	\$0
12/31/08	250,353	100%	0
12/31/07	259,606	100%	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 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 15% corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 58.93 percent funded. The actuarial accrued liability for benefits was \$5,017,435 and the actuarial value of assets was \$2,956,898, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,060,537. The covered payroll (annual payroll of active employees covered by the plan) was \$2,219,912 and the ratio of the UAAL to the covered payroll was 93 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI 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 # 7 -- Long-Term Debt, Capital Leases, and Other Financing Arrangements

Long-term debt at June 30, 2010, 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 Service Fund which consists principally of property taxes collected by the District and interest earnings.

Bonded Debt --

As of June 30, 2010, the District was obligated on General Obligation Bonds issued for Life Safety to be paid from the Debt Service Fund dated March 1, 2005 totaling \$2,675,000, dated February 15, 2007 totaling \$3,320,000 and dated September 1, 2009 totaling \$2,585,000.

Capital Leases --

As of June 30, 2010, the District was obligated on a Lease Purchase Agreement for buses for \$14,726 to be paid from the Transportation Fund and for a Turpin Truck contract for \$21,366 to be paid from the Operations & Maintenance Fund.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

The following is a summary of long-term debt activity of the District for the year ended June 30, 2010:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	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%	3,750,000	-	(1,075,000)	2,675,000	1,140,000
2007 Life Safety	3,720,000	2/15/07	2/15/14	5.20-5.70%	3,530,000	-	(210,000)	3,320,000	225,000
2009 Life Safety	2,585,000	9/1/09	2/15/16	3.17%	0	2,585,000	(0)	2,585,000	0
Subtotal General Obligation Bonds					7,280,000	2,585,000	(1,285,000)	8,580,000	1,365,000
Capital Leases & Other									
Midwest Bus					22,089	-	(7,363)	14,726	7,363
Turpin Truck					0	32,049	(10,683)	21,366	10,683
Apple Computers					100,740	-	(100,740)	0	0
Subtotal Capital Leases & Other					122,829	32,049	(118,786)	36,092	18,046
Total					7,402,829	2,617,049	(1,403,786)	8,616,092	1,383,046

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
2011	1,365,000	392,834	18,046	884	1,383,046	393,718
2012	1,445,000	301,885	18,046	884	1,463,046	302,769
2013	1,540,000	241,390	-	-	1,540,000	241,390
2014	1,645,000	161,210	-	-	1,645,000	161,210
2015	1,820,000	90,476	-	-	1,820,000	90,476
2016	765,000	26,776	-	-	765,000	26,776
	<u>8,580,000</u>	<u>1,214,571</u>	<u>36,092</u>	<u>1,768</u>	<u>8,616,092</u>	<u>1,216,339</u>

Debt Service Fund Balance --

At June 30, 2010, the excess of assets over liabilities of the Debt Service Fund was allocable to the individual issues as follows:

<u>Bond Issue Dated</u>	<u>Amount</u>
March 1, 2005	737,456
February 15, 2007	680,986
September 1, 2009	68,101
	<u>1,486,543</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 estimated legal debt margin of the District at June 30, 2010, was calculated as follows:

Legal Debt Limit	43,316,512
Less Qualifying Debt	(8,616,092)
Legal Debt Margin	<u>34,700,420</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note # 8 - Tax Anticipation Warrants

During the fiscal year ended June 30, 2010, the District did not issue any tax anticipation warrants.

Note # 9 - Interfund Receivables and Payables and Transfers

The Working Cash Fund made an interfund loan for operations which is still outstanding as of June 30, 2010 to the Transportation Fund for \$500,000 during the year ended June 30, 2010.

The Working Cash Fund made a permanent transfer to the Education Fund for \$1,000,000 and the Education Fund made a permanent transfer to the Operations and Maintenance Fund for \$650,000 during the year ended June 30, 2010. These transfers were made to fund current operations.

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, 2010, the District had no deficit fund balances.

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 approximately \$700,000 in total charges. Additional claims would be covered by commercial insurance. Future potential claims as of June 30, 2010, 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.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note # 14 - Commitments

As of June 30, 2010, the District had the following construction commitments:

Double S Masonry	Demolition of Greenhouse	\$48,730
JL Brady	Geothermal Installation	499,950
Tri-County Irrigation	Wells for Geothermal	170,707
ADT	Pass Card System Installation	16,000
Gitter Done Construction	Press Box Repair	<u>5,000</u>
Total Commitments		<u>\$740,387</u>

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, 2010, the total amount of unpaid teachers' contracts for services performed during the year ended June 30, 2010, amounted to \$1,535,766.

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, 2010, the estimated unused vacation pay liability is \$22,441.

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, 2010, 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, 2010, the District had estimated incentives due for teachers who have notified the District of their retirements of \$589,925.

Other Post Retirement Benefits – The District has not determined the unfunded liability due to Other Post Retirement Benefits as required.

Note # 15 - Joint Agreements

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

Note # 16 - 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, 2010, there were no significant reductions in insurance coverage. There have been no settlements in excess of insurance coverage.

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, 2010, there were no significant adjustments in premiums based on actual experience.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note # 17 - 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, 2010.

Note # 18 - 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 # 19 -- 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 \$115,246 during the year ended June 30, 2010, for these services.

Note # 21 -- Subsequent Event

The District issued Life Safety Bonds for \$600,000 and Working Cash Bonds for \$2,005,000 in August 2010.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL(UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	2,956,898	5,017,435	2,060,537	58.93%	2,219,912	92.82%
12/31/08	2,644,943	4,685,158	2,040,215	56.45%	2,176,987	93.72%
12/31/07	3,648,824	4,166,147	517,323	87.58%	2,096,982	24.67%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$2,783,748. On a market basis, the funded ratio would be 55.48%

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE
ARISING FROM CASH TRANSACTIONS
ALL TRUST AND AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	All Student Activity Funds	Memorial and Scholarship Funds	Self-funded Insurance Fund	Flex Benefit Plan Fund	Total
<u>ASSETS</u>					
Cash	180,540.16	6,194.59	828,457.59	32,807.36	1,047,999.70
Investments	85,000.00	93,704.15	-	-	178,704.15
Total Assets	<u>265,540.16</u>	<u>99,898.74</u>	<u>828,457.59</u>	<u>32,807.36</u>	<u>1,226,703.85</u>
<u>LIABILITIES</u>					
Due to other Organizations	265,540.16	-	-	-	265,540.16
Total Liabilities	<u>265,540.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,540.16</u>
<u>FUND BALANCE AND OTHER CREDITS</u>					
Net Assets Available for Benefits	-	99,898.74	828,457.59	32,807.36	961,163.69
<u>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</u>	<u>265,540.16</u>	<u>99,898.74</u>	<u>828,457.59</u>	<u>32,807.36</u>	<u>1,226,703.85</u>

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GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE
COMBINED UNIT ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
ASSETS				
Cash and Cash Equivalents	167,864.12	636,150.36	623,474.32	180,540.16
Investments	93,000.00	0.00	8,000.00	85,000.00
Total Assets	260,864.12	636,150.36	631,474.32	265,540.16
LIABILITIES (Due to other Organizations)				
Senior High School				
ACT	139.56	0.00	0.00	139.56
Annuaals (Yearbook)	2,290.12	32,867.43	30,808.03	4,349.52
Athletic Fund	12,002.95	128,066.06	128,444.07	11,624.94
Band Fund	6,235.18	6,074.83	3,824.79	8,485.22
Cheerleaders	2,138.65	150.00	102.55	2,186.10
Choir Fund	2,298.38	2,806.07	3,270.00	1,834.45
Class of 2009	1,416.95	0.00	1,416.95	0.00
Class of 2010	4,691.32	20.00	3,790.99	920.33
Class of 2011	257.05	11,226.00	8,060.20	3,422.85
Class of 2012	1,958.45	6,125.00	4,040.93	4,042.52
Class of 2013	0.00	1,609.25	848.93	760.32
Commercial Club (Vocational Careers Club)	2,390.09	7,251.36	8,304.10	1,337.35
Co-op Club	2,299.44	4,334.44	4,613.17	2,020.71
F.F.A.	48.49	16,154.62	14,453.29	1,749.82
Health Fund	2,120.99	0.00	112.00	2,008.99
H.S. Library	2,100.55	1,598.06	2,725.20	973.41
H.S. Student Services	802.60	19,258.95	19,801.71	259.84
IHSA Speech	40.00	0.00	0.00	40.00
Interest on NOW Account - HS	0.00	323.85	0.00	323.85
J. Kyle Braid	0.00	3,951.82	2,061.50	1,890.32
Jazz Band/Swing Choir	6,283.16	2,764.00	2,149.43	6,897.73
Key Club	1,697.74	17,898.28	11,831.99	7,764.03
Life Skills	480.76	1,290.00	192.51	1,578.25
Miscellaneous Fund	9,141.23	23,916.12	29,911.05	3,146.30
Music Trip Fund	14.72	155,761.76	155,390.33	386.15
Pom Pon & Maplettes	185.28	0.00	0.00	185.28
Radio Club	591.65	350.00	427.56	514.09
The Troupe	2,939.75	7,664.58	8,148.88	2,455.45
Stage Fund	15,296.21	9,444.29	12,955.39	11,785.11
Student Council	14.62	7,288.75	6,546.62	756.75
Thespian Fund	740.18	266.00	772.00	234.18
Total Senior High School	80,616.07	468,461.52	465,004.17	84,073.42

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE
COMBINED UNIT ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Middle School</u>				
Band Fund	1,243.32	13,097.06	11,721.87	2,618.51
M.S. Builders Club	425.01	1,905.25	1,916.30	413.96
General Fund	1,838.17	7,480.47	6,728.83	2,589.81
Impact Food	171.22	0.00	43.12	128.10
Interest on NOW Account - MS	0.00	148.75	0.00	148.75
Library Fund	2,402.14	8,941.80	9,158.02	2,185.92
P.E. Activities	1,130.06	2,034.64	1,903.64	1,261.06
Student Services	12,016.61	80,540.94	77,056.78	15,500.77
Student Council	2,283.09	6,774.89	4,902.26	4,155.72
Teacher Services	3,511.05	3,782.21	4,542.33	2,750.93
Vocal Fund (Choir)	70.14	2,022.50	2,064.84	27.80
Yearbook	11,524.78	9,132.00	8,354.66	12,302.12
6th Grade Band Fund	220.48	1,983.27	2,083.22	120.53
6th Grade Student Senate	359.17	3,409.00	3,222.37	545.80
Total Middle School	37,195.24	141,252.78	133,698.24	44,749.78
<u>Unit Office</u>				
Administration Flower Fund	251.68	0.00	50.00	201.68
Cafeteria District Flower Fund	217.99	0.00	204.34	13.65
Donation Fund	1,411.50	0.00	1,411.50	0.00
Elementary Book Week	973.48	5,067.23	4,973.52	1,067.19
H. Shoemaker CD	93,000.00	0.00	8,000.00	85,000.00
H. Shoemaker CD Interest	0.00	11,174.60	5,418.96	5,755.64
Interest on NOW Account	33,309.07	2,272.21	6,152.16	29,429.12
Millikin Convenience Fund	2,721.10	719.14	909.29	2,530.95
Millikin Social Fund	1,079.16	2,274.26	1,767.32	1,586.10
Millikin Student Store	3.67	0.00	0.00	3.67
Northside Convenience Fund	3,030.04	1,738.71	1,122.05	3,646.70
South West School - Convenience	1,569.82	1,314.40	1,628.84	1,255.38
Southwest Jeans	568.47	913.01	771.71	709.77
S.A.F.E.	1,187.92	292.00	147.47	1,332.45
Unit Office Convenience Fund	3,728.91	670.50	214.75	4,184.66
Total Convenience Funds	143,052.81	26,436.06	32,771.91	136,716.96
Total Liabilities Due to other Organizations	260,864.12	636,150.36	631,474.32	265,540.16
<u>FUND BALANCE</u>				
TOTAL LIABILITIES AND FUND BALANCE	260,864.12	636,150.36	631,474.32	265,540.16

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE
MEMORIALS AND SCHOLARSHIPS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	20,587.85	4,362.87	18,756.13	6,194.59
Investments	78,265.55	16,956.13	1,517.53	93,704.15
<u>Total Assets</u>	<u>98,853.40</u>	<u>21,319.00</u>	<u>20,273.66</u>	<u>99,898.74</u>
<u>LIABILITIES (Due to other Organizations)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE and other Credits</u>				
King Memorial	37,317.32	2,260.89	2,350.76	37,227.45
Waterman Scholarship	61,536.08	2,101.98	966.77	62,671.29
<u>Total Restricted Fund Balance</u>	<u>98,853.40</u>	<u>4,362.87</u>	<u>3,317.53</u>	<u>99,898.74</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>98,853.40</u>	<u>4,362.87</u>	<u>3,317.53</u>	<u>99,898.74</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Additions to Plan Assets Attributed to:		
Insurance Premiums Received	1,938,472.65	
Interest Earned	<u>2,089.71</u>	
Total Additions		1,940,562.36
Deductions from Plan Assets Attributed to:		
Claims Paid and Co-Insurance Premiums	<u>1,762,759.72</u>	
Total Deductions		<u>1,762,759.72</u>
Net Increase (Decrease)		177,802.64
Net Assets available for Benefits, July 1, 2009		<u>650,654.95</u>
Net Assets Available for Benefits, June 30, 2010		<u><u>828,457.59</u></u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
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, 2010

Additions to Plan Assets Attributed to:	
Interest Earned	101.94
Contributions Received	<u>127,166.06</u>
Total Additions	127,268.00
Deductions from Plan Assets Attributed to:	
Claims Paid and Co-Insurance Premiums	<u>115,845.26</u>
Total Deductions	<u>115,845.26</u>
Net Increase (Decrease)	11,422.74
Net Assets Available for Benefits, July 1, 2009	<u>21,384.62</u>
Net Assets Available for Benefits, June 30, 2010	<u><u>32,807.36</u></u>

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

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GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES -
ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Trans- portation Fund
Revenue Received Before Advance Taxes:				
Local Sources				
Real Estate Taxes (1)	7,416,203	1,519,713	1,598,454	607,886
Other Local Revenue	2,122,360	128,464	17,449	13,226
State Sources	6,264,569			1,002,247
Federal Sources	1,958,674			
Total Direct Receipts	17,761,806	1,648,177	1,615,903	1,623,359
Expenditures Disbursed:				
Instruction	10,926,936			
Support Services	5,514,991	1,985,478		1,740,204
Community Services	140,555			
Payments to Other Governmental Units	849,020			
Debt Services			1,707,174	
Total Direct Disbursements	17,431,502	1,985,478	1,707,174	1,740,204
Excess of Receipts Over (Under) Disbursements	330,304	(337,301)	(91,271)	(116,845)
Other Financing Sources (Uses):				
Other Financing Sources	1,002,500	656,101	114,344	0
Other Financing Uses	(753,661)	(10,683)	0	0
Total Other Financing Sources (Uses)	248,839	645,418	114,344	0
Excess of Receipts Over (Under) Disbursements and Other Financing Sources (Uses)	579,143	308,117	23,073	(116,845)
Fund Balance Before Advanced Taxes, July 1, 2009	668,133	1,179,433	556,556	(17,051)
Fund Balance Before Advanced Taxes, June 30, 2010	1,247,276	1,487,550	579,629	(133,896)
Advanced Taxes Received Prior to June 30, 2010	3,929,796	805,286	906,914	322,115
Changes in Fund Balance	0	0	0	0
Fund Balance After Advanced Taxes, June 30, 2010	5,177,072	2,292,836	1,486,543	188,219

(1) Real Estate Receipts have been reduced by the 2009 Levy received prior to June 30, 2010, and increased by the 2008 Levy received prior to June 30, 2009.

<u>Municipal Retirement/ Social Security Fund</u>	<u>Working Cash Fund</u>	<u>Tort</u>	<u>Fire Prevention and Safety Fund</u>	<u>Total (Memorandum Only)</u>
519,451	151,971	349,566	151,971	12,315,215
32,519	67,025	10,093	11,778	2,402,914
				7,266,816
				1,958,674
<u>551,970</u>	<u>218,996</u>	<u>359,659</u>	<u>163,749</u>	<u>23,943,619</u>
163,036				11,089,972
417,910		491,174	1,258,811	11,408,568
18,880				159,435
16,486				865,506
				1,707,174
<u>616,312</u>	<u>0</u>	<u>491,174</u>	<u>1,258,811</u>	<u>25,230,655</u>
(64,342)	218,996	(131,515)	(1,095,062)	(1,287,036)
0	1,000,000	0	1,585,000	4,357,945
0	(1,000,000)	0	0	(1,764,344)
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,585,000</u>	<u>2,593,601</u>
(64,342)	218,996	(131,515)	489,938	1,306,565
<u>181,019</u>	<u>4,208,786</u>	<u>223,285</u>	<u>352,134</u>	<u>7,352,295</u>
116,677	4,427,782	91,770	842,072	8,658,860
261,879	80,529	128,363	80,529	6,515,411
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>378,556</u>	<u>4,508,311</u>	<u>220,133</u>	<u>922,601</u>	<u>15,174,271</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
ARISING FROM CASH TRANSACTIONS
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
Total Outstanding Obligation, July 1, 2009	7,402,829	1,008,104	8,410,933
Add: Bonds Issued during the Fiscal Year Ended June 30, 2010	2,585,000	519,870	3,104,870
Plus: Lease Entered into During the Fiscal Year Ended June 30, 2010	32,049	0	32,049
Less: Transportation Lease payments made During the Fiscal Year Ended June 30, 2010	(7,363)	(884)	(8,247)
Less: Lease payments made During the Fiscal Year Ended June 30, 2010	(111,423)	(2,921)	(114,344)
Less: Bonds Retired and Interest Paid During the Fiscal Year Ended June 30, 2010	<u>(1,285,000)</u>	<u>(307,830)</u>	<u>(1,592,830)</u>
Total Outstanding Obligation, June 30, 2010	<u>8,616,092</u>	<u>1,216,339</u>	<u>9,832,431</u>

* Although future interest payable does not arise from cash transactions, this column has been provided in the interest of full disclosure.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF BONDED INDEBTEDNESS
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
JUNE 30, 2010

General Obligation Life Safety Bonds

Dated: March 1, 2005

Original Issue: \$6,460,000

Principal Due: February 15

Interest Due: August and February 15

Paying Agent: UMB Bank, N.A.

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
			<u>August 15</u>	<u>February 15</u>	
2010-11	5.60	1,140,000	49,242	49,242	1,238,484
2011-12	5.65	1,200,000	29,862	29,862	1,259,724
2012-13	5.70	335,000	5,862	5,862	346,724
Totals		<u>2,675,000</u>	<u>84,966</u>	<u>84,966</u>	<u>2,844,932</u>

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 Rate</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
			<u>August 15</u>	<u>February 15</u>	
2010-11	5.60	225,000	81,580	81,580	388,160
2011-12	5.65	245,000	75,843	75,842	396,685
2012-13		1,205,000	69,595	69,595	1,344,190
2013-14	5.70	1,645,000	35,367	35,367	1,715,734
Totals		<u>3,320,000</u>	<u>262,385</u>	<u>262,384</u>	<u>3,844,769</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF BONDED INDEBTEDNESS
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
JUNE 30, 2010

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>	
2010-11	3.17	0.00	45,238	85,952	131,190
2011-12	3.17	0.00	45,238	45,238	90,476
2012-13	3.17	0.00	45,238	45,238	90,476
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		<u>2,585,000</u>	<u>239,578</u>	<u>280,292</u>	<u>3,104,870</u>

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GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF TAXES EXTENDED AND COLLECTED
JUNE 30, 2010

	<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>2007 Levy</u>						
Assessed Valuation 291,510,965						
Tax Rate per \$100.00	<u>2.34270</u>	<u>0.03990</u>	<u>0.04990</u>	<u>0.49850</u>	<u>0.53810</u>	<u>0.19940</u>
Taxes Extended	<u>6,829,227</u>	<u>116,313</u>	<u>145,464</u>	<u>1,453,182</u>	<u>1,568,621</u>	<u>581,273</u>
Taxes Collected 99.66%	<u>6,806,201</u>	<u>115,920</u>	<u>144,974</u>	<u>1,448,283</u>	<u>1,563,333</u>	<u>579,313</u>
<u>2008 Levy</u>						
Assessed Valuation 304,518,633						
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.52590</u>	<u>0.20000</u>
Taxes Extended	<u>7,156,188</u>	<u>121,807</u>	<u>152,259</u>	<u>1,522,593</u>	<u>1,601,463</u>	<u>609,037</u>
Advance Taxes Received Prior to June 30, 2009	3,594,345	61,180	76,475	764,754	804,368	305,902
Taxes received July 1, 2009 thru June 30, 2010	<u>3,544,924</u>	<u>60,339</u>	<u>75,424</u>	<u>754,239</u>	<u>793,309</u>	<u>301,696</u>
Taxes Collected 99.76%	<u>7,139,269</u>	<u>121,519</u>	<u>151,899</u>	<u>1,518,993</u>	<u>1,597,677</u>	<u>607,598</u>
<u>2009 Levy</u>						
Assessed Valuation 313,887,771						
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.56310</u>	<u>0.20000</u>
Taxes Extended	<u>7,376,363</u>	<u>125,555</u>	<u>156,944</u>	<u>1,569,439</u>	<u>1,767,502</u>	<u>627,776</u>
Advance Taxes Received Prior to June 30, 2010	<u>3,784,844</u>	<u>64,423</u>	<u>80,529</u>	<u>805,286</u>	<u>906,914</u>	<u>322,115</u>
Taxes Receivable	<u>3,591,519</u>	<u>61,132</u>	<u>76,415</u>	<u>764,153</u>	<u>860,588</u>	<u>305,661</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>0.08240</u>	<u>0.09780</u>	<u>0.04990</u>	<u>0.13730</u>	<u>0.04990</u>	<u>4.08580</u>
<u>240,205</u>	<u>285,098</u>	<u>145,464</u>	<u>400,245</u>	<u>145,464</u>	<u>11,910,556</u>
<u>239,396</u>	<u>284,137</u>	<u>144,974</u>	<u>398,896</u>	<u>144,974</u>	<u>11,870,401</u>
<u>0.08380</u>	<u>0.08710</u>	<u>0.05000</u>	<u>0.11500</u>	<u>0.05000</u>	<u>4.05180</u>
<u>255,187</u>	<u>265,236</u>	<u>152,259</u>	<u>350,196</u>	<u>152,259</u>	<u>12,338,484</u>
<u>128,173</u>	<u>133,220</u>	<u>76,475</u>	<u>175,893</u>	<u>76,475</u>	<u>6,197,260</u>
<u>126,410</u>	<u>131,388</u>	<u>75,424</u>	<u>173,475</u>	<u>75,424</u>	<u>6,112,052</u>
<u>254,583</u>	<u>264,608</u>	<u>151,899</u>	<u>349,368</u>	<u>151,899</u>	<u>12,309,312</u>
<u>0.08770</u>	<u>0.07490</u>	<u>0.05000</u>	<u>0.07970</u>	<u>0.05000</u>	<u>4.04540</u>
<u>275,280</u>	<u>235,102</u>	<u>156,944</u>	<u>250,169</u>	<u>156,944</u>	<u>12,698,018</u>
<u>141,247</u>	<u>120,632</u>	<u>80,529</u>	<u>128,363</u>	<u>80,529</u>	<u>6,515,411</u>
<u>134,033</u>	<u>114,470</u>	<u>76,415</u>	<u>121,806</u>	<u>76,415</u>	<u>6,182,607</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228
HENRY COUNTY, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2010

Assessed Valuation as of January 1, 2009	313,887,771
Debt Limitation Percentage	13.80%
Debt Limitation	<u>43,316,512</u>
 Total Bonded Indebtedness	 8,580,000
Less Bonds not Subject to the Legal Debt Limitation Provisions:	<u>-</u>
 Total Bonded Indebtedness Subject to Debt Limitation Provisions	 8,580,000
Other Indebtedness Subject to Debt Limitation Provisions	<u>36,092</u>
Lease Purchase Obligations	<u>36,092</u>
 Total Indebtedness Subject to Debt Limitation Provisions	 <u>8,616,092</u>
 Legal Debt Margin	 <u>34,700,420</u>

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹NONE Identified

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 ISSE Review

Date: _____

Resolution Criteria Code Number: _____

Initials: _____

Disposition of Questioned Costs Code Letter: _____

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)

DISTRICT/JOINT AGREEMENT

Year Ending June 30, 2010

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) 209 S. College Avenue Geneseo 61254		E-MAIL ADDRESS sransay@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, 2010

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 6/30/09 (C)	7/01/09 - 6/30/10 (D)	Prior to 6/30/09 (E)	7/01/09 - 6/30/10 (F)			
U.S. Department of Agriculture - Pass-through program from Illinois State Board of Education									
School Lunch - Regular, Free & Reduced	10.555	09-4210-00	196,113	40,100	196,113	40,100		236,213	N/A
School Lunch - Regular, Free & Reduced	10.555	10-4210-00		214,111		214,111	(2)	214,111	N/A
School Breakfast Program	10.553	09-4220-00	44,140	7,351	44,140	7,351		51,491	N/A
School Breakfast Program	10.553	10-4220-00		45,564		45,564	(2)	45,564	N/A
Food Donation (3)	10.555	FY09			64,781			64,781	N/A
Food Donation (3)	10.555	FY10				65,615		65,615	N/A
Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY09			13,641			13,641	N/A
Dept of Defense-Fresh Fruits and Vegetables (3)	10.555	FY10				12,448		12,448	N/A
Pass-through program from St. Malachy's School									
School Lunch Program - Regular, Free and Reduced	10.555	09-4210-01	6,165	2,547	6,165	2,547		8,712	N/A
School Lunch Program - Regular, Free and Reduced	10.555	10-4210-01		5,977		5,977		5,977	N/A
Total U.S. Department of Agriculture - Pass-through programs			246,418	315,650	324,840	393,713	-	718,553	
U.S. Department of Education - Pass-through program from Illinois State Board of Education									
Title I - Low Income	84.010	09-4300-00	178,719	10,398	153,442	35,675		189,117	189,412
Title I - Low Income	84.010	10-4300-00		181,628		181,628		181,628	181,628
Drug Free Schools - Formula	84.186	09-4400-00	590			590		590	590
Drug Free Schools - Formula	84.186	10-4400-00				12,038	(4)	12,038	12,038

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

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 6/30/09 (C)	7/01/09 - 6/30/10 (D)	Prior to 6/30/09 (E)	7/01/09 - 6/30/10 (F)			
I.D.E.A. - Room & Board - Excess Cost	84.027	09-4625-XC		10,337	10,337			10,337	N/A
I.D.E.A. - Room & Board - Excess Cost	84.027	10-4625-XC				5,264		5,264	N/A
I.D.E.A. - Room & Board	84.027	09-4625-00	70,830	10,751	81,401	180		81,581	N/A
I.D.E.A. - Room & Board	84.027	10-4625-00		33,894		64,713		64,713	N/A
(M) ARRA-General State Aid-Education SFSF	84.394A	09-4850-00	1,604,641		1,604,641			1,604,641	N/A
(M) ARRA-General State Aid-Education SFSF	84.394A	10-4850-00		907,376		907,376		907,376	N/A
ARRA - Title I - Low Income	84.389	10-4851-00		82,144				0	82,144
(M) ARRA-General State Aid-Government SFSF	84.397	10-4870-00		302,016		302,016		302,016	N/A
Title II - Teacher Quality	84.281	09-4932-00	50,000	20,909	60,620	10,289		70,909	70,909
Title II - Teacher Quality	84.281	10-4932-00		47,998		59,870		59,870	67,926
Technology - Enhancing Education	84.302	09-4971-00	2,102		2,102			2,102	2,102
Total Dept. of Education passed-through ISBE			1,906,882	1,607,451	1,912,543	1,579,639	(4)	3,492,182	
Pass-through program from Henry County Regional Office of Education									
Title I-Other (RESPRO)	84.010	09-4399-00	616	5,050	616	5,050		5,666	5,666
Title I-Other (RESPRO)	84.010	10-4399-00				10,935		10,935	10,935
Total Dept. of Education passed-through Henry County ROE			616	5,050	616	15,985		16,601	
Pass-through program from Quad City Career and Technical Education Consortium (CTEC)									
Title III - Tech Prep Grant	84.243	09-4770-00	5,065		5,065			5,065	N/A
Title III - Tech Prep Grant	84.243	10-4770-00		5,065		5,065		5,065	N/A
Total Dept. of Education passed-through Quad City CTEC			5,065	5,065	5,065	5,065		10,130	
Total U.S. Department of Education - Pass-through programs			1,912,563	1,617,566	1,918,224	1,600,689	(4)	3,518,913	

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

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 6/30/09 (C)	7/01/09 - 6/30/10 (D)	Prior to 6/30/09 (E)	7/01/09 - 6/30/10 (F)			
U.S. Department of Health and Human Services - Pass-through program from Illinois Department of Healthcare and Family Services Pass-through program from Peoria Public School District No. 150 Pass-through program from Henry-Stark Counties Cooperative for Special Education									
Medicaid Outreach	93.778	08-4991-00	26,622	7,907	28,626	8,502		37,128	N/A
Medicaid Outreach	93.778	09-4991-00		22,601		24,303		24,303	N/A
Total U.S. Department of Health and Human Services - Pass-through programs			<u>26,622</u>	<u>30,508</u>	<u>28,626</u>	<u>32,805</u>	<u>-</u>	<u>61,431</u>	
Total Federal Awards			<u>2,185,603</u>	<u>1,963,724</u>	<u>2,271,690</u>	<u>2,027,207</u>	<u>(4)</u>	<u>4,298,897</u>	
Total Federal Awards Passed Through Illinois State Board of Education			2,153,300	1,923,101	2,237,383	1,973,352	(4)	4,210,735	
Total Federal Awards Passed Through Other Entities			<u>32,303</u>	<u>40,623</u>	<u>34,307</u>	<u>53,855</u>		<u>88,162</u>	
Total Federal Awards			<u>2,185,603</u>	<u>1,963,724</u>	<u>2,271,690</u>	<u>2,027,207</u>	<u>(4)</u>	<u>4,298,897</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, 2010.

(3) Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

(4) Returned to ISBE.

28-037-2280-26
Geneseo Community Unit School District No. 228
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2010

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Geneseo CUSD #228** and is presented on the **cash basis of accounting**. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the **basic** financial statements.

Note 2: Subrecipients⁶

Of the federal expenditures presented in the schedule, **Geneseo CUSD #228** provided no federal awards to subrecipients.

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

Federal awards received are reflected in the District's financial statements within the Education

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 Reports for programs which have filed final reports as of June 30, 2010, 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, 2010.

Note 5: Matching Expenditures

The District had no grants requiring matching expenditures during the year ended June 30, 2010.

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.

Geneseo Community Unit School District No. 228
28-037-2280-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

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
84.394 & 84.397	ARRA-GSA Cluster

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

Auditee qualified as low-risk auditee? YES X NO

⁷ If the audit report for one or more major programs is other than 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, 2010

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: ¹⁴	<u>NONE Identified</u>	2. THIS FINDING IS:	<input type="checkbox"/> New <input type="checkbox"/> Repeat from Prior year? Year originally reported? _____
3. Federal Program Name and Year: _____			
4. Project No.: _____		5. CFDA No.: _____	
6. Passed Through: _____			
7. Federal Agency: _____			
8. Criteria or specific requirement (including statutory, regulatory, or other citation)			
9. Condition ¹⁵			
10. Questioned Costs ¹⁶			
11. Context ¹⁷			
12. Effect			
13. Cause			
14. Recommendation			
15. Management's response ¹⁸			

For SBE Review

Date

Initials

Resolution Criteria Code Number

Disposition of Questioned Costs Code Letter

Geneseo Community Unit School District No. 228
28-037-2280-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2010

Finding Number

Condition

Current Status²⁰

There were no findings in the prior year ended June 30, 2009.