

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

***Geneseo, Illinois***

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

***June 30, 2014***

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228

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# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

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*Thomas R. Pepper, CPA*  
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*Russell J. Rumbold II, CPA*

## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of Geneseo Community Unit School District No. 228 as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise Geneseo Community Unit School District No. 228's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed and permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

As described in Note #1 of the financial statements, the financial statements are prepared by Geneseo Community Unit School District No. 228 on the basis of the financial reporting provisions prescribed by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the audit requirements of the State of Illinois.

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Geneseo Community Unit School District No. 228 as of June 30, 2014, or changes in financial position for the year then ended.

***Basis for Qualified Opinion***

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.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of Geneseo Community Unit School District No. 228 as of June 30, 2014, and its revenue received and expenditures disbursed during the fiscal year then ended and the respective budgetary comparison statements, in accordance with the financial reporting provisions prescribed by the Illinois State Board of Education and described in Note #1.

***Other Reporting Responsibilities******Supplemental Information***

The schedules listed in the table of contents as “Supplemental Information” are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Geneseo Community Unit School District No. 228. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The schedule of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. In our opinion, the “Supplemental Information” and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The 2013 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 18, 2013 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2013 basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014, on our consideration of Geneseo Community Unit School District No. 228 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geneseo Community Unit School District No. 228’s internal control over financial reporting and compliance.

*Gorenz and Associates, Ltd.*

Peoria, Illinois

September 30, 2014

# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Geneseo Community Unit School District No. 228 as of and for the year ended June 30, 2014 and the related notes to the financial statements which collectively comprise Geneseo Community Unit School District No. 228's basic financial statements, and have issued our report thereon dated September 30, 2014. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, 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.

### **Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 30, 2014

# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

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

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*Russell J. Rumbold II, CPA*

## **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**

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

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

We have audited Geneseo Community Unit School District No. 228's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. Geneseo Community Unit School District No. 228's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Geneseo Community Unit School District No. 228's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Geneseo Community Unit School District No. 228's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, Geneseo Community Unit School District No. 228 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.



**Report on Internal Control Over Compliance**

Management of Geneseo Community Unit School District No. 228 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Geneseo Community Unit School District No. 228's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Geneseo Community Unit School District No. 228's internal control over compliance.

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

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

***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 30, 2014

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2014

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
<u>Assets</u>													
Cash and Cash Equivalents	3,549,567	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	2,286,428			18,086,772
Investments										391,242			391,242
Land											507,298		507,298
Buildings & Building Improvements											26,893,226		26,893,226
Site Improvements & Infrastructure											587,130		587,130
Capitalized Equipment											2,583,096		2,583,096
Amounts Available in Debt Service Funds												1,753,664	1,753,664
Amounts to be Provided for Payment of Debt												3,436,336	3,436,336
Total Assets	3,549,567	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	2,677,670	30,570,750	5,190,000	54,238,764
<u>Liabilities and Fund Balances</u>													
Liabilities:													
Other Payables	68,754												68,754
Due to Organizations										281,732			281,732
Long Term Debt Payable												5,190,000	5,190,000
Total Liabilities	68,754	0	0	0	0	0	0	0	0	281,732	0	5,190,000	5,540,486
Fund Balances:													
Reserved	547,428				153,527					2,395,938			3,096,893
Unreserved	2,933,385	2,817,402	1,753,664	2,147,748	244,009	135,274	3,844,176	662,791	492,186				15,030,635
Investments in General Fixed Assets											30,570,750		30,570,750
Total Fund Balances	3,480,813	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	2,395,938	30,570,750	0	48,698,278
Total Liabilities and Fund Balances	3,549,567	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	2,677,670	30,570,750	5,190,000	54,238,764

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:										
Local Sources	9,618,712	1,698,346	1,988,558	656,201	650,079	135,274	105,010	436,943	14,389	15,303,512
State Sources	5,898,077	50,000		1,295,134						7,243,211
Federal Sources	678,025									678,025
Total Direct Receipts	16,194,814	1,748,346	1,988,558	1,951,335	650,079	135,274	105,010	436,943	14,389	23,224,748
Receipts for On-Behalf Payments	3,699,324									3,699,324
Total Receipts	19,894,138	1,748,346	1,988,558	1,951,335	650,079	135,274	105,010	436,943	14,389	26,924,072
Disbursements:										
Instruction	10,906,470				174,118					11,080,588
Support Services	5,792,670	1,539,242		1,783,936	472,883			539,695	40,243	10,168,669
Community Services	114,309				19,065					133,374
Payments to Other Governmental Units	918,359				31,483					949,842
Debt Services			2,046,035							2,046,035
Total Direct Disbursements	17,731,808	1,539,242	2,046,035	1,783,936	697,549	0	0	539,695	40,243	24,378,508
Disbursements for On-Behalf Payments	3,699,324									3,699,324
Total Disbursements	21,431,132	1,539,242	2,046,035	1,783,936	697,549	0	0	539,695	40,243	28,077,832
Excess of Direct Receipts Over (Under) Direct Disbursements	(1,536,994)	209,104	(57,477)	167,399	(47,470)	135,274	105,010	(102,752)	(25,854)	(1,153,760)
Other Sources of Funds:										
Sale of Fixed Assets	115,835									115,835
Transfer to Debt Service to Pay Principal on Capital Leases			140,000							140,000
Other Uses of Funds:										
Transfer to Debt Service to Pay Principal on Capital Leases		(140,000)								(140,000)
Total Other Sources and (Uses) of Funds	115,835	(140,000)	140,000	0	0	0	0	0	0	115,835
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	(1,421,159)	69,104	82,523	167,399	(47,470)	135,274	105,010	(102,752)	(25,854)	(1,037,925)
Fund Balances - July 1, 2013	4,901,972	2,748,298	1,671,141	1,980,349	445,006	0	3,739,166	765,543	518,040	16,769,515
Other Changes in Fund Balance - Increases (Decreases)	0	0	0	0	0	0	0	0	0	0
Fund Balances - June 30, 2014	3,480,813	2,817,402	1,753,664	2,147,748	397,536	135,274	3,844,176	662,791	492,186	15,731,590

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Local Sources:										
Ad Valorem Taxes Levied By Local Education Agency:										
Designated Purposes Levies	7,615,398	1,620,414	1,981,834	648,202	331,728		94,504	417,858	12,961	12,722,899
Leasing Levy	108,210									108,210
Special Education Levy	129,747									129,747
Social Security/Medicare Levy					284,432					284,432
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	6,180	1,213	1,455	485	460			56		9,849
Local Housing Authorities	807	165	198	66	63			42		1,341
Corporate Personal Property										
Replacement Taxes	451,248				30,900					482,148
Tuition:										
Summer School - Tuition From Pupils or Parents (In State)	8,093									8,093
Transportation Fees:										
Regular - Transp. Fees From Pupils or Parents (In State)				1,355						1,355
Interest on Investments	10,103	7,434	5,071	5,823	1,501	19	10,506	1,622	1,428	43,507
Food Services:										
Sales to Pupils - Lunch	778,537									778,537
Sales to Pupils - Other	32,873									32,873
Other Food Services	1,376									1,376
District/School Activity Income:										
Admissions - Athletic	70,985									70,985
Fees	1,206									1,206
Book Store Sales	1,525									1,525
Other Pupil Activity Revenue	84,649									84,649
Textbook Income:										
Rentals - Regular Textbooks	178,396									178,396
Sales - Other	527									527
Rentals		68,420								68,420
Contributions from Private Sources	98,521			270						98,791
Refund of Prior Years' Expenditures	27,027	700			995			17,365		46,087
Drivers' Education Fees	7,500									7,500
School Facility Occupation Tax Proceeds						135,255				135,255
Other Local Revenue	5,804									5,804
<b>Total Receipts from Local Sources</b>	<b>9,618,712</b>	<b>1,698,346</b>	<b>1,988,558</b>	<b>656,201</b>	<b>650,079</b>	<b>135,274</b>	<b>105,010</b>	<b>436,943</b>	<b>14,389</b>	<b>15,303,512</b>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From State Sources:										
Unrestricted Grants-in-Aid:										
General State Aid - Sec. 18-8.05	5,020,197									5,020,197
Restricted Grants-in-Aid:										
Special Education:										
Extraordinary	409,248									409,248
Personnel	227,407									227,407
Orphanage - Individual	1,889									1,889
Career and Technical Education (CTE):										
CTE - Secondary Program Improvement (CTEI)	45,073									45,073
CTE - Agriculture Education	1,449									1,449
State Free Lunch and Breakfast	5,037									5,037
Driver Education	32,640									32,640
Transportation:										
Transportation - Regular / Vocational				919,625						919,625
Transportation - Special Education				375,509						375,509
Early Childhood - Block Grant	141,035									141,035
School Infrastructure - Maintenance Projects		50,000								50,000
Other Restricted Revenues from State Funds	14,102									14,102
<b>Total Receipts from State Sources</b>	<b>5,898,077</b>	<b>50,000</b>	<b>0</b>	<b>1,295,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,243,211</b>
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
National School Lunch Program	299,559									299,559
School Breakfast Program	65,234									65,234
Title 1:										
Low Income	165,101									165,101
Federal - Special Education:										
I.D.E.A.-Flow Through	7,571									7,571
Title II - Teacher Quality	52,731									52,731
Medicaid Matching - Administrative Outreach	21,172									21,172
Medicaid Matching - Fee for Service Program	40,487									40,487
Other Federal	26,170									26,170
<b>Total Receipts from Federal Sources</b>	<b>678,025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>678,025</b>
<b>Total Direct Receipts</b>	<b>16,194,814</b>	<b>1,748,346</b>	<b>1,988,558</b>	<b>1,951,335</b>	<b>650,079</b>	<b>135,274</b>	<b>105,010</b>	<b>436,943</b>	<b>14,389</b>	<b>23,224,748</b>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  


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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	6,709,175	6,689,578	(19,597)
Employee Benefits	1,157,506	1,107,649	(49,857)
Purchased Services	66,448	103,354	36,906
Supplies and Materials	436,033	287,030	(149,003)
Total Regular Programs	<u>8,369,162</u>	<u>8,187,611</u>	<u>(181,551)</u>
Pre-K Programs:			
Salaries	63,325	64,900	1,575
Employee Benefits	5,720	6,643	923
Supplies and Materials	154	745	591
Total Pre-K Programs	<u>69,199</u>	<u>72,288</u>	<u>3,089</u>
Special Education Programs:			
Salaries	767,409	765,665	(1,744)
Employee Benefits	127,945	122,941	(5,004)
Purchased Services	3,105	3,050	(55)
Supplies and Materials	14,193	28,625	14,432
Other Objects	1,324	1,550	226
Total Special Education Programs	<u>913,976</u>	<u>921,831</u>	<u>7,855</u>
Remedial and Supplemental Programs K-12:			
Salaries	93,441	75,650	(17,791)
Employee Benefits	26,100	4,398	(21,702)
Purchased Services	0	32,670	32,670
Supplies and Materials	31,573	30,000	(1,573)
Total Remedial and Supplemental Programs K-12	<u>151,114</u>	<u>142,718</u>	<u>(8,396)</u>
CTE Programs:			
Salaries	273,527	262,000	(11,527)
Employee Benefits	50,277	58,789	8,512
Purchased Services	34,726	58,124	23,398
Supplies and Materials	214,998	208,700	(6,298)
Capital Outlay	1,794	0	(1,794)
Total CTE Programs	<u>575,322</u>	<u>587,613</u>	<u>12,291</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Interscholastic Programs:			
Salaries	392,014	402,300	10,286
Employee Benefits	30,921	31,334	413
Purchased Services	148,142	160,131	11,989
Supplies and Materials	65,203	63,450	(1,753)
Capital Outlay	0	10,250	10,250
Other Objects	6,475	6,750	275
Total Interscholastic Programs	<u>642,755</u>	<u>674,215</u>	<u>31,460</u>
Summer School Programs:			
Salaries	6,385	9,000	2,615
Employee Benefits	69	90	21
Supplies and Materials	1,086	1,250	164
Total Summer School Programs	<u>7,540</u>	<u>10,340</u>	<u>2,800</u>
Gifted Programs:			
Salaries	930	0	(930)
Employee Benefits	12	0	(12)
Supplies and Materials	3,278	2,000	(1,278)
Total Gifted Programs	<u>4,220</u>	<u>2,000</u>	<u>(2,220)</u>
Driver's Education Programs:			
Salaries	121,440	128,025	6,585
Employee Benefits	21,558	20,696	(862)
Purchased Services	3,374	3,465	91
Supplies and Materials	2,893	4,150	1,257
Total Drivers Education Programs	<u>149,265</u>	<u>156,336</u>	<u>7,071</u>
Special Education Programs K-12 - Private Tuition	<u>23,917</u>	<u>0</u>	<u>(23,917)</u>
Total Instruction	<u>10,906,470</u>	<u>10,754,952</u>	<u>(151,518)</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	163,640	173,154	9,514
Employee Benefits	36,499	36,956	457
Purchased Services	364	1,436	1,072
Supplies and Materials	73	350	277
Total Attendance and Social Work Services	<u>200,576</u>	<u>211,896</u>	<u>11,320</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Guidance Services:			
Salaries	325,236	329,785	4,549
Employee Benefits	51,269	48,638	(2,631)
Purchased Services	981	1,386	405
Supplies and Materials	943	650	(293)
Total Guidance Services	<u>378,429</u>	<u>380,459</u>	<u>2,030</u>
Health Services:			
Salaries	119,507	115,000	(4,507)
Employee Benefits	5,069	5,146	77
Purchased Services	320	594	274
Supplies and Materials	4,069	4,800	731
Total Health Services	<u>128,965</u>	<u>125,540</u>	<u>(3,425)</u>
Total Support Services-Pupils	<u>707,970</u>	<u>717,895</u>	<u>9,925</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	49,707	68,662	18,955
Employee Benefits	4,771	13,950	9,179
Purchased Services	101,955	191,122	89,167
Supplies and Materials	23,195	26,800	3,605
Total Improvement of Instructional Services	<u>179,628</u>	<u>300,534</u>	<u>120,906</u>
Educational Media Services:			
Salaries	413,116	457,640	44,524
Employee Benefits	52,914	51,863	(1,051)
Purchased Services	14,507	25,806	11,299
Supplies and Materials	280,316	162,050	(118,266)
Capital Outlay	860	0	(860)
Other Objects	0	350	350
Non-Capitalized Equipment	197,424	385,000	187,576
Total Educational Media Services	<u>959,137</u>	<u>1,082,709</u>	<u>123,572</u>
Total Support Services-Instructional Staff	<u>1,138,765</u>	<u>1,383,243</u>	<u>244,478</u>
Support Services-General Administration:			
Board of Education Services:			
Salaries	2,100	2,250	150
Purchased Services	122,931	149,075	26,144
Supplies and Materials	3,462	9,500	6,038
Other Objects	6,617	7,000	383
Total Board of Education Services	<u>135,110</u>	<u>167,825</u>	<u>32,715</u>

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



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Executive Administration Services:			
Salaries	173,584	171,024	(2,560)
Employee Benefits	36,078	35,845	(233)
Purchased Services	3,370	7,790	4,420
Supplies and Materials	2,722	3,000	278
Other Objects	609	2,800	2,191
Total Executive Administration Services	<u>216,363</u>	<u>220,459</u>	<u>4,096</u>
Total Support Services-General Administration	<u>351,473</u>	<u>388,284</u>	<u>36,811</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	956,530	987,979	31,449
Employee Benefits	243,313	237,635	(5,678)
Purchased Services	11,742	22,994	11,252
Supplies and Materials	5,952	7,900	1,948
Other Objects	3,880	5,050	1,170
Total Office of the Principal Service	<u>1,221,417</u>	<u>1,261,558</u>	<u>40,141</u>
Total Support Services-School Administration	<u>1,221,417</u>	<u>1,261,558</u>	<u>40,141</u>
Support Services-Business:			
Fiscal Services:			
Salaries	238,085	199,000	(39,085)
Employee Benefits	35,866	43,045	7,179
Purchased Services	83,144	76,098	(7,046)
Supplies and Materials	14,442	25,000	10,558
Other Objects	660	1,000	340
Total Fiscal Services	<u>372,197</u>	<u>344,143</u>	<u>(28,054)</u>
Operation and Maintenance of Plant Services:			
Salaries	553,756	542,996	(10,760)
Employee Benefits	74,109	79,973	5,864
Total Operation and Maintenance of Plant Services	<u>627,865</u>	<u>622,969</u>	<u>(4,896)</u>
Pupil Transportation Services:			
Purchased Services	59,262	61,380	2,118
Total Pupil Transportation Services	<u>59,262</u>	<u>61,380</u>	<u>2,118</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  


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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Food Services:			
Salaries	437,952	430,529	(7,423)
Employee Benefits	31,513	28,874	(2,639)
Purchased Services	18,631	22,275	3,644
Supplies and Materials	555,016	606,975	51,959
Capital Outlay	34,534	37,500	2,966
Other Objects	2,172	2,150	(22)
Non-Capitalized Equipment	7,901	7,500	(401)
Total Food Services	<u>1,087,719</u>	<u>1,135,803</u>	<u>48,084</u>
Total Support Services-Business	<u>2,147,043</u>	<u>2,164,295</u>	<u>17,252</u>
Support Services-Central:			
Information Services:			
Salaries	35,583	38,500	2,917
Employee Benefits	62	64	2
Purchased Services	11,415	15,840	4,425
Supplies and Materials	532	2,000	1,468
Non-Capitalized Equipment	0	2,500	2,500
Total Information Services	<u>47,592</u>	<u>58,904</u>	<u>11,312</u>
Data Processing Services:			
Purchased Services	44,134	49,500	5,366
Supplies and Materials	2,441	2,448	7
Total Data Processing Services	<u>46,575</u>	<u>51,948</u>	<u>5,373</u>
Total Support Service-Central	<u>94,167</u>	<u>110,852</u>	<u>16,685</u>
Other Support Services:			
Salaries	120,535	102,800	(17,735)
Employee Benefits	3,936	4,375	439
Purchased Services	0	55,000	55,000
Supplies and Materials	7,364	20,700	13,336
Total Other Supporting Services	<u>131,835</u>	<u>182,875</u>	<u>51,040</u>
Total Supporting Services	<u>5,792,670</u>	<u>6,209,002</u>	<u>416,332</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 STATEMENT OF EXPENDITURES DISBURSED  
 BUDGET TO ACTUAL  
 EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Community Services:			
Salaries	93,050	123,906	30,856
Employee Benefits	13,576	7,589	(5,987)
Purchased Services	1,050	6,439	5,389
Supplies and Materials	6,633	5,355	(1,278)
Total Community Services	114,309	143,289	28,980
Payments to Other Governmental Units - Tuition (In-State):			
Regular Programs - Tuition	7,330	15,000	7,670
Special Education Programs - Tuition	911,029	975,000	63,971
Total Payments to Other Governmental Units	918,359	990,000	71,641
Total Direct Disbursements	17,731,808	18,097,243	365,435

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
OPERATIONS AND MAINTENANCE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Facilities Acquisition and			
Construction Services:			
Purchased Services	77,093	175,000	97,907
Operation and Maintenance of			
Plant Services:			
Salaries	281,237	298,154	16,917
Employee Benefits	26,444	24,334	(2,110)
Purchased Services	281,885	301,704	19,819
Supplies and Materials	765,222	773,541	8,319
Capital Outlay	105,801	270,345	164,544
Non-Capitalized Equipment	1,560	9,400	7,840
Total Operation and Maintenance of			
Plant Services	1,462,149	1,677,478	215,329
Total Direct Disbursements	1,539,242	1,852,478	313,236

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
DEBT SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Interest on Long-Term Debt	261,035	1,907,038	1,646,003
Payments of Principal on Long-Term Debt	1,785,000	0	(1,785,000)
Total Direct Disbursements	2,046,035	1,907,038	(138,997)

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
TRANSPORTATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	5,791	0	(5,791)
Purchased Services	1,544,242	1,647,075	102,833
Supplies and Materials	233,903	275,600	41,697
Other Objects	<u>0</u>	<u>7,200</u>	<u>7,200</u>
Total Direct Disbursements	<u><u>1,783,936</u></u>	<u><u>1,929,875</u></u>	<u><u>145,939</u></u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	106,364	86,011	(20,353)
Pre-K Programs:			
Employee Benefits	3,950	32,342	28,392
Special Education Programs:			
Employee Benefits	40,012	39,125	(887)
Remedial and Supplemental Programs K-12:			
Employee Benefits	9,455	23,843	14,388
CTE Programs:			
Employee Benefits	2,812	2,644	(168)
Interscholastic Programs:			
Employee Benefits	9,564	9,332	(232)
Summer School Programs:			
Employee Benefits	256	164	(92)
Gifted Programs:			
Employee Benefits	12	0	(12)
Driver's Education Programs:			
Employee Benefits	1,693	1,807	114
Total Instruction	<u>174,118</u>	<u>195,268</u>	<u>21,150</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	2,212	2,875	663
Guidance Services:			
Employee Benefits	4,556	4,682	126
Health Services:			
Employee Benefits	27,207	27,110	(97)
Total Support Services-Pupils	<u>33,975</u>	<u>34,667</u>	<u>692</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	8,686	10,456	1,770
Educational Media Services:			
Employee Benefits	23,871	27,560	3,689
Total Support Services-Instructional Staff	<u>32,557</u>	<u>38,016</u>	<u>5,459</u>

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	161	163	2
Executive Administration Services:			
Employee Benefits	2,761	2,830	69
Risk Management and Claims Service Payments			
Employee Benefits	118	122	4
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction			
Employee Benefits	966	854	(112)
Total Support Services-General Administration	<u>4,006</u>	<u>3,969</u>	<u>(37)</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	73,461	72,263	(1,198)
Support Services-Business:			
Fiscal Services:			
Employee Benefits	36,041	36,274	233
Operation and Maintenance of Plant Services:			
Employee Benefits	194,048	194,324	276
Pupil Transportation Services:			
Employee Benefits	443	542	99
Food Services:			
Employee Benefits	89,138	88,962	(176)
Total Support Services-Business	<u>319,670</u>	<u>320,102</u>	<u>432</u>
Support Services-Central:			
Information Services:			
Employee Benefits	7,761	7,040	(721)
Other Support Services:			
Employee Benefits	1,453	1,375	(78)
Total Support Services	<u>472,883</u>	<u>477,432</u>	<u>4,549</u>
Community Services:			
Employee Benefits	19,065	23,270	4,205
Payments to Other Governmental Units			
Payments for Special Education Programs:			
Employee Benefits	31,483	29,073	(2,410)
Total Direct Disbursements	<u>697,549</u>	<u>725,043</u>	<u>27,494</u>

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



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 STATEMENT OF EXPENDITURES DISBURSED  
 BUDGET TO ACTUAL  
 TORT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupation Disease Act Payments:			
Purchased Services	157,424	115,000	(42,424)
Unemployment Insurance Payments:			
Purchased Services	0	20,000	20,000
Insurance Payments (regular or self-insurance):			
Purchased Services	209,241	220,000	10,759
Risk Management and Claims Services Payments:			
Salaries	500	1,000	500
Purchased Services	85,563	107,358	21,795
Total Risk Management and Claims Payments	86,063	108,358	22,295
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	4,000	3,570	(430)
Purchased Services	82,967	91,272	8,305
Total Educational, Inspectional, Supervisory Services	86,967	94,842	7,875
Legal Services:			
Purchased Services	0	2,587	2,587
Total Direct Disbursements	539,695	560,787	21,092

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
FIRE PREVENTION AND SAFETY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	28,236	0	(28,236)
Capital Outlay	12,007	153,880	141,873
Total Direct Disbursements	40,243	153,880	113,637

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

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

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JUNE 30, 2014

Note #1 - Summary of Significant Accounting Policies

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

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

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

Component Units

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

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

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

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

Governmental Funds -

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

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

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

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

Governmental Funds - (cont'd.)

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

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

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

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

Fiduciary Funds -

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

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

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

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

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all Governmental Funds and Expendable Trust Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Group

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

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

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JUNE 30, 2014

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

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

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

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

No depreciation has been provided on fixed assets in these financial statements. The Illinois State Board of Education's Annual Financial Report (ISBE Form SD50-35/JA50-60) includes depreciation of \$747,221, which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$13,780,994. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

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

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

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

C. Basis of Accounting

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

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

D. Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17-1 of the Illinois Compiled Statutes. The original budget, which was not amended, was passed on September 12, 2013.

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

The District follows these procedures in establishing the budgetary data reflected on the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Inventories

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

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

H. Total Memorandum Only

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

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

Note #2 - Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes are levied in Henry and Whiteside Counties. The 2013 levy was passed by the board on December 12, 2013. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The District received \$7,185,144 in taxes from the 2013 tax levy prior to June 30, 2014. The balance of taxes recorded in these statements are from 2012 and prior tax levies.

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

	<u>Maximum Rate</u>	<u>Actual 2013 Rate</u>	<u>Actual 2012 Rate</u>	<u>Actual 2011 Rate</u>
Educational	2.35000	2.3106	2.3500	2.3483
Operations & Maintenance	0.50000	0.4917	0.5000	0.4997
Transportation	0.20000	0.1967	0.2000	0.1999
Debt Services	None	0.6114	0.5997	0.5901
Municipal Retirement	None	0.0999	0.1034	0.0937
Social Security	None	0.0878	0.0861	0.0781
Tort Immunity	None	0.1271	0.1284	0.1405
Leasing	0.05000	0.0227	0.0454	0.0500
Special Education	0.04000	0.0394	0.0400	0.0400
Fire Prevention and Safety	0.05000	0.0046	0.0032	0.0079
Working Cash	0.05000	<u>0.0492</u>	<u>0.0047</u>	<u>0.0079</u>
Total		<u>4.0411</u>	<u>4.0609</u>	<u>4.0561</u>

Note #3 - Fund Balance Reporting

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

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. Due to the cash basis nature of the district, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

B. Restricted Fund Balance

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

1. Special Education

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

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$547,428. This balance is included in the financial statements as Reserved in the Educational Fund.

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2014, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2014, expenditures disbursed from federal grants exceeded the revenue received for those specific purposes in the Educational Fund, resulting in no restricted balance.

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in a restricted fund balance of \$153,527. This balance is included in the financial statements as unreserved in the Municipal Retirement/Social Security Fund.

6. Trust and Agency Funds

Cash received for the Self-Funded Health Insurance Trust account exceeded related expenditures for this trust resulting in a restricted fund balance of \$2,287,008. The District also had a trust account for memorials totaling \$108,930 as of June 30, 2014. These balances totaling \$2,395,938 are included in the financial statements as reserved in the Trust and Agency Fund.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

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



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

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

C. Committed Fund Balance (cont'd.)

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2014, the total amount of unpaid contracts and benefits for services performed during the fiscal year ended June 30, 2014 amounted to \$1,483,307. This amount is shown as Unreserved in the Educational Fund.

D. Assigned Fund Balance

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

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational and Working Cash Funds.

F. Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

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

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements - Reserved	Financial Statements - Unreserved
Educational	0	547,428	1,483,307	0	1,450,078	547,428	2,933,385
Operations & Maintenance	0	2,817,402	0	0	0	0	2,817,402
Debt Services	0	1,753,664	0	0	0	0	1,753,664
Transportation	0	2,147,748	0	0	0	0	2,147,748
Municipal Retirement	0	397,536	0	0	0	153,527	244,009
Working Cash	0	0	0	0	3,844,177	0	3,844,177
Capital Project	0	135,274	0	0	0	0	135,274
Tort Liability	0	662,791	0	0	0	0	662,791
Fire Life Safety	0	492,186	0	0	0	0	492,186
Trust and Agency	0	2,395,938	0	0	0	2,395,938	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

H. Expenditures of Fund Balance

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

Note #4 – Deposits and Investments

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

- (1) in bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) in 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, 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 Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
- (9) in the Illinois School District Liquid Asset Fund Plus;
- (10) in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder;
- (11) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto. Paragraph 11 supersedes paragraphs 1-10 and controls in the event of conflict.

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

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

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

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

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

At June 30, 2014, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$18,019,733. The bank balance was \$18,229,769. As of June 30, 2014, the following District's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk as follows (carrying amounts are presented as additional information only):

	Carrying Amount	Bank Balance
Risk Class #1	11,604,351	11,814,387
Risk Class #2	0	0
Risk Class #3	6,165,382	6,165,382
Risk Class #4	0	0
	18,019,733	18,229,769

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, 2014, the depository banks used by the District pledged \$18,391,324 in securities to secure the District's deposits in excess of the amount insured by the FDIC. \$11,853,459 of the pledged securities are held by third party in the district's name and \$6,537,865 are held by the pledging institution but not in the District's name.

**Custodial Credit Risk of Investments**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, \$6,165,382 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, 2014, the district had the following investments and maturities.

Investment Type	Book Value	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
Mutual Funds	105,743	119,886	105,743	0	0	0
ISDLAF	352,538	352,538	352,538	0	0	0
Total	458,281	472,424	458,281	0	0	0

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #4 – Deposits and Investments (cont'd.)

**Credit Risk**

As of June 30, 2014, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Mutual Funds	105,743	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, 2014:

- 23% - Mutual Funds
- 77% - ISDLAF

ISDLAF+ (Investment Pool) -

During the year ended June 30, 2014, the District maintained an account with the Illinois School District Liquid Asset Fund Plus(also known as ISDLAF+). ISDLAF+ is an external investment pool created in cooperation by the Illinois Association of School Boards, the Illinois Association of School Business Officials, and the Illinois Association of School Administrators. Its primary purpose is to provide School Districts, Community College Districts, and Educational Service Regions with an alternative investment vehicle which will enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

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

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

**Reconciliation**

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

Carrying Amount of Deposits	18,019,733
Carrying Amount of Investments	<u>458,281</u>
	<u>18,478,014</u>
Cash and Cash Equivalents	18,086,772
Investments	<u>391,242</u>
	<u>18,478,014</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
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Note #5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions*</u>	Balance <u>June 30, 2014</u>
Non-Depreciable Land	507,298	0	0	507,298
Permanent Buildings	26,805,020	88,206	0	26,893,226
Improvements Other than Buildings	587,130	0	0	587,130
10-Year Equipment	2,593,109	50,445	270,125	2,373,429
5-Year Equipment	130,099	16,345	0	146,444
3-Year Equipment	<u>63,223</u>	<u>0</u>	<u>0</u>	<u>63,223</u>
Totals	<u>30,685,879</u>	<u>154,996</u>	<u>270,125</u>	<u>30,570,750</u>

\* To remove fully depreciated equipment and assets sold.

Note #6 - Retirement Fund Commitments

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

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$3,600,126 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013, and June 30, 2012, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$2,884,460) and 24.91 percent (\$2,492,177), respectively.

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

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014, were \$60,053. Contributions for the years ended June 30, 2013, and June 30, 2012, were \$60,365 and \$59,151, respectively.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #6 - Retirement Fund Commitments (cont'd.)

A. Teacher's 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 has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$59,573 were paid from federal and special trust funds that required employer contributions of \$21,095. For the years ended June 30, 2013, and June 30, 2012, required district contributions were \$1,045 and \$22,603, respectively.

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013, and June 30, 2012, the district paid \$0 and \$0, respectively.

**Salary increases over 6 percent and excess sick leave.**

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

For the year ended June 30, 2014, the district paid \$6,294 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013, and June 30, 2012, the district paid \$90 and \$8,556 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the district during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014 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, 2013, and June 30, 2012, the district paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Note #6 - Retirement Fund Commitments (cont'd.)

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

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

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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

B. THIS Fund Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teacher's Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

- **On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$99,198 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2013 and June 30, 2012, were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$94,640 and \$88,840, respectively.

- **Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.72 percent during the years ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012. For the year ended June 30, 2014, the District paid \$74,541 to the THIS Fund. For the years ended June 30, 2013, and June 30, 2012, the District paid \$70,980 and \$67,299, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2014 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

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

C. Illinois Municipal Retirement Fund

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

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 16.51 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution rate for year 2013 was \$368,239.

**Three-Year Trend Information for the Regular Plan**

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/13	368,239	100%	\$0
12/31/12	353,732	100%	0
12/31/11	336,532	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funding Status.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 75.44 percent funded. The actuarial accrued liability for benefits was \$6,083,973 and the actuarial value of assets was \$4,589,575, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,494,398. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,230,398 and the ratio of the UAAL to the covered payroll was 67 percent.



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

Long-term debt at June 30, 2013, is comprised of the following:

Bonded indebtedness –

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

Bonded Debt –

As of June 30, 2014, the District was obligated on General Obligation Bonds issued for Life Safety to be paid from the Debt Services Fund dated September 1, 2009 totaling \$2,585,000 and dated September 1, 2010 totaling \$1,060,000, and dated September 1, 2011 totaling \$1,545,000.

Capital Leases –

As of June 30, 2014, the District had no outstanding lease/purchase agreement amounts.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2014:

<u>Description</u>	<u>Original</u>	<u>Date of</u>	<u>Date of</u>	<u>Interest</u>	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>Due In</u>
	<u>Amount</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rate</u>	<u>July 1, 2013</u>			<u>June 30, 2014</u>	<u>Less Than</u>
									<u>One Year</u>
General Obligation Bonds									
2007 Life Safety	3,720,000	2/15/07	2/15/14	5.20-5.70%	1,645,000	0	(1,645,000)	0	0
2009 Life Safety	2,585,000	9/1/09	2/15/16	3.17%	2,585,000	0	0	2,585,000	1,820,000
2010A Life Safety/WC	1,060,000	9/1/10	2/15/17	3.14%	1,060,000	0	0	1,060,000	0
2010B Life Safety/WC	1,545,000	9/1/10	2/15/17	3.83%	<u>1,545,000</u>	<u>0</u>	<u>0</u>	<u>1,545,000</u>	<u>0</u>
Subtotal General Obligation Bonds					<u>6,835,000</u>	<u>0</u>	<u>(1,645,000)</u>	<u>5,190,000</u>	<u>1,820,000</u>
Capital Leases & Other									
Henry Hammond Hospital					<u>140,000</u>	<u>0</u>	<u>(140,000)</u>	<u>0</u>	<u>0</u>
Subtotal Capital Leases & Other					<u>140,000</u>	<u>0</u>	<u>(140,000)</u>	<u>0</u>	<u>0</u>
Total					<u>6,975,000</u>	<u>0</u>	<u>(1,785,000)</u>	<u>5,190,000</u>	<u>1,820,000</u>

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

	Bonds		Leases/Other		Total	Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	1,820,000	190,302	0	0	1,820,000	190,302
2016	1,940,000	126,602	0	0	1,940,000	126,602
2017	<u>1,430,000</u>	<u>52,826</u>	<u>0</u>	<u>0</u>	<u>1,430,000</u>	<u>52,826</u>
	<u>5,190,000</u>	<u>369,730</u>	<u>0</u>	<u>0</u>	<u>5,190,000</u>	<u>369,730</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

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

Debt Services Fund Balance –

At June 30, 2014, the excess of assets over liabilities of the Debt Services Fund was allocable to the individual issues as follows:

<u>Bond Issue Dated</u>	<u>Amount</u>
March 1, 2005	104,920
February 15, 2007	532,077
September 1, 2009	1,037,357
September 1, 2010	31,090
September 1, 2010	<u>48,220</u>
	<u>1,753,664</u>

Legal Debt Limit –

Section 5/19-1 of the Illinois School Code limits the amount of qualifying debt of the District to 13.8% of the latest equalized assessed value. The District's equalized assessed value as of January 1, 2014 was \$330,532,161.

The estimated legal debt margin of the District at June 30, 2014, was calculated as follows:

Legal Debt Limit	45,613,438
Less Qualifying Debt	<u>(5,190,000)</u>
Legal Debt Margin	<u>40,428,438</u>

Note #8 - Tax Anticipation Warrants

During the fiscal year ended June 30, 2014, the District did not issue any tax anticipation warrants.

Note #9 - Interfund Receivables and Payables and Transfers

The Operations and Maintenance Fund transferred \$140,000 to Debt Service for a capital lease purchase during the fiscal year ended June 30, 2014.

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, 2014, the District had no deficit fund balances.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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Note #12 - Self Insurance Plan

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

The District is self-insured for medical coverage, which is provided to school personnel. Mutual Medical administers claims for a fixed fee per enrolled employee. The District is responsible for the payment of claims up to annual levels of \$90,000 per employee and a maximum aggregate benefit of \$1,000,000. Additional claims would be covered by commercial insurance. Future potential claims as of June 30, 2014 were not estimable.

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

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

Note #13 - Contingencies

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

Note #14 - Commitments

As of June 30, 2014, the District had the following construction commitments outstanding for the Capital Projects Fund:

Double S Masonary	Restroom Renovations	\$33,332
Tyco Integrated Security	Gate System	\$16,000
Total Outstanding Commitments		<u>\$49,332</u>

Operating Leases

The District had operating lease obligations outstanding as of June 30, 2014 which will be paid in FY15 for a bus lease for \$9,112 and technology lease for \$156,550.

Unpaid Teacher's Contracts

Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded as disbursements in the fiscal year when the disbursements are made. At June 30, 2014, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2014, amounted to \$1,440,613.

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, 2014, the estimated unused vacation pay liability is \$40,258.

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, 2014, the District had qualified commitments for health insurance for retirees of \$2,436.

Termination Benefits – Termination benefits are considered to be an expenditure in the year paid. As of June 30, 2014, the District had estimated incentives due for teachers who have notified the District of their retirements of \$342,126.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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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 worker's compensation. During the year ended June 30, 2014, there were no significant reductions in insurance coverage. There have been no settlements in excess of insurance coverage in the past three years.

The District is insured under a retrospectively rated policy for worker's compensation coverage. Whereas, the initial premium may be adjusted based on actual experience, adjustments in premiums are recorded when paid or received. During the year ended June 30, 2014, there were no significant adjustments in premiums based on actual experience.

Note #17 - Disbursements and Transfers in Excess of Budget

The District had disbursements and transfers in the Debt Service Fund of \$2,046,035 which exceeded the budgeted amount of \$1,904,038 in that fund during the year ended June 30, 2014.

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 \$5,000 per month for ten months, totaling \$50,000.

The District provides administrative services to Rock River Alternative School and received a fee of \$17,393 during the year ended June 30, 2014, for these services. The members of Rock River Alternative School agreed to dissolve the cooperative as of June 30, 2014.

Note #20 - Other Liabilities

The members of Rock River Alternative School voted to dissolve the cooperative as of June 30, 2014 and have entered into an agreement for dissolution. The remaining assets of the cooperative totaling \$68,753.95 were distributed to the administrative district to be used for any potential liabilities of the cooperative. Once the liabilities have been paid, the administrative district will distribute the funds to the member districts as per the agreement.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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Note #21 – Subsequent Event

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

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE  
 ARISING FROM CASH TRANSACTIONS  
 ALL TRUST AND AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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<b>ASSETS</b>	Unit Activity Fund	Middle School Activity Fund	High School Activity Fund	Memorial and Scholarship Fund	Self-funded Insurance Fund	Total
Cash	117,936	77,959	85,837	3,187	2,001,509	2,286,428
Investments	-	-	-	105,743	285,499	391,242
Total Assets	<u>117,936</u>	<u>77,959</u>	<u>85,837</u>	<u>108,930</u>	<u>2,287,008</u>	<u>2,677,670</u>
<b>LIABILITIES</b>						
Other Liabilities	-	-	-	-	-	-
Due to other Organizations	117,936	77,959	85,837	-	-	281,732
Total Liabilities	<u>117,936</u>	<u>77,959</u>	<u>85,837</u>	<u>-</u>	<u>-</u>	<u>281,732</u>
<b>FUND BALANCE AND OTHER CREDITS</b>						
Net Assets Available for Benefits	-	-	-	108,930	2,287,008	2,395,938
<b>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</b>	<u>117,936</u>	<u>77,959</u>	<u>85,837</u>	<u>108,930</u>	<u>2,287,008</u>	<u>2,677,670</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
UNIT ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	120,617.53	12,634.31	15,315.98	117,935.86
Total Assets	<u>120,617.53</u>	<u>12,634.31</u>	<u>15,315.98</u>	<u>117,935.86</u>
 <b><u>LIABILITIES (Due to other Organizations)</u></b>				
<u>Unit Office</u>				
Administration Flower Fund	201.68	0.00	0.00	201.68
Cafeteria District Flower Fund	130.80	165.00	218.95	76.85
Elementary Book Week	1,067.19	0.00	0.00	1,067.19
H. Shoemaker CD Interest	76,616.38	0.00	0.00	76,616.38
Interest on NOW Account	24,285.11	174.18	5,791.24	18,668.05
Millikin Convenience Fund	2,815.20	308.66	350.65	2,773.21
Millikin Social Fund	613.28	2,548.00	2,214.49	946.79
Northside Convenience Fund	4,267.71	2,095.66	1,188.90	5,174.47
South West School - Convenience	698.72	2,575.31	2,518.72	755.31
Southwest Jeans	914.03	1,455.00	1,319.37	1,049.66
S.A.F.E.	2,880.23	2,527.50	1,096.96	4,310.77
Unit Office Convenience Fund	4,193.06	785.00	616.70	4,361.36
Social Worker/Student Needs	1,934.14	0.00	0.00	1,934.14
Total Liabilities (Due to other Organizations)	<u>120,617.53</u>	<u>12,634.31</u>	<u>15,315.98</u>	<u>117,935.86</u>
 <b><u>FUND BALANCE</u></b>	 <u>0.00</u>	 <u>0.00</u>	 <u>0.00</u>	 <u>0.00</u>
 <b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	 <u>120,617.53</u>	 <u>12,634.31</u>	 <u>15,315.98</u>	 <u>117,935.86</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
MIDDLE SCHOOL ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	79,537.84	144,959.77	146,538.87	77,958.74
Total Assets	<u>79,537.84</u>	<u>144,959.77</u>	<u>146,538.87</u>	<u>77,958.74</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
<u>Middle School</u>				
Band Fund	4,665.39	18,011.44	21,383.69	1,293.14
M.S. Builders Club	822.82	1,489.35	832.06	1,480.11
General Fund	14,098.16	13,130.99	14,342.72	12,886.43
Impact Food	61.09	0.00	0.00	61.09
Interest on NOW Account - MS	557.03	0.59	206.53	351.09
Library Fund	3,505.04	10,692.56	9,629.00	4,568.60
P.E. Activities	1,409.56	3,695.81	3,660.81	1,444.56
Student Services	34,465.88	74,422.92	72,257.08	36,631.72
Student Council	3,168.62	7,254.69	6,451.41	3,971.90
Teacher Services	645.59	3,271.50	3,677.32	239.77
Vocal Fund (Choir)	319.12	1,368.00	1,140.94	546.18
Yearbook	12,938.73	7,015.00	7,935.39	12,018.34
6th Grade Band Fund	479.31	1,330.00	1,278.36	530.95
6th Grade Student Senate	2,401.50	3,276.92	3,743.56	1,934.86
Total Liabilities (Due to other Organizations)	<u>79,537.84</u>	<u>144,959.77</u>	<u>146,538.87</u>	<u>77,958.74</u>
<b><u>FUND BALANCE</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>79,537.84</u>	<u>144,959.77</u>	<u>146,538.87</u>	<u>77,958.74</u>



GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
HIGH SCHOOL ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	71,598.35	411,560.07	397,321.03	85,837.39
Total Assets	<u>71,598.35</u>	<u>411,560.07</u>	<u>397,321.03</u>	<u>85,837.39</u>
 <b><u>LIABILITIES (Due to other Organizations)</u></b>				
ACT	139.56	0.00	9.00	130.56
Annuals (Yearbook)	5,310.17	21,793.04	21,421.02	5,682.19
Athletic Fund	11,394.48	156,650.58	149,272.56	18,772.50
Band Fund	1,688.91	23,615.00	21,325.52	3,978.39
Choir Fund	40.58	4,286.69	3,156.88	1,170.39
Class of 2013	481.90	0.00	481.90	0.00
Class of 2014	8,695.03	20.00	4,351.91	4,363.12
Class of 2015	4,132.09	17,029.00	17,125.62	4,035.47
Class of 2016	71.31	8,170.00	5,072.46	3,168.85
Class of 2017	0.00	237.50	0.00	237.50
Commercial Club (Vocational Careers Club)	3,050.86	12,000.00	13,827.19	1,223.67
Co-op Club	1,937.70	0.00	624.65	1,313.05
Future Business Leaders of America	108.00	0.00	33.00	75.00
First Robotics Club	1,834.79	1,321.65	1,437.70	1,718.74
F.F.A.	165.75	1,763.93	1,026.24	903.44
Health Fund	1,535.02	0.00	80.00	1,455.02
H.S. Library	1,866.78	949.10	351.10	2,464.78
H.S. Student Services	696.48	6,544.22	8,179.54	(938.84)
IHSA Speech	40.00	0.00	0.00	40.00
Interest on NOW Account - HS	165.24	0.46	69.04	96.66
Jazz Band/Swing Choir	8,246.50	2,844.00	1,622.70	9,467.80
Key Club	2,114.69	7,282.19	7,361.11	2,035.77
Life Skills	1,007.33	14,725.08	7,144.80	8,587.61
Miscellaneous Fund	5,084.48	25,435.29	26,280.47	4,239.30
Music Trip Fund	1,048.70	79,360.00	78,564.00	1,844.70
Pom Pon & Maplettes	95.28	350.00	338.45	106.83
Radio Club	554.23	0.00	512.30	41.93
The Troupe	2,167.13	4,574.25	6,043.69	697.69
Scholastic Bowl	0.00	1,461.03	1,078.72	382.31
Stage Fund	6,626.63	11,698.09	11,821.80	6,502.92
Studio Club	612.60	598.00	550.61	659.99
Student Council	98.44	8,850.97	8,087.05	862.36
Thespian Fund	587.69	0.00	70.00	517.69
Total Senior High School	<u>71,598.35</u>	<u>411,560.07</u>	<u>397,321.03</u>	<u>85,837.39</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
 HIGH SCHOOL ACTIVITY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	Beginning Balance	Increases	Decreases	Ending Balance
Total Liabilities (Due to other Organizations)	71,598.35	411,560.07	397,321.03	85,837.39
<b><u>FUND BALANCE</u></b>	0.00	0.00	0.00	0.00
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	71,598.35	411,560.07	397,321.03	85,837.39

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
MEMORIALS AND SCHOLARSHIPS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	6,569.35	11,195.47	14,577.85	3,186.97
Investments	99,098.65	7,103.57	458.94	105,743.28
Total Assets	<u>105,668.00</u>	<u>18,299.04</u>	<u>15,036.79</u>	<u>108,930.25</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b><u>FUND BALANCE and other Credits</u></b>				
King Memorial	37,924.27	9,111.65	8,694.29	38,341.63
Waterman Scholarship	67,743.73	9,187.39	6,342.50	70,588.62
Total Fund Balance and other Credits	<u>105,668.00</u>	<u>18,299.04</u>	<u>15,036.79</u>	<u>108,930.25</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<u>105,668.00</u>	<u>18,299.04</u>	<u>15,036.79</u>	<u>108,930.25</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - INSURANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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Additions to Plan Assets Attributed to:		
Insurance Premiums Received	1,812,614.97	
Interest Earned	<u>2,403.93</u>	
Total Additions		1,815,018.90
Deductions from Plan Assets Attributed to:		
Claims Paid and Co-Insurance Premiums	<u>1,377,155.91</u>	
Total Deductions		<u>1,377,155.91</u>
Net Increase (Decrease)		437,862.99
Net Assets available for Benefits, July 1, 2013		<u>1,849,144.60</u>
Net Assets Available for Benefits, June 30, 2014		<u><u>2,287,007.59</u></u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
 SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 CASH BASIS - FIDUCIARY FUND TYPE - TRUST FUND - FLEXIBLE BENEFIT PLAN  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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Additions to Plan Assets Attributed to:		
Interest Earned	2.47	
Contributions Received	0.00	
	<u>0.00</u>	
Total Additions		2.47
Deductions from Plan Assets Attributed to:		
Transfer to Close Account	15,000.00	
Claims Paid and Co-Insurance Premiums	8,890.19	
	<u>8,890.19</u>	
Total Deductions		<u>23,890.19</u>
Net Increase (Decrease)		(23,887.72)
Net Assets Available for Benefits, July 1, 2013		<u>23,887.72</u>
Net Assets Available for Benefits, June 30, 2014		<u><u>0.00</u></u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER  
SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Revenue Received Before Advance Taxes:										
Local Sources										
Real Estate Taxes (1)	7,870,860	1,615,877	1,937,889	646,352	612,048		15,201	415,215	10,348	13,123,790
Other Local Revenue	1,765,357	77,932	6,724	7,999	33,919	135,274	10,506	19,085	1,428	2,058,224
State Sources	5,885,930	50,000		1,295,134						7,231,064
Federal Sources	682,601									682,601
<b>Total Direct Receipts</b>	<b>16,204,748</b>	<b>1,743,809</b>	<b>1,944,613</b>	<b>1,949,485</b>	<b>645,967</b>	<b>135,274</b>	<b>25,707</b>	<b>434,300</b>	<b>11,776</b>	<b>23,095,679</b>
Expenditures Disbursed:										
Instruction	10,898,899				174,118					11,073,017
Support Services	5,792,670	1,539,242		1,783,936	472,883			539,695	40,243	10,168,669
Community Services	114,309				19,065					133,374
Payments to Other Governmental Units	918,359				31,483					949,842
Debt Services			2,046,035							2,046,035
<b>Total Direct Disbursements</b>	<b>17,724,237</b>	<b>1,539,242</b>	<b>2,046,035</b>	<b>1,783,936</b>	<b>697,549</b>	<b>0</b>	<b>0</b>	<b>539,695</b>	<b>40,243</b>	<b>24,370,937</b>
Excess of Receipts Over (Under) Disbursements	(1,519,489)	204,567	(101,422)	165,549	(51,582)	135,274	25,707	(105,395)	(28,467)	(1,275,258)
Other Sources (Uses):										
Other Sources	115,835	0	140,000	0	0	0	0	0	0	255,835
Other Uses	0	(140,000)	0	0	0	0	0	0	0	(140,000)
<b>Total Other Sources (Uses)</b>	<b>115,835</b>	<b>(140,000)</b>	<b>140,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,835</b>
Excess of Receipts Over (Under) Disbursements and Other Sources (Uses)	(1,403,654)	64,567	38,578	165,549	(51,582)	135,274	25,707	(105,395)	(28,467)	(1,159,423)
Fund Balance Before Advanced Taxes, July 1, 2013	665,767	1,878,584	628,006	1,632,463	115,384	0	3,730,991	542,200	512,474	9,705,869
Fund Balance Before Advanced Taxes, June 30, 2014	(737,887)	1,943,151	666,584	1,798,012	63,802	135,274	3,756,698	436,805	484,007	8,546,446
Advanced Taxes Received Prior to June 30, 2014	4,218,700	874,251	1,087,080	349,736	333,734	0	87,478	225,986	8,179	7,185,144
Changes in Fund Balance	0	0	0	0	0	0	0	0	0	0
<b>Fund Balance After Advanced Taxes, June 30, 2014</b>	<b>3,480,813</b>	<b>2,817,402</b>	<b>1,753,664</b>	<b>2,147,748</b>	<b>397,536</b>	<b>135,274</b>	<b>3,844,176</b>	<b>662,791</b>	<b>492,186</b>	<b>15,731,590</b>

(1) Real Estate Receipts have been reduced by the 2013 Levy received prior to June 30, 2014, and increased by the 2012 Levy received prior to June 30, 2013.

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF BONDED INDEBTEDNESS  
GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS  
JUNE 30, 2014

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>	
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>58,626</u>	<u>58,626</u>	<u>2,702,252</u>

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

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
	<u>Rate</u>		<u>August 15</u>	<u>February 15</u>	
2014-15	3.14	0.00	18,550	18,550	37,100
2015-16	3.14	0.00	18,550	18,550	37,100
2016-17	3.14	1,060,000	18,550	18,550	1,097,100
Totals		<u>1,060,000</u>	<u>55,650</u>	<u>55,650</u>	<u>1,171,300</u>

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

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		<u>Total</u>
	<u>Rate</u>		<u>August 15</u>	<u>February 15</u>	
2014-15	3.83	0.00	31,363	31,363	62,726
2015-16	3.83	1,175,000	31,363	31,363	1,237,726
2016-17	3.83	370,000	31,363	31,363	432,726
Totals		<u>1,545,000</u>	<u>94,089</u>	<u>94,089</u>	<u>1,733,178</u>

GENESEO COMMUNITY UNIT SCHOOL DISTRICT NO. 228  
SCHEDULE OF TAXES EXTENDED AND COLLECTED  
JUNE 30, 2014

	<u>Educational Levy</u>	<u>Special Education Levy</u>	<u>Leasing Levy</u>	<u>Operation &amp; Maintenance Levy</u>	<u>Debt Service Levy</u>	<u>Trans- portation Levy</u>	<u>Municipal Retirement Levy</u>	<u>Social Security Levy</u>	<u>Working Cash Levy</u>	<u>Tort Immunity Levy</u>	<u>Fire Safety Levy</u>	<u>Total All Levies</u>
<u>2011 Levy</u>												
Assessed Valuation	320,464,016											
Tax Rate per \$100.00	<u>2.34830</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.49970</u>	<u>0.59010</u>	<u>0.19990</u>	<u>0.09370</u>	<u>0.07810</u>	<u>0.00790</u>	<u>0.14050</u>	<u>0.00790</u>	<u>4.05610</u>
Taxes Extended	<u>7,525,456</u>	<u>128,186</u>	<u>160,232</u>	<u>1,601,359</u>	<u>1,891,058</u>	<u>640,608</u>	<u>300,275</u>	<u>250,282</u>	<u>25,317</u>	<u>450,252</u>	<u>25,317</u>	<u>12,998,342</u>
Taxes Collected	99.88%	<u>7,516,074</u>	<u>128,026</u>	<u>160,032</u>	<u>1,599,363</u>	<u>639,809</u>	<u>299,901</u>	<u>249,970</u>	<u>25,285</u>	<u>449,690</u>	<u>25,285</u>	<u>12,982,136</u>
<u>2012 Levy</u>												
Assessed Valuation	319,452,991											
Tax Rate per \$100.00	<u>2.35000</u>	<u>0.04000</u>	<u>0.04540</u>	<u>0.50000</u>	<u>0.59970</u>	<u>0.20000</u>	<u>0.10340</u>	<u>0.08610</u>	<u>0.00470</u>	<u>0.12840</u>	<u>0.00320</u>	<u>4.06090</u>
Taxes Extended	<u>7,507,145</u>	<u>127,781</u>	<u>145,032</u>	<u>1,597,265</u>	<u>1,915,760</u>	<u>638,906</u>	<u>330,314</u>	<u>275,049</u>	<u>15,014</u>	<u>410,178</u>	<u>10,222</u>	<u>12,972,666</u>
Advance Taxes Received Prior to June 30, 2013	4,087,658	69,577	78,970	869,714	1,043,135	347,886	179,857	149,765	8,175	223,343	5,566	7,063,646
Taxes received July 1, 2013 thru June 30, 2014	<u>3,457,449</u>	<u>58,850</u>	<u>66,795</u>	<u>735,627</u>	<u>882,311</u>	<u>294,251</u>	<u>152,128</u>	<u>126,675</u>	<u>6,915</u>	<u>188,909</u>	<u>4,708</u>	<u>5,974,618</u>
Taxes Collected	100.51%	<u>7,545,107</u>	<u>128,427</u>	<u>1,605,341</u>	<u>1,925,446</u>	<u>642,137</u>	<u>331,985</u>	<u>276,440</u>	<u>15,090</u>	<u>412,252</u>	<u>10,274</u>	<u>13,038,264</u>
<u>2013 Levy</u>												
Assessed Valuation	330,532,161											
Tax Rate per \$100.00	<u>2.31060</u>	<u>0.03940</u>	<u>0.02270</u>	<u>0.49170</u>	<u>0.61140</u>	<u>0.19670</u>	<u>0.09990</u>	<u>0.08780</u>	<u>0.04920</u>	<u>0.12710</u>	<u>0.00460</u>	<u>4.04110</u>
Taxes Extended	<u>7,637,276</u>	<u>130,230</u>	<u>75,031</u>	<u>1,625,227</u>	<u>2,020,874</u>	<u>650,157</u>	<u>330,202</u>	<u>290,207</u>	<u>162,622</u>	<u>420,106</u>	<u>15,204</u>	<u>13,357,136</u>
Advance Taxes Received Prior to June 30, 2014	<u>4,108,285</u>	<u>70,054</u>	<u>40,361</u>	<u>874,251</u>	<u>1,087,080</u>	<u>349,736</u>	<u>177,624</u>	<u>156,110</u>	<u>87,478</u>	<u>225,986</u>	<u>8,179</u>	<u>7,185,144</u>
Taxes Receivable	<u>3,528,991</u>	<u>60,176</u>	<u>34,670</u>	<u>750,976</u>	<u>933,794</u>	<u>300,421</u>	<u>152,578</u>	<u>134,097</u>	<u>75,144</u>	<u>194,120</u>	<u>7,025</u>	<u>6,171,992</u>



**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2014**

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

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

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

- Copy of Federal Data Collection Form § .320 (b)
- Copy(ies) of Management Letter(s)

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

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 6/30/13 (C)	7/01/13 - 6/30/14 (D)	Prior to 6/30/13 (E)	7/01/13 - 6/30/14 (F)			
<b>U.S. Department of Agriculture -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
(M) School Lunch - Regular, Free & Reduced	10.555	13-4210-00	248,027	58,065	248,027	58,065		306,092	N/A
(M) School Lunch - Regular, Free & Reduced	10.555	14-4210-00		235,498		235,498	(2)	235,498	N/A
(M) School Breakfast Program	10.553	13-4220-00	53,853	10,950	53,853	10,950		64,803	N/A
(M) School Breakfast Program	10.553	14-4220-00		54,284		54,284	(2)	54,284	N/A
Food Donation (3)	10.555	FY13			63,000			63,000	N/A
(M) Food Donation (3)	10.555	FY14				68,906		68,906	N/A
Dept of Defense-Fresh Fruits and Vegeta	10.555	FY13			14,925			14,925	N/A
(M) Dept of Defense-Fresh Fruits and Vegeta	10.555	FY14				20,455		20,455	N/A
<b>Pass-through program from</b>									
<b>St. Malachy's School</b>									
(M) School Lunch Program - Regular, Free and Reduced	10.555	13-4210-01	4,688	1,809	5,362	1,136		6,498	N/A
(M) School Lunch Program - Regular, Free and Reduced	10.555	14-4210-01		4,187		4,792	(2)	4,792	N/A
<b>Total U.S. Department of Agriculture - Pass-through programs</b>			<u>306,568</u>	<u>364,793</u>	<u>385,167</u>	<u>454,086</u>	<u>-</u>	<u>839,253</u>	

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

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 6/30/13 (C)	7/01/13 - 6/30/14 (D)	Prior to 6/30/13 (E)	7/01/13 - 6/30/14 (F)			
<b>U.S. Department of Education -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
Title I - Low Income	84.010	13-4300-00	95,891	57,027	152,918		152,918	202,608	
Title I - Low Income	84.010	14-4300-00		108,074		215,904	215,904	225,156	
IDEA Room and Board	84.027	14-4625-00				12,542	12,542	N/A	
Title II - Teacher Quality	84.281	13-4932-00	48,032	8,507	56,359		56,359	59,235	
Title II - Teacher Quality	84.281	14-4932-00		44,224		47,024	47,024	56,441	
<b>Total Dept. of Education passed-through ISBE</b>			<u>143,923</u>	<u>217,832</u>	<u>209,277</u>	<u>275,470</u>	<u>484,747</u>		
<b>Pass-through program from</b>									
<b>Henry Stark Special Education Association</b>									
IDEA - Flow Through	84.020	14-4620-00		7,571		7,571	7,571	11,841	
<b>Total U.S. Department of Education - Pass-through programs</b>			<u>143,923</u>	<u>225,403</u>	<u>209,277</u>	<u>283,041</u>	<u>-</u>	<u>492,318</u>	
<b>U.S. Department of Health and Human Services -</b>									
<b>Illinois Department of Human Services</b>									
S.T.E.P. (Note #5)	84.126	46CRD00020	19,339	2,942	22,281		22,281	22,281	
S.T.E.P. (Note #5)	84.126	46CSD00020		23,228	-	23,228	-	23,228	23,228
			<u>19,339</u>	<u>26,170</u>	<u>22,281</u>	<u>23,228</u>	<u>-</u>	<u>45,509</u>	

Geneseo Community Unit School District No. 228  
28-037-2280-26  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2014

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 6/30/13 (C)	7/01/13 - 6/30/14 (D)	Prior to 6/30/13 (E)	7/01/13 - 6/30/14 (F)			
<b>Pass-through program from</b>									
<b>Illinois Department of Healthcare and Family Services</b>									
Medicaid Outreach	93.778	13-4991-00	14,202	5,343	14,794	5,566		20,360	N/A
Medicaid Outreach	93.778	14-4991-00	-	15,829	-	16,489		16,489	N/A
			<u>14,202</u>	<u>21,172</u>	<u>14,794</u>	<u>22,055</u>	<u>-</u>	<u>36,849</u>	
<b>Total U.S. Department of Health and Human Services - Pass-through programs</b>			<u>33,541</u>	<u>47,342</u>	<u>37,075</u>	<u>45,283</u>	<u>-</u>	<u>82,358</u>	
<b>Total Federal Awards</b>			<u>484,032</u>	<u>637,538</u>	<u>631,519</u>	<u>782,410</u>	<u>-</u>	<u>1,413,929</u>	
<b>Total Federal Awards Passed Through Illinois State Board of Education</b>			450,491	582,625	594,444	729,556	-	1,324,000	
<b>Total Federal Awards Passed Through Other Entities</b>			<u>33,541</u>	<u>54,913</u>	<u>37,075</u>	<u>52,854</u>		<u>89,929</u>	
<b>Total Federal Awards</b>			<u>484,032</u>	<u>637,538</u>	<u>631,519</u>	<u>782,410</u>	<u>-</u>	<u>1,413,929</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, 2014.

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

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2014**

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

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Geneseo CUSD #228 and is presented on the **Cash Basis of Accounting**. The information in this schedule is presented in accordance with the requirements of 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: Subrecipients<sup>6</sup>**

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

<b>Program Title/Subrecipient Name</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
--	--------------------------------	---

There were no subrecipients during FY '14.

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

Federal awarded received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources. Amounts reported in the accompanying Schedule of Expenditures of Federal awards agree with the amounts reported in the Program Financial Records for programs which have filed final reports as of June 30, 2014 with the ISBE.

**Note 4: Non-Cash Assistance**

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

NON-CASH COMMODITIES (CFDA 10.555)**:	\$89,361
OTHER NON-CASH ASSISTANCE	

**Note 5: Other Information**

Insurance provided by Federal agencies in effect during the fiscal year:

Property	no
Auto	no
General Liability	no
Workers Compensation	no
Loans/Loan Guarantees Outstanding at June 30:	no
District had Federal grants requiring matching expenditures	\$18,703
STEP Grant - 84.126 #46CSD00020 expended and budgeted	(Yes/No)

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

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

<sup>6</sup> Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the audtee.

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

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

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

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

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

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

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

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:<sup>8</sup>**

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

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

Auditee qualified as low-risk auditee?        YES   X   NO

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

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

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

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

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup>      **2014- None Known** 2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

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3. Criteria or specific requirement

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4. Condition

---

5. Context<sup>12</sup>

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6. Effect

---

7. Cause

---

8. Recommendation

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

**For ISBE Review**

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

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

Geneseo Community Unit School District No. 228  
28-037-2280-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup>      2014- None Known      2. THIS FINDING IS:     New     Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

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

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

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

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

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

9. Condition<sup>15</sup>

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

11. Context<sup>17</sup>

12. Effect

13. Cause

14. Recommendation

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

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

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding.  
<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.  
<sup>17</sup> See footnote 12.  
<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.



**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2014**

Finding Number

Condition

Current Status<sup>20</sup>

There were no findings for the prior year ended June 30, 2013.

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

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

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

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

**Geneseo Community Unit School District No. 228**  
**28-037-2280-26**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2014**

**Corrective Action Plan**

Finding No.: **2014- None Known**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:

Management Response:

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