

Due to ROE on October 15th
 Due to ISBE on November 15th
 SD/JA14

ILLINOIS STATE BOARD OF EDUCATION
 School Business Services Division
 100 North First Street, Springfield, Illinois 62777-0001
 217/785-8779

**Illinois School District/Joint Agreement
 Annual Financial Report *
 June 30, 2014**

School District
 Joint Agreement

School District/Joint Agreement Information <i>(See instructions on inside of this page.)</i>	Accounting Basis:	Certified Public Accountant Information
School District/Joint Agreement Number: 47-071-2230-26	<input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	Name of Auditing Firm: BENNING GROUP, LLC
County Name: OGLE		Name of Audit Manager: DONALD A. BENNING
Name of School District/Joint Agreement: MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223	Filing Status: Submit electronic AFR directly to ISBE Click on the Link to Submit: Send ISBE a File	Address: 50 W. DOUGLAS STREET, SUITE 801
Address: 207 W. MAIN ST.		City: FREEPORT State: IL Zip Code: 61032
City: STILLMAN VALLEY		Phone Number: 815/235-3157 Fax Number: 815/235-3158
Email Address:		IL License Number: 066-004238 Expiration Date: 11/30/2015
Zip Code: 61084		Email Address: dbenning@benninggroup.com
Annual Financial Report Type of Auditor's Report Issued: <input type="checkbox"/> Qualified <input type="checkbox"/> Unqualified <input checked="" type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer	A-133 Single Audit Status: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Are Federal expenditures greater than \$500,000? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Is all A-133 Single Audit Information completed and attached? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Were any financial statement or federal awards findings issued?	ISBE Use Only
<input type="checkbox"/> Reviewed by District Superintendent/Administrator	<input type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____	<input type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC
District Superintendent/Administrator Name (Type or Print): PHILLIP J CAPOSEY	Township Treasurer Name (type or print)	Regional Superintendent/Cook ISC Name (Type or Print): PAUL MCMAHON
Email Address: PCAIPOSEY@MAIL.MERIDIAN223.ORG	Email Address:	Email Address:
Telephone: 815/645-2606	Fax Number: 815/645-4325	Telephone: 815/652-2054
Fax Number: 815/652-2053	Signature & Date:	Signature & Date:

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).
ISBE Form SD50-35/JA50-60 (05/14)

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.
 In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.
 Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

[23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C \(Part 100\)](#)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

Submit AFR Electronically

* The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

[Attachment Manager Link](#)

Note: CD/Disk no longer accepted.

* AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: Adobe Acrobat (*.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.

Submit Paper Copy of AFR with Signatures

1) The auditor must send three **paper** copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.

Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.

2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.

3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.

* Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.

[Single Audit Act A-133](#)

Qualifications of Auditing Firm

* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.

* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

PART A - FINDINGS

- 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act. [5 ILCS 420/4A-101]*
- 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Sections 8-2, 10-20.19 or 19-6 of the School Code. [105 ILCS 5/8-2; 10-20.19; 19-6]*
- 3. One or more contracts were executed or purchases made contrary to the provisions of *Section 10-20.21 of the School Code. [105 ILCS 5/10-20.21]*
- 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted. *[30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]*
- 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act. [30 ILCS 115/12]*
- 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- 10. One or more interfund loans were outstanding beyond the term provided by statute.
- 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
- 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Sections 2-3.27 and 2-3.28 of the School Code. *[105 ILCS 5/2-3.27; 2-3.28]*

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

- 14. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Sections 17-16 or 34-23 thru 34-27 of the School Code. [105 ILCS 5/17-16 or 34-23 thru 34-27]*
- 15. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- 16. The district has issued school or teacher orders for wages as permitted in *Sections 8-16, 32-7.2 and 34-76 of the School Code* or issued funding bonds for this purpose pursuant to *Section 19-8 of the School Code. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]*
- 17. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- 18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 19. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
- 20. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: _____
- 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2014, identify those late payments recorded as Intergovernmental Receivables, Other Recievables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

23. Enter the date that the district used to accrue mandated categorical payments Date:

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						
Direct Receipts/Revenue						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Total						0

* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services,3100-Sp Ed Private Facilities)

PART E - QUALIFICATIONS OF AUDITING FIRM

* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.

* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

BENNING GROUP, LLC

Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Signature

mm/dd/yyyy

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year 2013			Equalized Assessed Valuation (EAV):					160,122,192				
8													
9			Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash		
10	Rate(s):		0.027800		+ 0.005000		+ 0.002000		= 0.034800		0.000500		
11													
12													
13	B. Results of Operations *												
14													
15	Receipts/Revenues			Disbursements/ Expenditures			Excess/ (Deficiency)			Fund Balance			
16	14,287,577			14,758,454			(470,877)			4,482,460			
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	C. Short-Term Debt **												
21													
22	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
23	0		+ 0		+ 0		+ 0		+ 0		+		
24	Other		Total										
25	0		= 0										
26	** The numbers shown are the sum of entries on page 25.												
27													
28	D. Long-Term Debt												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input type="checkbox"/>		a. 6.9% for elementary and high school districts,					22,096,862					
32	<input checked="" type="checkbox"/>		b. 13.8% for unit districts.										
33													
34	Long-Term Debt Outstanding:												
35													
36	<input type="checkbox"/>		c. Long-Term Debt (Principal only)					Acct					
37			Outstanding:.....					511		9,299,591			
38													
39													
40	E. Material Impact on Financial Position												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/>		Pending Litigation										
45	<input type="checkbox"/>		Material Decrease in EAV										
46	<input type="checkbox"/>		Material Increase/Decrease in Enrollment										
47	<input type="checkbox"/>		Adverse Arbitration Ruling										
48	<input type="checkbox"/>		Passage of Referendum										
49	<input type="checkbox"/>		Taxes Filed Under Protest										
50	<input type="checkbox"/>		Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)										
51	<input type="checkbox"/>		Other Ongoing Concerns (Describe & Itemize)										
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q
1	ESTIMATED FINANCIAL PROFILE SUMMARY															
2	(Go to the following website for reference to the Financial Profile)															
3	www.isbe.net/sfms/p/profile.htm															
4																
5																
6																
7	District Name: MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223															
8	District Code: 47-071-2230-26															
9	County Name: OGLE															
10																
11	1. Fund Balance to Revenue Ratio:															
12	Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)				Funds 10, 20, 40, 70 + (50 & 80 if negative)		Total		Ratio		Score		Weight		Value	
13	Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)				Funds 10, 20, 40, & 70,		4,482,460.00		0.314		3		0.35		1.40	
14	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)				Minus Funds 10 & 20		0.00									
15	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
16	2. Expenditures to Revenue Ratio:															
17	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)				Funds 10, 20 & 40		Total		Ratio		Score		Adjustment		Weight	
18	Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)				Funds 10, 20, 40 & 70,		14,758,454.00		1.033		3		0		0.35	
19	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)				Minus Funds 10 & 20		0.00									
20	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
21	Possible Adjustment:															
22																
23	3. Days Cash on Hand:															
24	Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)				Funds 10, 20 40 & 70		Total		Days		Score		Weight		Value	
25	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)				Funds 10, 20, 40 divided by 360		4,444,729.00		108.41		3		0.10		0.30	
26							40,995.71									
27	4. Percent of Short-Term Borrowing Maximum Remaining:															
28	Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)				Funds 10, 20 & 40		Total		Percent		Score		Weight		Value	
29	EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)				(.85 x EAV) x Sum of Combined Tax Rates		0.00		100.00		4		0.10		0.40	
30							4,736,414.44									
31	5. Percent of Long-Term Debt Margin Remaining:															
32	Long-Term Debt Outstanding (P3, Cell H37)						Total		Percent		Score		Weight		Value	
33	Total Long-Term Debt Allowed (P3, Cell H31)						9,299,591.00		57.91		3		0.10		0.30	
34							22,096,862.50									
35													Total Profile Score:		3.45 *	
36																
37													Estimated 2015 Financial Profile Designation:		REVIEW	
38																
39																
40																
41																

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2014

1	A	B	C	D	E	F	G	H	I	J	K
2	ASSETS	Acct. #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	CURRENT ASSETS (100)										
4	Cash (Accounts 111 through 115) ¹		1,484,966		94,897	517,515	96,404	288,132	137,579	42	145,848
5	Investments	120	2,304,669								
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	Total Current Assets		3,789,635	0	94,897	517,515	96,404	288,132	137,579	42	145,848
14	CAPITAL ASSETS (200)										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410		3,042							
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430	11,702								
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470	(14)								
31	Payroll Deductions & Withholdings	480	(29,669)	(11,100)		(11,692)	(2,301)				
32	Deferred Revenues & Other Current Liabilities	490									
33	Due to Activity Fund Organizations	493									
34	Total Current Liabilities		(17,981)	(8,058)	0	(11,692)	(2,301)	0	0	0	0
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714	802,705				15,596				
39	Unreserved Fund Balance	730	3,004,911	8,058	94,897	529,207	83,109	288,132	137,579	42	145,848
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		3,789,635	0	94,897	517,515	96,404	288,132	137,579	42	145,848

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2014

1	A	B	L	M	N
2	ASSETS	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) ¹		269,971		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		269,971		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		2,569,982	
17	Building & Building Improvements	230		24,465,971	
18	Site Improvements & Infrastructure	240		1,115,249	
19	Capitalized Equipment	250		3,936,722	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			94,897
22	Amount to be Provided for Payment on Long-Term Debt	350			9,204,694
23	Total Capital Assets			32,087,924	9,299,591
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	269,971		
34	Total Current Liabilities		269,971		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			9,299,591
37	Total Long-Term Liabilities				9,299,591
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			32,087,924	
41	Total Liabilities and Fund Balance		269,971	32,087,924	9,299,591

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	Local Sources	1000	5,395,366	859,067	1,900,521	329,258	585,274	1,962	1,912	217,112	79,569
5	Flow-Through Receipts/Revenues from One District to Another District	2000	0	0		0	0				
6	State Sources	3000	6,136,802	23,773	0	870,136	0	0	0	0	0
7	Federal Sources	4000	671,263	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		12,203,431	882,840	1,900,521	1,199,394	585,274	1,962	1,912	217,112	79,569
9	Receipts/Revenues for "On Behalf" Payments ²	3998	2,659,101								
10	Total Receipts/Revenues		14,862,532	882,840	1,900,521	1,199,394	585,274	1,962	1,912	217,112	79,569
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	8,415,901				193,952				
13	Support Services	2000	3,319,632	1,520,687		907,859	384,498	0		217,070	158,634
14	Community Services	3000	7,315	0		0	13				
15	Payments to Other Districts & Governmental Units	4000	522,957	0	0	6,181	0	0			0
16	Debt Service	5000	0	0	2,035,161	57,922	0			0	0
17	Total Direct Disbursements/Expenditures		12,265,805	1,520,687	2,035,161	971,962	578,463	0		217,070	158,634
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	2,659,101	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		14,924,906	1,520,687	2,035,161	971,962	578,463	0		217,070	158,634
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		(62,374)	(637,847)	(134,640)	227,432	6,811	1,962	1,912	42	(79,065)
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund ¹²	7110									
25	Abatement of the Working Cash Fund ¹²	7110			207,501						
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130		595,000							
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund ⁴	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets ⁶	7300				48,000					
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990			21,668						
44	Total Other Sources of Funds		0	595,000	229,169	48,000	0	0	0	0	0
45	OTHER USES OF FUNDS (8000)										
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund ¹²	8110							207,501		
48	Transfer of Working Cash Fund Interest ¹²	8120							0		
49	Transfer Among Funds	8130	595,000								
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund ⁴	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990	21,668								
76	Total Other Uses of Funds		616,668	0	0	0	0	0	207,501	0	0
77	Total Other Sources/Uses of Funds		(616,668)	595,000	229,169	48,000	0	0	(207,501)	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		(679,042)	(42,847)	94,529	275,432	6,811	1,962	(205,589)	42	(79,065)
79	Fund Balances - July 1, 2013		4,486,658	50,905	368	253,775	91,894	286,170	343,168	0	224,913
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2014		3,807,616	8,058	94,897	529,207	98,705	288,132	137,579	42	145,848

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)										
4	AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY										
5	Designated Purposes Levies (1110-1120) ⁷		4,383,205	788,344	1,900,236	315,338	263,307			217,068	78,838
6	Leasing Purposes Levy ⁸	1130									
7	Special Education Purposes Levy	1140	63,071								
8	FICA/Medicare Only Purposes Levies	1150					285,025				
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	Total Ad Valorem Taxes Levied By District		4,446,276	788,344	1,900,236	315,338	548,332	0	0	217,068	78,838
13	PAYMENTS IN LIEU OF TAXES										
14	Mobile Home Privilege Tax	1210	14	3	6	1	2			1	
15	Payments from Local Housing Authorities	1220									
16	Corporate Personal Property Replacement Taxes ⁹	1230	206,169				35,898				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290									
18	Total Payments in Lieu of Taxes		206,183	3	6	1	35,900	0	0	1	0
19	TUITION										
20	Regular - Tuition from Pupils or Parents (In State)	1311									
21	Regular - Tuition from Other Districts (In State)	1312	8,400								
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321									
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341									
33	Special Ed - Tuition from Other Districts (In State)	1342									
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	Total Tuition		8,400								
41	TRANSPORTATION FEES										
42	Regular -Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415				620					
46	Regular Transp Fees from Other Sources (Out of State)	1416									
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
53	CTE - Transp Fees from Other Sources (In State)	1433									
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442									
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	Total Transportation Fees					620					
64	EARNINGS ON INVESTMENTS										
65	Interest on Investments	1510	10,363	1,910	279	1,769	430	1,436	1,912	43	731
66	Gain or Loss on Sale of Investments	1520									
67	Total Earnings on Investments		10,363	1,910	279	1,769	430	1,436	1,912	43	731
68	FOOD SERVICE										
69	Sales to Pupils - Lunch	1611	403,121								
70	Sales to Pupils - Breakfast	1612									
71	Sales to Pupils - A la Carte	1613									
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620	8,694								
74	Other Food Service (Describe & Itemize)	1690	1,751								
75	Total Food Service		413,566								
76	DISTRICT/SCHOOL ACTIVITY INCOME										
77	Admissions - Athletic	1711	36,971								
78	Admissions - Other (Describe & Itemize)	1719									
79	Fees	1720	208,673								
80	Book Store Sales	1730	27								
81	Other District/School Activity Revenue (Describe & Itemize)	1790									
82	Total District/School Activity Income		245,671	0							
83	TEXTBOOK INCOME										
84	Rentals - Regular Textbooks	1811									
85	Rentals - Summer School Textbooks	1812									
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821									
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	Total Textbook Income		0								
94	OTHER REVENUE FROM LOCAL SOURCES										
95	Rentals	1910	2,495	56,459							
96	Contributions and Donations from Private Sources	1920									
97	Impact Fees from Municipal or County Governments	1930						526			
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950									
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970	8,151								
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									
106	Other Local Fees (Describe & Itemize)	1993									
107	Other Local Revenues (Describe & Itemize)	1999	54,261	12,351		11,530	612				
108	Total Other Revenue from Local Sources		64,907	68,810	0	11,530	612	526	0	0	0
109	Total Receipts/Revenues from Local Sources	1000	5,395,366	859,067	1,900,521	329,258	585,274	1,962	1,912	217,112	79,569
110	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	Total Flow-Through Receipts/Revenues from One District to Another District	2000	0	0		0	0				
115	RECEIPTS/REVENUES FROM STATE SOURCES (3000)										
116	UNRESTRICTED GRANTS-IN-AID										
117	General State Aid- Sec. 18-8.05	3001	5,332,837								
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
121	Total Unrestricted Grants-In-Aid		5,332,837	0	0	0	0	0		0	0
122	RESTRICTED GRANTS-IN-AID										
123	SPECIAL EDUCATION										
124	Special Education - Private Facility Tuition	3100									
125	Special Education - Extraordinary	3105	296,457								
126	Special Education - Personnel	3110	314,181								
127	Special Education - Orphanage - Individual	3120	11,524								
128	Special Education - Orphanage - Summer	3130									
129	Special Education - Summer School	3145	1,925								
130	Special Education - Other (Describe & Itemize)	3199									
131	Total Special Education		624,087	0		0					
132	CAREER AND TECHNICAL EDUCATION (CTE)										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220	21,630								
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235	2,070								
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3299									
140	Total Career and Technical Education		23,700	0			0				
141	BILINGUAL EDUCATION										
142	Bilingual Ed - Downstate - TPI and TBE	3305	19,961								
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	Total Bilingual Ed		19,961				0				
145	State Free Lunch & Breakfast	3360	3,746								
146	School Breakfast Initiative	3365									
147	Driver Education	3370	18,370								
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
150	TRANSPORTATION										
151	Transportation - Regular/Vocational	3500				684,585					
152	Transportation - Special Education	3510				185,551					
153	Transportation - Other (Describe & Itemize)	3599									
154	Total Transportation		0	0		870,136	0				
155	Learning Improvement - Change Grants	3610									
156	Scientific Literacy	3660									
157	Truant Alternative/Optional Education	3695									
158	Early Childhood - Block Grant	3705	110,243								
159	Reading Improvement Block Grant	3715									
160	Reading Improvement Block Grant - Reading Recovery	3720									
161	Continued Reading Improvement Block Grant	3725									
162	Continued Reading Improvement Block Grant (2% Set Aside)	3726									
163	Chicago General Education Block Grant	3766									
164	Chicago Educational Services Block Grant	3767									
165	School Safety & Educational Improvement Block Grant	3775									
166	Technology - Learning Technology Centers	3780									
167	State Charter Schools	3815									
168	Extended Learning Opportunities - Summer Bridges	3825									
169	Infrastructure Improvements - Planning/Construction	3920									
170	School Infrastructure - Maintenance Projects	3925		23,773							
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999	3,858								
172	Total Restricted Grants-In-Aid		803,965	23,773	0	870,136	0	0	0	0	0
173	Total Receipts from State Sources	3000	6,136,802	23,773	0	870,136	0	0	0	0	0
174	RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)										
175	UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt		0	0	0	0	0	0	0	0	0
179	RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
180	Head Start	4045									
181	Construction (Impact Aid)	4050									
182	MAGNET	4060									
183	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090	137,574								
184	Total Restricted Grants-In-Aid Received Directly from Federal Govt		137,574	0		0	0	0			0
185	RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE										
186	TITLE V										
187	Title V - Innovation and Flexibility Formula	4100									
188	Title V - District Projects	4105									
189	Title V - Rural & Low Income Schools	4107									
190	Title V - Other (Describe & Itemize)	4199									
191	Total Title V		0	0		0	0				
192	FOOD SERVICE										
193	Breakfast Start-Up	4200									
194	National School Lunch Program	4210	215,843								
195	Special Milk Program	4215									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
196	School Breakfast Program	4220	30,858								
197	Summer Food Service Admin/Program	4225									
198	Child & Adult Care Food Program	4226									
199	Fresh Fruits & Vegetables	4240									
200	Food Service - Other (Describe & Itemize)	4299									
201	Total Food Service		246,701				0				
202	TITLE I										
203	Title I - Low Income	4300	123,533								
204	Title I - Low Income - Neglected, Private	4305									
205	Title I - Comprehensive School Reform	4332									
206	Title I - Reading First	4334									
207	Title I - Even Start	4335									
208	Title I - Reading First SEA Funds	4337									
209	Title I - Migrant Education	4340									
210	Title I - Other (Describe & Itemize)	4399									
211	Total Title I		123,533	0		0	0				
212	TITLE IV										
213	Title IV - Safe & Drug Free Schools - Formula	4400									
214	Title IV - 21st Century	4421									
215	Title IV - Other (Describe & Itemize)	4499									
216	Total Title IV		0	0		0	0				
217	FEDERAL - SPECIAL EDUCATION										
218	Fed - Spec Education - Preschool Flow-Through	4600	5,975								
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through/Low Incidence	4620	83,637								
221	Fed - Spec Education - IDEA - Room & Board	4625									
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
224	Total Federal - Special Education		89,612	0		0	0				
225	CTE - PERKINS										
226	CTE - Perkins - Title III E - Tech Prep	4770									
227	CTE - Other (Describe & Itemize)	4799									
228	Total CTE - Perkins		0	0			0				
229	Federal - Adult Education	4810									
230	ARRA - General State Aid - Education Stabilization	4850									
231	ARRA - Title I - Low Income	4851									
232	ARRA - Title I - Neglected, Private	4852									
233	ARRA - Title I - Delinquent, Private	4853									
234	ARRA - Title I - School Improvement (Part A)	4854									
235	ARRA - Title I - School Improvement (Section 1003g)	4855									
236	ARRA - IDEA - Part B - Preschool	4856									
237	ARRA - IDEA - Part B - Flow-Through	4857									
238	ARRA - Title IID - Technology-Formula	4860									
239	ARRA - Title IID - Technology-Competitive	4861									
240	ARRA - McKinney - Vento Homeless Education	4862									
241	ARRA - Child Nutrition Equipment Assistance	4863									
242	Impact Aid Formula Grants	4864									
243	Impact Aid Competitive Grants	4865									
244	Qualified Zone Academy Bond Tax Credits	4866									
245	Qualified School Construction Bond Credits	4867									
246	Build America Bond Tax Credits	4868									
247	Build America Bond Interest Reimbursement	4869									

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
248	ARRA - General State Aid - Other Govt Services Stabilization	4870									
249	Other ARRA Funds - II	4871									
250	Other ARRA Funds - III	4872									
251	Other ARRA Funds - IV	4873									
252	Other ARRA Funds - V	4874									
253	ARRA - Early Childhood	4875									
254	Other ARRA Funds VII	4876									
255	Other ARRA Funds VIII	4877									
256	Other ARRA Funds IX	4878									
257	Other ARRA Funds X	4879									
258	Other ARRA Funds XI	4880									
259	Total Stimulus Programs		0	0	0	0	0	0		0	0
260	Race to the Top Program	4901									
261	Advanced Placement Fee/International Baccalaureate	4904									
262	Emergency Immigrant Assistance	4905									
263	Title III - English Language Acquisition	4909	13,364								
264	Learn & Serve America	4910									
265	McKinney Education for Homeless Children	4920	391								
266	Title II - Eisenhower Professional Development Formula	4930									
267	Title II - Teacher Quality	4932	44,300								
268	Federal Charter Schools	4960									
269	Medicaid Matching Funds - Administrative Outreach	4991	357								
270	Medicaid Matching Funds - Fee-for-Service Program	4992	15,431								
271	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4998									
272	Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State		533,689	0	0	0	0	0		0	0
273	Total Receipts/Revenues from Federal Sources	4000	671,263	0	0	0	0	0	0	0	0
274	Total Direct Receipts/Revenues		12,203,431	882,840	1,900,521	1,199,394	585,274	1,962	1,912	217,112	79,569

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description	Func #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
3	10 - EDUCATIONAL FUND (ED)											
4	INSTRUCTION (ED)											
5	Regular Programs	1100	4,610,529	1,099,793	773	135,870	11,280				5,858,245	5,642,946
6	Tuition Payment to Charter Schools	1115									0	
7	Pre-K Programs	1125									0	
8	Special Education Programs (Functions 1200-1220)	1200	978,714	180,787	356	13,897					1,173,754	1,172,468
9	Special Education Programs Pre-K	1225									0	
10	Remedial and Supplemental Programs K-12	1250	148,067	27,262							175,329	227,590
11	Remedial and Supplemental Programs Pre-K	1275									0	
12	Adult/Continuing Education Programs	1300									0	
13	CTE Programs	1400	373,561	97,358		9,153					480,072	560,993
14	Interscholastic Programs	1500	357,915	54,143	68,972	66,822					547,852	680,661
15	Summer School Programs	1600	14,033	3,515							17,548	20,903
16	Gifted Programs	1650									0	
17	Driver's Education Programs	1700									0	415
18	Bilingual Programs	1800	128,088	29,425	1,047	4,541					163,101	160,937
19	Truant Alternative & Optional Programs	1900									0	
20	Pre-K Programs - Private Tuition	1910									0	
21	Regular K-12 Programs - Private Tuition	1911									0	
22	Special Education Programs K-12 - Private Tuition	1912									0	
23	Special Education Programs Pre-K - Tuition	1913									0	
24	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	
26	Adult/Continuing Education Programs - Private Tuition	1916									0	
27	CTE Programs - Private Tuition	1917									0	
28	Interscholastic Programs - Private Tuition	1918									0	
29	Summer School Programs - Private Tuition	1919									0	
30	Gifted Programs - Private Tuition	1920									0	
31	Bilingual Programs - Private Tuition	1921									0	
32	Truants Alternative/Optional Ed Progrms - Private Tuition	1922									0	
33	Total Instruction ¹⁰	1000	6,610,907	1,492,283	71,148	230,283	11,280	0	0	0	8,415,901	8,466,913
34	SUPPORT SERVICES (ED)											
35	SUPPORT SERVICES - PUPILS											
36	Attendance & Social Work Services	2110									0	
37	Guidance Services	2120	150,722	28,651	4,951	616					184,940	274,312
38	Health Services	2130	113,635	7,139	99	3,198		156			124,227	102,833
39	Psychological Services	2140									0	
40	Speech Pathology & Audiology Services	2150	143,586	30,813		193					174,592	103,785
41	Other Support Services - Pupils (Describe & Itemize)	2190									0	
42	Total Support Services - Pupils	2100	407,943	66,603	5,050	4,007	0	156	0	0	483,759	480,930
43	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
44	Improvement of Instruction Services	2210	6,344	628	10,115						17,087	36,370
45	Educational Media Services	2220	193,227	35,904	8,147	23,325	1,640				262,243	324,555
46	Assessment & Testing	2230			20,927						20,927	28,920
47	Total Support Services - Instructional Staff	2200	199,571	36,532	39,189	23,325	1,640	0	0	0	300,257	389,845
48	SUPPORT SERVICES - GENERAL ADMINISTRATION											
49	Board of Education Services	2310	5,813		109,739	4,604		4,437			124,593	283,437
50	Executive Administration Services	2320	100,514	1,608	3,826	3,969		2,457			112,374	145,412
51	Special Area Administration Services	2330									0	
52	Tort Immunity Services	2360 - 2370			64,057						64,057	
53	Total Support Services - General Administration	2300	106,327	1,608	177,622	8,573	0	6,894	0	0	301,024	428,849

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
54	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
55	Office of the Principal Services	2410	760,191	291,951	7,626			1,675			1,061,443	952,097
56	Other Support Services - School Admin (Describe & Itemize)	2490									0	
57	Total Support Services - School Administration	2400	760,191	291,951	7,626	0	0	1,675	0	0	1,061,443	952,097
58	SUPPORT SERVICES - BUSINESS											
59	Direction of Business Support Services	2510	46,402	659		478					47,539	13,152
60	Fiscal Services	2520	107,726	5,423	26,212	9,865					149,226	223,034
61	Operation & Maintenance of Plant Services	2540	3,438	440	11,354						15,232	205,358
62	Pupil Transportation Services	2550			10,000						10,000	8,335
63	Food Services	2560	180,071	10,295	3,133	293,493	18,678	1,728			507,398	551,947
64	Internal Services	2570				4,226					4,226	
65	Total Support Services - Business	2500	337,637	16,817	50,699	308,062	18,678	1,728	0	0	733,621	1,001,826
66	SUPPORT SERVICES - CENTRAL											
67	Direction of Central Support Services	2610									0	
68	Planning, Research, Development, & Evaluation Services	2620									0	
69	Information Services	2630	125,953	17,177	155,037	4,515	48,972				351,654	418,562
70	Staff Services	2640	1,576	19,749	13,382						34,707	38,295
71	Data Processing Services	2660									0	
72	Total Support Services - Central	2600	127,529	36,926	168,419	4,515	48,972	0	0	0	386,361	456,857
73	Other Support Services (Describe & Itemize)	2900		53,167							53,167	
74	Total Support Services	2000	1,939,198	503,604	448,605	348,482	69,290	10,453	0	0	3,319,632	3,710,404
75	COMMUNITY SERVICES (ED)	3000	4,263	1,524	1,528						7,315	14,595
76	PAYMENTS TO OTHER DISTRICTS & GOVT UNITS (ED)											
77	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
78	Payments for Regular Programs	4110									0	
79	Payments for Special Education Programs	4120									0	41,633
80	Payments for Adult/Continuing Education Programs	4130									0	
81	Payments for CTE Programs	4140									0	
82	Payments for Community College Programs	4170									0	
83	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									3,482	3,355
84	Total Payments to Dist & Other Govt Units (In-State)	4100			3,482			0			3,482	44,988
85	Payments for Regular Programs - Tuition	4210						26,690			26,690	21,125
86	Payments for Special Education Programs - Tuition	4220						471,822			471,822	456,530
87	Payments for Adult/Continuing Education Programs - Tuition	4230									0	
88	Payments for CTE Programs - Tuition	4240						20,963			20,963	22,050
89	Payments for Community College Programs - Tuition	4270									0	
90	Payments for Other Programs - Tuition	4280									0	
91	Other Payments to In-State Govt Units	4290									0	
92	Total Payments to Other District & Govt Units -Tuition (In State)	4200						519,475			519,475	499,705
93	Payments for Regular Programs - Transfers	4310									0	
94	Payments for Special Education Programs - Transfers	4320									0	
95	Payments for Adult/Continuing Ed Programs - Transfers	4330									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
96	Payments for CTE Programs - Transfers	4340									0	
97	Payments for Community College Program - Transfers	4370									0	
98	Payments for Other Programs - Transfers	4380									0	
99	Other Payments to In-State Govt Units - Transfers	4390									0	
100	Total Payments to Other District & Govt Units - Transfers (In-State)	4300			0			0			0	0
101	Payments to Other Dist & Govt Units (Out-of-State)	4400									0	
102	Total Payments to Other District & Govt Units	4000			3,482			519,475			522,957	544,693
103	DEBT SERVICES (ED)											
104	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
105	Tax Anticipation Warrants	5110									0	
106	Tax Anticipation Notes	5120									0	
107	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
108	State Aid Anticipation Certificates	5140									0	
109	Other Interest on Short-Term Debt	5150									0	
110	Total Interest on Short-Term Debt	5100						0			0	0
111	Debt Services - Interest on Long-Term Debt	5200									0	
112	Total Debt Services	5000						0			0	0
113	PROVISIONS FOR CONTINGENCIES (ED)	6000										
114	Total Direct Disbursements/Expenditures		8,554,368	1,997,411	524,763	578,765	80,570	529,928	0	0	12,265,805	12,736,605
115	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(62,374)	
116												
117	20 - OPERATIONS & MAINTENANCE FUND (O&M)											
118	SUPPORT SERVICES (O&M)											
119	SUPPORT SERVICES - PUPILS											
120	Other Support Services - Pupils (Describe & Itemize)	2190									0	
121	SUPPORT SERVICES - BUSINESS											
122	Direction of Business Support Services	2510									0	
123	Facilities Acquisition & Construction Services	2530									0	
124	Operation & Maintenance of Plant Services	2540	543,510	112,258	244,208	596,392	24,319				1,520,687	1,189,059
125	Pupil Transportation Services	2550									0	
126	Food Services	2560									0	
127	Total Support Services - Business	2500	543,510	112,258	244,208	596,392	24,319	0	0	0	1,520,687	1,189,059
128	Other Support Services (Describe & Itemize)	2900									0	
129	Total Support Services	2000	543,510	112,258	244,208	596,392	24,319	0	0	0	1,520,687	1,189,059
130	COMMUNITY SERVICES (O&M)	3000									0	
131	PAYMENTS TO OTHER DIST & GOVT UNITS (O&M)											
132	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
133	Payments for Special Education Programs	4120									0	
134	Payments for CTE Programs	4140									0	
135	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
136	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0
137	Payments to Other Govt. Units (Out of State)	4400									0	
138	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
139	DEBT SERVICES (O&M)	5000										
140	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
141	Tax Anticipation Warrants	5110									0	
142	Tax Anticipation Notes	5120									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description	Func #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
143	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
144	State Aid Anticipation Certificates	5140									0	
145	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
146	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
147	DEBT SERVICE - INTERST ON LONG-TERM DEBT	5200									0	
148	Total Debt Services	5000						0			0	0
149	PROVISIONS FOR CONTINGENCIES (O&M)	6000										
150	Total Direct Disbursements/Expenditures		543,510	112,258	244,208	596,392	24,319	0	0	0	1,520,687	1,189,059
151	Excess (Deficiency) of Receipts/Revenues/Over										(637,847)	
152												
153	30 - DEBT SERVICES (DS)											
154	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000									0	
155	DEBT SERVICES (DS)	5000										
156	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
157	Tax Anticipation Warrants	5110									0	
158	Tax Anticipation Notes	5120									0	
159	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
160	State Aid Anticipation Certificates	5140									0	8,500
161	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
162	Total Debt Services - Interest On Short-Term Debt	5100						0			0	8,500
163	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						968,366			968,366	2,030,493
164	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300						1,066,795			1,066,795	
165	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
166	Total Debt Services	5000						2,035,161			2,035,161	2,038,993
167	PROVISION FOR CONTINGENCIES (DS)	6000										
168	Total Disbursements/ Expenditures							2,035,161			2,035,161	2,038,993
169	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(134,640)	
170												
171	40 - TRANSPORTATION FUND (TR)											
172	SUPPORT SERVICES (TR)											
173	SUPPORT SERVICES - PUPILS											
174	Other Support Services - Pupils (Describe & Itemize)	2190									0	
175	SUPPORT SERVICES - BUSINESS											
176	Pupil Transportation Services	2550	475,066	48,459	173,398	210,676		260			907,859	1,068,887
177	Other Support Services (Describe & Itemize)	2900									0	
178	Total Support Services	2000	475,066	48,459	173,398	210,676	0	260	0	0	907,859	1,068,887
179	COMMUNITY SERVICES (TR)	3000									0	
180	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)											
181	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
182	Payments for Regular Programs	4110									0	
183	Payments for Special Education Programs	4120			6,181						6,181	
184	Payments for Adult/Continuing Education Programs	4130									0	
185	Payments for CTE Programs	4140									0	
186	Payments for Community College Programs	4170									0	
187	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
188	Total Payments to Other Govt. Units (In-State)	4100			6,181			0			6,181	0

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description	Funct #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
189	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	
190	Total Payments to Other Dist & Govt Units	4000			6,181			0			6,181	0
191	DEBT SERVICES (TR)											
192	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
193	Tax Anticipation Warrants	5110									0	
194	Tax Anticipation Notes	5120									0	
195	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
196	State Aid Anticipation Certificates	5140									0	
197	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
198	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
199	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						4,505			4,505	
200	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300						53,417			53,417	
201	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
202	Total Debt Services							57,922			57,922	0
203	PROVISION FOR CONTINGENCIES (TR)	6000										
204	Total Disbursements/ Expenditures		475,066	48,459	179,579	210,676	0	58,182	0	0	971,962	1,068,887
205	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										227,432	
206												
207	50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)											
208	INSTRUCTION (MR/SS)											
209	Regular Programs	1100		84,758							84,758	76,934
210	Pre-K Programs	1125									0	
211	Special Education Programs (Functions 1200-1220)	1200		72,983							72,983	80,215
212	Special Education Programs - Pre-K	1225									0	
213	Remedial and Supplemental Programs - K-12	1250		8,351							8,351	8,478
214	Remedial and Supplemental Programs - Pre-K	1275									0	
215	Adult/Continuing Education Programs	1300									0	
216	CTE Programs	1400		5,697							5,697	6,780
217	Interscholastic Programs	1500		15,023							15,023	21,270
218	Summer School Programs	1600		219							219	397
219	Gifted Programs	1650									0	
220	Driver's Education Programs	1700									0	
221	Bilingual Programs	1800		6,921							6,921	6,262
222	Truants' Alternative & Optional Programs	1900									0	
223	Total Instruction	1000		193,952							193,952	200,336
224	SUPPORT SERVICES (MR/SS)	2000										
225	SUPPORT SERVICES - PUPILS											
226	Attendance & Social Work Services	2110									0	
227	Guidance Services	2120		4,406							4,406	6,111
228	Health Services	2130		20,829							20,829	18,381
229	Psychological Services	2140									0	
230	Speech Pathology & Audiology Services	2150		2,348							2,348	2,250
231	Other Support Services - Pupils (Describe & Itemize)	2190									0	
232	Total Support Services - Pupils	2100		27,583							27,583	26,742
233	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
234	Improvement of Instruction Services	2210		78							78	60
235	Educational Media Services	2220		13,186							13,186	17,335
236	Assessment & Testing	2230									0	
237	Total Support Services - Instructional Staff	2200		13,264							13,264	17,395

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
238	SUPPORT SERVICES - GENERAL ADMINISTRATION											
239	Board of Education Services	2310		432							432	5,162
240	Executive Administration Services	2320		7,548							7,548	9,350
241	Service Area Administrative Services	2330									0	
242	Claims Paid from Self Insurance Fund	2361									0	
243	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362									0	
244	Unemployment Insurance Payments	2363									0	
245	Insurance Payments (Regular or Self-Insurance)	2364									0	
246	Risk Management and Claims Services Payments	2365									0	
247	Judgment and Settlements	2366									0	
248	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	
249	Reciprocal Insurance Payments	2368									0	
250	Legal Services	2369									0	
251	Total Support Services - General Administration	2300		7,980							7,980	14,512
252	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
253	Office of the Principal Services	2410		55,828							55,828	56,080
254	Other Support Services - School Administration (Describe & Itemize)	2490									0	
255	Total Support Services - School Administration	2400		55,828							55,828	56,080
256	SUPPORT SERVICES - BUSINESS											
257	Direction of Business Support Services	2510		678							678	190
258	Fiscal Services	2520		19,929							19,929	20,370
259	Facilities Acquisition & Construction Services	2530									0	
260	Operation & Maintenance of Plant Services	2540		109,741							109,741	113,482
261	Pupil Transportation Services	2550		89,030							89,030	89,748
262	Food Services	2560		33,946							33,946	36,845
263	Internal Services	2570									0	
264	Total Support Services - Business	2500		253,324							253,324	260,635
265	SUPPORT SERVICES - CENTRAL											
266	Direction of Central Support Services	2610									0	
267	Planning, Research, Development, & Evaluation Services	2620									0	
268	Information Services	2630		26,191							26,191	28,285
269	Staff Services	2640									0	
270	Data Processing Services	2660									0	
271	Total Support Services - Central	2600		26,191							26,191	28,285
272	Other Support Services (Describe & Itemize)	2900		328							328	
273	Total Support Services	2000		384,498							384,498	403,649
274	COMMUNITY SERVICES (MR/SS)	3000		13							13	255
275	PAYMENTS TO OTHER DIST & GOVT UNITS (MR/SS)											
276	Payments for Special Education Programs	4120									0	
277	Payments for CTE Programs	4140									0	
278	Total Payments to Other Dist & Govt Units	4000		0							0	0
279	DEBT SERVICES (MR/SS)											
280	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
281	Tax Anticipation Warrants	5110									0	
282	Tax Anticipation Notes	5120									0	
283	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description	Func #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
284	State Aid Anticipation Certificates	5140									0	
285	Other (Describe & Itemize)	5150									0	
286	Total Debt Services - Interest	5000						0			0	0
287	PROVISION FOR CONTINGENCIES (MR/SS)	6000										
288	Total Disbursements/Expenditures			578,463				0			578,463	604,240
289	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										6,811	
290												
291	60 - CAPITAL PROJECTS (CP)											
292	SUPPORT SERVICES (CP)											
293	SUPPORT SERVICES - BUSINESS											
294	Facilities Acquisition and Construction Services	2530									0	
295	Other Support Services (Describe & Itemize)	2900									0	
296	Total Support Services	2000	0	0	0	0	0	0	0	0	0	0
297	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)											
298	PAYMENTS TO OTHER GOVT UNITS (In-State)											
299	Payments to Other Govt Units (In-State)	4100									0	
300	Payments for Special Education Programs	4120									0	
301	Payments for CTE Programs	4140									0	
302	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
303	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
304	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										
305	Total Disbursements/ Expenditures		0	0	0	0	0	0	0	0	0	0
306	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										1,962	
307												
308	70 - WORKING CASH (WC)											
309												
310	80 - TORT FUND (TF)											
311	SUPPORT SERVICES - GENERAL ADMINISTRATION											
312	Claims Paid from Self Insurance Fund	2361									0	
313	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362									0	
314	Unemployment Insurance Payments	2363			47,718						47,718	11,000
315	Insurance Payments (Regular or Self-Insurance)	2364									0	
316	Risk Management and Claims Services Payments	2365			168,272						168,272	201,000
317	Judgment and Settlements	2366									0	
318	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367			1,080						1,080	1,400
319	Reciprocal Insurance Payments	2368									0	
320	Legal Services	2369									0	
321	Property Insurance (Buildings & Grounds)	2371									0	
322	Vehicle Insurance (Transportation)	2372									0	
323	Total Support Services - General Administration	2000	0	0	217,070	0	0	0	0	0	217,070	213,400
324	DEBT SERVICES (TF)	5000										
325	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
326	Tax Anticipation Warrants	5110									0	
327	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
328	Other Interest or Short-Term Debt	5150									0	
329	Total Debt Services - Interest on Short-Term Debt	5000						0			0	0
330	PROVISIONS FOR CONTINGENCIES (TF)	6000										
331	Total Disbursements/Expenditures		0	0	217,070	0	0	0	0	0	217,070	213,400
332	Excess (Deficiency) of Receipts/Revenues Over										42	
333												
334	90 - FIRE PREVENTION & SAFETY FUND (FP&S)											
335	SUPPORT SERVICES (FP&S)											
336	SUPPORT SERVICES - BUSINESS											
337	Facilities Acquisition & Construction Services	2530					158,634				158,634	36,900
338	Operation & Maintenance of Plant Services	2540									0	
339	Total Support Services - Business	2500	0	0	0	0	158,634	0	0	0	158,634	36,900
340	Other Support Services (Describe & Itemize)	2900									0	
341	Total Support Services	2000	0	0	0	0	158,634	0	0	0	158,634	36,900
342	PAYMENTS TO OTHER DIST & GOVT UNITS (FP&S)											
343	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
344	Total Payments to Other Dist & Govt Units	4000						0			0	0
345	DEBT SERVICES (FP&S)											
346	DEBT SERVICES- INTEREST ON SHORT-TERM DEBT											
347	Tax Anticipation Warrants	5110									0	
348	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
349	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
350	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
351	Debt Service - Payments of Principal on Long-Term Debt ¹⁵ (Lease/Purchase Principal Retired)	5300									0	
352	Total Debt Service	5000						0			0	0
353	PROVISION FOR CONTINGENCIES (FP&S)	6000										
354	Total Disbursements/Expenditures		0	0	0	0	158,634	0	0	0	158,634	36,900
355	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(79,065)	

FEDERAL STIMULUS - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009
(Detailed Schedule of Receipts and Disbursements)

	A	B	C	D	E	F	G	H	I	J	K	L
1	<i>District's Accounting Basis is CASH</i>		-----RECEIPTS-----	-----DISBURSEMENTS-----								
2				(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)
3	ARRA Revenue Source Code	Acct #	ARRA Receipts	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other	Non-Capitalized Equipment	Termination Benefits	Total Expenditures
4	Beginning Balance July 1, 2013											
5	ARRA - General State Aid	4850	0									0
6	ARRA - Title I Low Income	4851	0									0
7	ARRA - Title I Neglected - Private	4852	0									0
8	ARRA - Title I Delinquent - Private	4853	0									0
9	ARRA - Title I School Improvement (Part A)	4854	0									0
10	ARRA - Title I School Improvement (Section 1003g)	4855	0									0
11	ARRA - IDEA Part B Preschool	4856	0									0
12	ARRA - IDEA Part B Flow Through	4857	0									0
13	ARRA - Title II D Technology Formula	4860	0									0
14	ARRA - Title II D Technology Competitive	4861	0									0
15	ARRA - McKenney - Vento Homeless Education	4862	0									0
16	ARRA - Child Nutrition Equipment Assistance	4863	0									0
17	Impact Aid Construction Formula	4864	0									0
18	Impact Aid Construction Competitive	4865	0									0
19	QZAB Tax Credits	4866	0									0
20	QSCB Tax Credits	4867	0									0
21	Build America Bonds Tax Credits	4868	0									0
22	Build America Bonds Interest Reimbursement	4869	0									0
23	ARRA - General State Aid - Other Govt Services Stabilization	4870	0									0
24	ARRA - Other II	4871	0									0
25	ARRA - Other III	4872	0									0
26	ARRA - Other IV	4873	0									0
27	ARRA - Other V	4874	0									0
28	ARRA - Early Childhood	4875	0									0
29	ARRA - Other VII	4876	0									0
30	ARRA - Other VIII	4877	0									0
31	ARRA - Other IX	4878	0									0
32	ARRA - Other X	4879	0									0
33	ARRA - Other XI	4880	0									0
34	Total ARRA Programs		0	0	0	0	0	0	0	0		0
35	Ending Balance June 30, 2014		0									

1. Were any funds from the State Fiscal Stabilization Fund Program (SFSF) General State-Aid Accounts 4850, line 5 & 4870, line 23 used for the following non-allowable purposes:

- Payments of maintenance costs;
- Stadiums or other facilities used for athletic contests, exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvements of stand-alone facilities whose purpose is not the education of children such as central office administrative buildings;
- Financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA Act;
- School modernization, renovation, or repair that is inconsistent with State Law.

2. If any above boxes are checked provide the total amount of questioned costs and provide an explanation below:

	A	B	C	D	E	F
1	SCHEDULE OF AD VALOREM TAX RECEIPTS					
2	Description	Taxes Received 7-1-13 Thru 6-30-14 (from 2012 Levy & Prior Levies) *	Taxes Received (from the 2013 Levy)	Taxes Received (from 2012 & Prior Levies)	Total Estimated Taxes (from the 2013 Levy)	Estimated Taxes Due (from the 2013 Levy)
3				(Column B - C)		(Column E - C)
4	Educational	4,383,205	0	4,383,205	4,449,507	4,449,507
5	Operations & Maintenance	788,344	0	788,344	800,271	800,271
6	Debt Services **	1,900,236	0	1,900,236	1,640,075	1,640,075
7	Transportation	315,338	0	315,338	320,108	320,108
8	Municipal Retirement	263,307	0	263,307	290,018	290,018
9	Capital Improvements	0	0	0		0
10	Working Cash	0	0	0	80,027	80,027
11	Tort Immunity	217,068	0	217,068	347,158	347,158
12	Fire Prevention & Safety	78,838	0	78,838	80,027	80,027
13	Leasing Levy	0	0	0	80,027	80,027
14	Special Education	63,071	0	63,071	64,022	64,022
15	Area Vocational Construction	0	0	0		0
16	Social Security/Medicare Only	285,025	0	285,025	310,025	310,025
17	Summer School	0	0	0		0
18	Other (Describe & Itemize)	0	0	0		0
19	Totals	8,294,432	0	8,294,432	8,461,265	8,461,265
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

	A	B	C	D	E	F	G	H	I	J
1	SCHEDULE OF SHORT-TERM DEBT									
2	Description	Outstanding Beginning 07/01/13	Issued 07/01/13 Through 06/30/14	Retired 07/01/13 Through 06/30/14	Outstanding Ending 06/30/14					
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)									
4	Total CPPRT Notes				0					
5	TAX ANTICIPATION WARRANTS (TAW)									
6	Educational Fund				0					
7	Operations & Maintenance Fund				0					
8	Debt Services - Construction				0					
9	Debt Services - Working Cash				0					
10	Debt Services - Refunding Bonds				0					
11	Transportation Fund				0					
12	Municipal Retirement/Social Security Fund				0					
13	Fire Prevention & Safety Fund				0					
14	Other - (Describe & Itemize)				0					
15	Total TAWs	0	0	0	0					
16	TAX ANTICIPATION NOTES (TAN)									
17	Educational Fund				0					
18	Operations & Maintenance Fund				0					
19	Fire Prevention & Safety Fund				0					
20	Other - (Describe & Itemize)				0					
21	Total TANs	0	0	0	0					
22	TEACHERS'/EMPLOYEES' ORDERS (T/EO)									
23	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)				0					
24	GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
25	Total GSAACs (All Funds)				0					
26	OTHER SHORT-TERM BORROWING									
27	Total Other Short-Term Borrowing (Describe & Itemize)				0					
28										
29	SCHEDULE OF LONG-TERM DEBT									
30	Identification or Name of Issue	Date of Issue (mm/dd/yy)	Amount of Original Issue	Type of Issue *	Outstanding 07/1/13	Issued 7/1/13 thru 6/30/14	Any differences described and itemized	Retired 7/1/13 thru 6/30/14	Outstanding 6/30/14	Amount to be Provided for Payment on Long-Term Debt
31	General Obligation School Bonds, Series 2008	10/27/08	2,150,000	1	430,000			430,000	0	
32	JP Morgan Capital Appreciation School Bonds *	06/15/00	9,650,000	7	8,937,908	611,677		1,455,000	8,094,585	7,999,688
33	General Obligation School Bonds, Series 202	08/27/02	2,060,000	2	1,210,854			61,998	1,148,856	1,148,856
34									0	
35	Notes Payable	08/31/10	209,456	8	109,567			53,417	56,150	56,150
36	Notes Payable	11/05/10	60,597	8	20,948			20,948	0	
37									0	
38									0	
39									0	
40									0	
41									0	
42	* Restated to include accreted interest on capital appreciation bond								0	
43									0	
44									0	
45									0	
46									0	
47									0	
48									0	
49			14,130,053		10,709,277	611,677	0	2,021,363	9,299,591	9,204,694
50										
51	* Each type of debt issued must be identified separately with the amount:									
52	1. Working Cash Fund Bonds		4. Fire Prevent, Safety, Environmental and Energy Bonds		7. Other	Capital Appreciation School Bonds				
53	2. Funding Bonds		5. Tort Judgment Bonds		8. Other	Notes payable - various equipment				
54	3. Refunding Bonds		6. Building Bonds		9. Other					

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

	A	B	C	D	E	F	G	H	I	J	K	
1	SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES											
2	Description				Account No	Tort Immunity ^a	Special Education	Area Vocational Construction	School Facility Occupation Taxes ^b	Driver Education		
3	Cash Basis Fund Balance as of July 1, 2013											
4	RECEIPTS:											
5	Ad Valorem Taxes Received by District				10, 20, 40 or 50-1100		63,071					
6	Earnings on Investments				10, 20, 40, 50 or 60-1500		8					
7	Drivers' Education Fees				10-1970					8,151		
8	School Facility Occupation Tax Proceeds				30 or 60-1983							
9	Driver Education				10 or 20-3370					18,370		
10	Other Receipts (Describe & Itemize on tab "Itemization 32")				--							
11	Sale of Bonds				10, 20, 40 or 60-7200							
12	Total Receipts					0	63,079	0	0	26,521		
13	DISBURSEMENTS:											
14	Instruction				10 or 50-1000		63,079			26,521		
15	Facilities Acquisition & Construction Services				20 or 60-2530							
16	Tort Immunity Services				10, 20, 40-2360-2370							
17	DEBT SERVICE											
18	Debt Services - Interest on Long-Term Debt				30-5200							
19	Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)				30-5300							
20	Debt Services Other (Describe & Itemize on tab "Itemization 32")				30-5400							
21	Total Debt Services								0			
22	Other Disbursements (Describe & Itemize on tab "Itemization 32")				--							
23	Total Disbursements					0	63,079	0	0	26,521		
24	Ending Cash Basis Fund Balance as of June 30, 2014					0	0	0	0	0		
25	Reserved Fund Balance				714							
26	Unreserved Fund Balance				730	0	0	0	0	0		
27												
28	SCHEDULE OF TORT IMMUNITY EXPENDITURES ^a											
30	Yes <input type="checkbox"/> No <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?											
31	If yes, list in the aggregate the following:											
32	Total Claims Payments:											
32	Total Reserve Remaining:											
33	Using the following categories, list all other Tort Immunity expenditures not											
34	included in line 30 above. Include the total dollar amount for each category.											
35	Expenditures:											
36	Workers' Compensation Act and/or Workers' Occupational Disease Act											
37	Unemployment Insurance Act											
38	Insurance (Regular or Self-Insurance)											
39	Risk Management and Claims Service											
40	Judgments/Settlements											
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction											
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)											
43	Legal Services											
44	Principal and Interest on Tort Bonds											
46	^a Schedules for Tort Immunity are to be completed only if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund other than Tort Immunity Fund (80).											
47												
48	^b 55 ILCS 5/5-1006.7											

	A	B	C	D	E	F	G	H	I	J	K	L	
1													
2													
3	Schedule of Capital Outlay and Depreciation												
4	Description of Assets	Acct #	Cost 7-1-13	Add: Additions 2013-14	Less: Deletions 2013-14	Cost 6-30-14	Life In Years	Accumulated Depreciation 7-1-13	Add: Depreciation Allowable 2013-14	Less: Depreciation Deletions 2013-14	Accumulated Depreciation 6-30-14	Balance Undepreciated 6-30-14	
5	Works of Art & Historical Treasures	210				0					0	0	
6	Land	220											
7	Non-Depreciable Land	221	2,569,982			2,569,982						2,569,982	
8	Depreciable Land	222				0	50				0	0	
9	Buildings	230											
10	Permanent Buildings	231	24,283,018	182,953		24,465,971	50	9,039,561	451,502		9,491,063	14,974,908	
11	Temporary Buildings	232				0	25				0	0	
12	Improvements Other than Buildings (Infrastructure)	240	1,165,088		49,839	1,115,249	20	624,933	55,690	49,839	630,784	484,465	
13	Capitalized Equipment	250											
14	10 Yr Schedule	251	2,768,659	80,570	181,415	2,667,814	10	1,345,563	261,348	181,415	1,425,496	1,242,318	
15	5 Yr Schedule	252	1,657,367	410,304	798,763	1,268,908	5	1,530,554	52,523	388,458	1,194,619	74,289	
16	3 Yr Schedule	253				0	3				0	0	
17	Construction in Progress	260				0	--					0	
18	Total Capital Assets	200	32,444,114	673,827	1,030,017	32,087,924		12,540,611	821,063	619,712	12,741,962	19,345,962	
19	Non-Capitalized Equipment	700				0	10		0				
20	Allowable Depreciation								821,063				

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2013-14)					
2	<i>This schedule is completed for school districts only.</i>					
3						
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount
5						
6	OPERATING EXPENSE PER PUPIL					
7	EXPENDITURES:					
8	ED	Expenditures 15-22, L113	Total Expenditures		\$	12,265,805
9	O&M	Expenditures 15-22, L149	Total Expenditures			1,520,687
10	DS	Expenditures 15-22, L167	Total Expenditures			2,035,161
11	TR	Expenditures 15-22, L203	Total Expenditures			971,962
12	MR/SS	Expenditures 15-22, L287	Total Expenditures			578,463
13	TORT	Expenditures 15-22, L330	Total Expenditures			217,070
14			Total Expenditures		\$	17,589,148
15						
16	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:					
17						
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			0
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M	Revenues 9-14, L148, Col D	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L229, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L6, Col K - (G+I)	1125 Pre-K Programs			0
35	ED	Expenditures 15-22, L8, Col K - (G+I)	1225 Special Education Programs Pre-K			0
36	ED	Expenditures 15-22, L10, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L11, Col K - (G+I)	1300 Adult/Continuing Education Programs			0
38	ED	Expenditures 15-22, L14, Col K - (G+I)	1600 Summer School Programs			17,548
39	ED	Expenditures 15-22, L19, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L20, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L21, Col K	1912 Special Education Programs K-12 - Private Tuition			0
42	ED	Expenditures 15-22, L22, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L23, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L24, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L25, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L26, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L27, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L28, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L29, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L30, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L31, Col K	1922 Truants Alternative/Optional Ed Progms - Private Tuition			0
52	ED	Expenditures 15-22, L74, Col K - (G+I)	3000 Community Services			7,315
53	ED	Expenditures 15-22, L101, Col K	4000 Total Payments to Other District & Govt Units			522,957
54	ED	Expenditures 15-22, L113, Col G	- Capital Outlay			80,570
55	ED	Expenditures 15-22, L113, Col I	- Non-Capitalized Equipment			0
56	O&M	Expenditures 15-22, L129, Col K - (G+I)	3000 Community Services			0
57	O&M	Expenditures 15-22, L137, Col K	4000 Total Payments to Other Dist & Govt Units			0
58	O&M	Expenditures 15-22, L149, Col G	- Capital Outlay			24,319
59	O&M	Expenditures 15-22, L149, Col I	- Non-Capitalized Equipment			0
60	DS	Expenditures 15-22, L153, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L163, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			1,066,795
62	TR	Expenditures 15-22, L178, Col K - (G+I)	3000 Community Services			0
63	TR	Expenditures 15-22, L189, Col K	4000 Total Payments to Other Dist & Govt Units			6,181
64	TR	Expenditures 15-22, L199, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			53,417
65	TR	Expenditures 15-22, L203, Col G	- Capital Outlay			0
66	TR	Expenditures 15-22, L203, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L209, Col K	1125 Pre-K Programs			0
68	MR/SS	Expenditures 15-22, L211, Col K	1225 Special Education Programs - Pre-K			0
69	MR/SS	Expenditures 15-22, L213, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L214, Col K	1300 Adult/Continuing Education Programs			0
71	MR/SS	Expenditures 15-22, L217, Col K	1600 Summer School Programs			219
72	MR/SS	Expenditures 15-22, L273, Col K	3000 Community Services			13
73	MR/SS	Expenditures 15-22, L277, Col K	4000 Total Payments to Other Dist & Govt Units			0
74						
75			Total Deductions		\$	1,779,334
76			Total Operating Expenses (Regular K-12)			15,809,814
77			9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12)			1,681.30
78			Estimated OEPP *		\$	9,403.33
79						

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2013-14)					
2	<i>This schedule is completed for school districts only.</i>					
3						
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount
5						
80	PER CAPITA TUITION CHARGE					
81						
82	LESS OFFSETTING RECEIPTS/REVENUES:					
83	TR	Revenues 9-14, L42, Col F	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	0
84	TR	Revenues 9-14, L44, Col F	1413	Regular - Transp Fees from Other Sources (In State)		0
85	TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)		620
86	TR	Revenues 9-14, L46, Col F	1416	Regular Transp Fees from Other Sources (Out of State)		0
87	TR	Revenues 9-14, L51, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)		0
88	TR	Revenues 9-14, L53, Col F	1433	CTE - Transp Fees from Other Sources (In State)		0
89	TR	Revenues 9-14, L54, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)		0
90	TR	Revenues 9-14, L55, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)		0
91	TR	Revenues 9-14, L57, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)		0
92	TR	Revenues 9-14, L58, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)		0
93	ED	Revenues 9-14, L75, Col C	1600	Total Food Service		413,566
94	ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income		245,671
95	ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks		0
96	ED	Revenues 9-14, L87, Col C	1819	Rentals - Other (Describe & Itemize)		0
97	ED	Revenues 9-14, L88, Col C	1821	Sales - Regular Textbooks		0
98	ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)		0
99	ED	Revenues 9-14, L92, Col C	1890	Other (Describe & Itemize)		0
100	ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals		58,954
101	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940	Services Provided Other Districts		0
102	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991	Payment from Other Districts		0
103	ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)		0
104	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3100	Total Special Education		624,087
105	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3200	Total Career and Technical Education		23,700
106	ED-MR/SS	Revenues 9-14, L144, Col C,G	3300	Total Bilingual Ed		19,961
107	ED	Revenues 9-14, L145, Col C	3360	State Free Lunch & Breakfast		3,746
108	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3365	School Breakfast Initiative		0
109	ED-O&M	Revenues 9-14, L147, Col C,D	3370	Driver Education		18,370
110	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3500	Total Transportation		870,136
111	ED	Revenues 9-14, L155, Col C	3610	Learning Improvement - Change Grants		0
112	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3660	Scientific Literacy		0
113	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3695	Truant Alternative/Optional Education		0
114	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3715	Reading Improvement Block Grant		0
115	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3720	Reading Improvement Block Grant - Reading Recovery		0
116	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3725	Continued Reading Improvement Block Grant		0
117	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3726	Continued Reading Improvement Block Grant (2% Set Aside)		0
118	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3766	Chicago General Education Block Grant		0
119	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3767	Chicago Educational Services Block Grant		0
120	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L165, Col C,D,E,F,G	3775	School Safety & Educational Improvement Block Grant		0
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3780	Technology - Learning Technology Centers		0
122	ED-TR	Revenues 9-14, L167, Col C,F	3815	State Charter Schools		0
123	O&M	Revenues 9-14, L170, Col D	3925	School Infrastructure - Maintenance Projects		23,773
124	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999	Other Restricted Revenue from State Sources		3,858
125	ED	Revenues 9-14, L180, Col C	4045	Head Start (Subtract)		0
126	ED-O&M-TR-MR/SS	Revenues 9-14, L184, Col C,D,F,G	-	Total Restricted Grants-In-Aid Received Directly from Federal Govt		137,574
127	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	-	Total Title V		0
128	ED-MR/SS	Revenues 9-14, L201, Col C,G	-	Total Food Service		246,701
129	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	-	Total Title I		123,533
130	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	-	Total Title IV		0
131	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence		83,637
132	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board		0
133	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary		0
134	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)		0
135	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700	Total CTE - Perkins		0
160	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments within range of C231 thru J258	4800	Total ARRA Program Adjustments		0
161	ED	Revenues 9-14, L260, Col C	4901	Race to the Top		0
162	ED,O&M,MR/SS	Revenues 9-14, L261, Col C,D,G	4904	Advanced Placement Fee/International Baccalaureate		0
163	ED-TR-MR/SS	Revenues 9-14, L262, Col C,F,G	4905	Emergency Immigrant Assistance		0
164	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4909	Title III - English Language Acquisition		13,364
165	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4910	Learn & Serve America		0
166	ED-O&M-TR-MR/SS	Revenues 9-14, L265, Col C,D,F,G	4920	McKinney Education for Homeless Children		391
167	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula		0
168	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4932	Title II - Teacher Quality		44,300
169	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4960	Federal Charter Schools		0
170	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach		357
171	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program		15,431
172	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4998	Other Restricted Revenue from Federal Sources (Describe & Itemize)		0
173						
174				Total Allowance for PCTC Computation	\$	2,971,730
175				Net Operating Expense for PCTC Computation		12,838,084
176				Total Depreciation Allowance (from page 27, Col I)		821,063
177				Total Allowance for PCTC Computation		13,659,147
178				9 Mo ADA		1,681.30
179				Total Estimated PCTC *	\$	8,124.16
180						
181						
182	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE					

ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	ESTIMATED INDIRECT COST RATE DATA							
2	SECTION I							
3	Financial Data To Assist Indirect Cost Rate Determination							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	ALL OBJECTS EXCLUDE CAPITAL OUTLAY. With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.							
6	Support Services - Direct Costs (1-2000) and (5-2000)							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L62)</i>							
11	Value of Commodities Received for Fiscal Year 2014 <i>(Include the value of commodities when determining if an A-133 is required).</i>							
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	SECTION II							
16	Estimated Indirect Cost Rate for Federal Programs							
17				Restricted Program		Unrestricted Program		
18		Function	Indirect Costs	Direct Costs	Indirect Costs	Direct Costs		
19	Instruction	1000		8,598,573		8,598,573		
20	Support Services:							
21	Pupil	2100		511,342		511,342		
22	Instructional Staff	2200		311,881		311,881		
23	General Admin.	2300		526,074		526,074		
24	School Admin	2400		1,117,271		1,117,271		
25	Business:							
26	Direction of Business Spt. Srv.	2510	48,217	0	48,217	0		
27	Fiscal Services	2520	169,155	0	169,155	0		
28	Oper. & Maint. Plant Services	2540		1,621,341	1,621,341	0		
29	Pupil Transportation	2550		1,006,889		1,006,889		
30	Food Services	2560		275,447		275,447		
31	Internal Services	2570	4,226	0	4,226	0		
32	Central:							
33	Direction of Central Spt. Srv.	2610		0		0		
34	Plan, Rsrch, Dvlp, Eval. Srv.	2620		0		0		
35	Information Services	2630		328,873		328,873		
36	Staff Services	2640	34,707	0	34,707	0		
37	Data Processing Services	2660	0	0	0	0		
38	Other:	2900		53,495		53,495		
39	Community Services	3000		7,328		7,328		
40	Total		256,305	14,358,514	1,877,646	12,737,173		
41				Restricted Rate		Unrestricted Rate		
42				Total Indirect Costs:	256,305	Total Indirect costs:	1,877,646	
43				Total Direct Costs:	14,358,514	Total Direct Costs:	12,737,173	
44				=	1.79%	=	14.74%	
45								

1	REPORT ON SHARED SERVICES OR OUTSOURCING
2	School Code, Section 17-1.1 (Public Act 97-0357)
3	Fiscal Year Ending June 30, 2014
4	
5	Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years. For additional information, please see the following website: http://www.isbe.net/sfms/afr/afr.htm .
6	MERIDIAN COMMUNITY UNIT
7	47-071-2230-26

8	<input type="checkbox"/> <i>Check if the schedule is not applicable.</i>	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
9	Indicate with an (X) If Deficit Reduction Plan Is Required for Annual Budget				
10	Service or Function (Check all that apply)			Barriers to Implementation	(Limit text to 200 characters, for additional space use line 33 and 38)
11	Curriculum Planning				
12	Custodial Services				
13	Educational Shared Programs	X	X	X	Byron / Rock Valley College
14	Employee Benefits				
15	Energy Purchasing	X	X	X	IEC
16	Food Services		X	X	Northern Illinois Food Coop
17	Grant Writing				
18	Grounds Maintenance Services				
19	Insurance				
20	Investment Pools				
21	Legal Services	X	X	X	CLIC
22	Maintenance Services				
23	Personnel Recruitment				
24	Professional Development				
25	Shared Personnel	X	X	X	Ogle County Educational Cooperative
26	Special Education Cooperatives	X	X	X	Ogle County Educational Cooperative
27	STEM (science, technology, engineering and math) Program Offerings				
28	Supply & Equipment Purchasing	X	X	X	ROE #47
29	Technology Services			X	Oregon CUSD #200
30	Transportation				
31	Vocational Education Cooperatives	X	X	X	CEANCI
32	All Other Joint/Cooperative Agreements	X	X	X	Julia Hull Library Inter-Gov't Agreement
33	Other				
34					

35 Additional space for Column (D) - Barriers to Implementation:

36

37

38

40 Additional space for Column (E) - Name of LEA :

41

42

43

44

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

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

School District Name: MERIDIAN COMMUNITY UNIT SCHOOL
 RCDT Number: 47-071-2230-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2014			Budgeted Expenditures, Fiscal Year 2015		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	112,374		112,374	295,620		295,620
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	47,539	0	47,539			0
5. Internal Services	2570	4,226		4,226			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		164,139	0	164,139	295,620	0	295,620
9. Percent Increase (Decrease) for FY2015 (Budgeted) over FY2014 (Actual)							80%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2014" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2014. I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2015" agree with the amounts on the budget adopted by the Board of Education.

 (Date)

 Signature of Superintendent

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

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 15, 2014 to ensure inclusion in the Fall 2014 report, postmarked by January 16, 2015 to ensure inclusion in the Spring 2014 report, or postmarked by August 14, 2015 to ensure inclusion in the Fall 2015 report. Information on the waiver process can be found at www.isbe.net/isbewaivers/default.htm.
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

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

<u>Account</u>	<u>Page</u>	<u>Fund</u>	<u>Line</u>	<u>Description</u>	<u>Amount</u>
1690	10	ED	74	Other Food Service Revenue	\$ 1,751
1999	11	ED	107	Julia Hull Library	\$ 46,497
				Miscellaneous	\$ 7,764
					<u>\$ 54,261</u>
1999	11	O & M	107	Miscellaneous	\$ 374
				Julia Hull Library	\$ 10,700
				US Treasury Ogden Restitution	\$ 1,277
					<u>\$ 12,351</u>
1999	11	TRANS	107	Miscellaneous	\$ 1,530
				Pre-K Transportation	\$ 10,000
					<u>\$ 11,530</u>
1999	11	IMRF	107	Julia Hull Library	\$ 612
3999	12	ED	171	Regional Safe Schools	\$ 3,858
4090	12	ED	183	PEP Grant	\$ 137,574
2900	16	ED	73	Insurance Adjustment	\$ 53,167
4190	16	ED	82	Rockford Board of Education	\$ 1,542
				Alexian Brothers	\$ (560)
				Lee/Ogle ROE	\$ 2,500
					<u>\$ 3,482</u>
2900	20	IMRF	272	IMRF	\$ 208
				FICA	\$ 97
				Medicare	\$ 23
					<u>\$ 328</u>

Audit Check: Error message #8 is the result of the sum of \$901,096 of accretion in zero coupon bonds reported in the debt service fund as interest expense and the payments of principal on notes payables of \$53,472 which are paid out of general operations.

In addition, \$611,677 of accretion is being capitalized and is shown as issued on Schedule of Long-Term Debt.

Reference Pages.

- ¹ Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- ² GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- ³ Equals Line 8 minus Line 17
- ⁴ May require notification to the county clerk to abate an equal amount from taxes next extended. Refer to Section 17-2.11 for the applicable provisions and other "limited" transfer authority to O&M through June 30, 2013
- ⁵ Requires notification to the county clerk to abate an equal amount from taxes next extended. See Section 10-22.14
- ⁶ Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 5-22 and 10-22.8 of the School Code.
- ⁷ Include revenue accounts 1110 through 1115, 1117, 1118 & 1120. Include taxes for bonds sold that are in addition to those identified separately.
- ⁸ Educational Fund (10) - Computer Technology only.
- ⁹ Corporate personal property replacement tax revenue must be first applied to the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only purposes.
- ¹⁰ Include only tuition payments made to private facilities. See Function 4200 or 4400 for public facility disbursements/expenditures.
- ¹¹ Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds(Describe & Itemize).
- ¹² Only abolishment of Working Cash Fund must transfer its funds directly to the Educational Fund upon adoption of a resolution and at the close of the current school Year (see 105 ILCS 5/20-8 for further explanation)
Only abatement of working cash fund can transfer its funds to any fund in most need of money (see 105 ILCS 5/20-10 for further explanation)

Instructions to insert word doc or pdf files:

Choose: **Insert** - Select: **Object** - Select **Create New** tab -
Select file type **Adobe Acrobat or Microsoft Word Document** - Select **Create from File** tab - Select **Browse** -
Select **file that you want to embed** - Check **Display as icon** - Select **OK**.

If you have trouble inserting pdf files it is because you do not have the Adobe program.



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Independent Auditor's Report on Annual Financial Report

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Meridian Community Unit School District No. 223, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents of this Annual Financial Report form.

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 of 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 of 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.

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Freeport, Illinois 61032
(815) 235-3157
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Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

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

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

As described more fully in Note 1, the financial statements are prepared by Meridian Community Unit School District No. 223 on the cash basis of financial reporting as prescribed or permitted 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 comply with the requirements of the Illinois State Board of Education. 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 in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Meridian Community Unit School District No. 223, as of June 30, 2014, or the changes in its financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of Meridian Community Unit School District No. 223 as of June 30, 2014, and their respective revenue received and expenditures disbursed, for the year then ended, on the basis of the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Other Matters

Supplemental Schedules and Other Information

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of Meridian Community Unit School District No. 223. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The 2013 comparative information in the Schedule of Expenditures of Federal Awards was subjected to the auditing procedures applied by us, and our report dated November 13, 2013 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2013 financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information provided on pages 2 through 4, supplementary schedules on pages 23 through 26, statistical section on pages 27 through 29 and the itemization schedule on page 33, Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund, and Schedules for Trust and Agency Funds are presented for purposes of additional analysis and is not a required part of the financial statements of Meridian Community Unit School District No. 223. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29 and the Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund, is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The information on pages 28-30 is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The Report on Shared Services or Outsourcing on page 31 contains unaudited information concerning prior, current and future year expenditures which was provided by the District. The Administrative Cost Worksheet on page 32 contains unaudited information concerning the current year budget which was provided by the District. The actual expenditure information on page 32 is fairly stated in all material respects in relation to the financial statements taken as a whole.

The average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, and the Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, on our consideration of Meridian Community Unit School District No. 223's internal control over financial reporting and our tests of its compliance with certain provision 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 Meridian Community Unit School District No. 223's internal control over compliance.

A handwritten signature in black ink that reads "Benning Group, LLC". The signature is written in a cursive, flowing style.

Freeport, Illinois
December 10, 2014



BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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*

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

We have audited, 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, the financial statements of Meridian Community Unit School District No. 223 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Meridian Community Unit School District No. 223's financial statements, and have issued our report thereon dated December 10, 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, 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 Meridian Community Unit School District No. 223'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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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 District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness as identified in Finding 2014-003.

A *significant deficiency* is a deficiency, or a 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency as identified in Finding 2014-001.

We also noted certain other matters involving the internal control over financial reporting that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 10, 2014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meridian Community Unit School District No. 223'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 that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 10, 2014.

District's Response to Findings

Meridian Community Unit School District No. 223's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District's internal control and compliance. Accordingly, this communication is not suited or any other purpose.

A handwritten signature in black ink that reads "Benning Group, LLC". The signature is written in a cursive, flowing style.

Freeport, Illinois
December 10, 2014



BENNING GROUP, LLC

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

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Meridian Community Unit School District No. 223'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 Meridian Community Unit School District No. 223's major federal programs for the year ended June 30, 2014. Meridian Community Unit School District No. 223'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 major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Meridian Community Unit School District No. 223'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 Meridian Community Unit School District No. 223's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Meridian Community Unit School District No. 223's compliance.

Basis for Qualified Opinion on Title I – Low Income

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Meridian Community Unit School District No. 223 with Title I – Low Income as described in finding number 2014-007 for Allowable Costs/Cost Principles, consequently we were unable to determine whether Meridian Community Unit School District No. 223 complied with those requirements applicable to that program.

Qualified Opinion on Title I – Low Income

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, Meridian Community Unit School District No. 223 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I – Low Income for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Meridian Community Unit School District No. 223 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as findings 2014-004 & 2014-005. Our opinion on each major federal program is not modified with respect to these matters.

Meridian Community Unit School District No. 223's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Meridian Community Unit School District No. 223 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 Meridian Community Unit School District No. 223'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 the Meridian Community Unit School District No. 223's internal control over compliance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 2014-009 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a 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. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of finding and questioned costs as findings 2014-006, 2014-007, and 2014-008 to be significant deficiencies

Meridian Community Unit School District No. 223's response(s) to the finding(s) identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Meridian Community Unit School District No. 223's response(s) and, accordingly, we express no opinion on the response(s).

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

Benning Group, LLC

Freeport, Illinois
December 10, 2014

Notes to Financial Statements

June 30, 2014

(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.

(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.

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

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

(b) Basis of Presentation – Fund Accounting

These financial statements comply with the regulatory basis of reporting as prescribed by the Illinois State Board of Education.

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 paid. The District maintains individual funds required by the State of Illinois. These funds are presented on the regulatory basis

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (Continued)

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.

Educational Fund – This 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.

Operations and Maintenance Fund – This fund is also a general operating fund used to account for costs of maintaining school buildings.

Debt Service Fund – This fund is a debt retirement fund. Resources of this fund are used to retire principal and interest maturities of outstanding bond obligations and other long-term debt instruments.

Transportation Fund – This fund is a special revenue fund used to account for the costs of transporting pupils to and from school and school activities.

Municipal Retirement/Social Security Fund – This fund is a special revenue fund used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare-only is also paid from this fund.

Working Cash Fund – The resources of this fund are held by the District to be used for temporary interfund loans to any fund of the District for which taxes are levied.

Capital Projects Fund – Proceeds of construction bond issues, the capital improvement tax levy, and if applicable, school facility occupation tax proceeds are accounted for in this fund.

Tort Fund – This fund is a special revenue fund used to account for tort immunity or tort judgment purposes.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (Continued)

Fire Prevention and Safety Fund – Proceeds of fire prevention and safety bond issues and tax levy are accounted for in this fund.

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.

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

Governmental Funds – Measurement Focus

The financial statements of all governmental 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 Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (Continued)

(c) Basis of Accounting

Basis of accounting refers to when revenue received and expenditures paid are recognized in the accounts and how they are reported on 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, revenue is 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 cash is received or 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 bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

(d) Budgets and Budgetary Accounting

The budget for all Governmental Fund Types 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 105 ILCS 5/17-1. The budget was passed on September 26, 2013. The budget lapses at the end of each fiscal year.

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

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held as to such budget prior to final action.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (Continued)

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 by the same procedures required of its original adoption.

(e) Cash

The District considers cash on hand, cash on deposit with banks and other institutions, certificates of deposit, money market accounts, and repurchase agreements to be cash for financial statement purposes.

(f) Investments

All investments are reported at fair value. The District has adopted a formal written investment policy. The institutions in which investments are made must be approved by the Board of Education.

(g) Commingled Accounts

The District uses common bank accounts to hold the monies of more than one fund. Interest earned on these common accounts is credited to each participating fund based on its approximate share of the account prior to the payment of interest.

(h) General Fixed Assets

General fixed assets with expected useful lives that exceed one year and cost more than \$500, are recorded as expenditures paid in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

Depreciation is computed using the straight line method over estimated lives ranging from three to fifty years. Estimated lives are determined based on the policies prescribed by the Illinois State Board of Education.

Notes to Financial Statements

(2) Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on December 19, 2013. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during July, August, September, October, and November. Taxes recorded in these financial statements are from the 2012, and prior tax levies.

The following are the tax rate limits permitted by the *Illinois Compiled Statutes* and by local referendum and the actual rates levied per \$100 of assessed valuation:

	- 2013 Levy Year -		- 2012 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	2.7800	2.7800	2.7800	2.7800
Special education	0.0400	0.0400	0.0400	0.0400
Oper. & maint.	0.5000	0.5000	0.5000	0.5000
Debt Service	As needed	1.0247	As needed	1.2052
Transportation	0.2000	0.2000	0.2000	0.2000
Municipal retirement	As needed	0.1812	As needed	0.1670
Social security	As needed	0.1937	As needed	0.1808
Working cash	0.0500	0.0500	0.0500	0.0000
Tort immunity	As needed	0.2169	As needed	0.1377
Facilities leasing	0.0500	0.0500	0.0500	0.0000
Fire prevention and safety	0.0500	0.0500	0.0500	0.0500
		<u>5.2865</u>		<u>5.2607</u>

(3) Cash Deposits and Investments

The District is allowed to invest in securities as authorized by the Illinois Public Funds Investment Act - 30 ILCS 235/2 and 6; and the Illinois School Code - 105 ILCS 5/8-7.

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions	
Cash	\$ 3,032,312
Investments	<u>2,304,669</u>
Total cash and investments	<u>\$ 5,336,981</u>

Notes to Financial Statements

(3) Cash Deposits and Investments (Continued)

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ -
Deposits with financial institutions	
District	2,762,341
Agency	269,971
Investments	
District	2,304,669
Agency	-
Total cash and investments	<u>\$ 5,336,981</u>

Deposits – custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the District’s deposits may not be returned to it. The District’s policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for district investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor’s, Moody’s, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements.

Safekeeping and custody arrangements

The preferred method of safekeeping is to have pledged securities registered in the District’s name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3 Deposits with Financial Institution, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category I, the highest recognized safekeeping procedures.

As of June 30, 2014, \$3,410,835 of the District’s bank balance of \$3,956,321, were exposed to custodial credit risk as follows:

Uninsured and collateralized by securities held by the pledging financial institution	<u>\$ 3,410,835</u>
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Notes to Financial Statements

(3) Cash Deposits and Investments (Continued)

Investments

As of June 30, 2014, the District had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Illinois Funds Money Market Fund	\$ 295,486
Illinois School District	
Liquid Asset Fund Plus (ISDLAF+)	\$ 2,009,183

The Illinois Funds Money Market Fund (formerly known as IPTIP) is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the Public Treasurer and other custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return of fully collateralized investments, while maintaining immediate access to invested funds. The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. Investments in Illinois Funds Money Market Fund are valued at the funds share price which is equivalent to fair market value. The Illinois School District Liquid Asset Fund Plus (ISDLAF+ or the “Fund”) is an intergovernmental investment program for school districts and community colleges in Illinois. Co-sponsored by Illinois ASBO, IASA and IASB, the program offers numerous opportunities to school districts for the investment and management of funds. The fund invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high rated short-term obligations of the U.S. Treasury and major United States corporations and banks. The fair value of the District’s position in the pool is the same as the value of the pool shares.

Interest rate risk

In accordance with its investment policy, the District limits its exposure to interest rate risk, by structuring its portfolio to provide sufficient liquidity to pay District obligations as they come due.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The District’s investment policy seeks to minimize credit risk by requiring investment in securities allowed under the investment policy. The Illinois Funds and the Illinois School District Liquid Asset Plus – Max Class are rated AAAM by Standard & Poor’s at June 30, 2014.

Notes to Financial Statements

(3) Cash Deposits and Investments (Continued)

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through the use of mutual funds or governmental investment pools such as Illinois Funds and ISDLAF+.

Concentration of credit risk

No investment in any one issuer, other than U.S. Treasury securities, mutual funds, Illinois Funds, and ISDLAF+, represent 5% or more of the District's total investments.

(4) Changes in General Fixed Assets & Depreciation

Under the regulatory basis of accounting, assets and depreciation are not recorded and therefore the financial statements do not reflect the amounts below.

	<u>Assets at Cost</u>			Balance <u>6/30/14</u>	Life in <u>Years</u>
	Balance <u>7/1/13</u>	<u>Additions</u>	<u>Deletions</u>		
Land	\$ 2,569,982	\$ -	\$ -	\$ 2,569,982	0
Buildings and improvements	24,283,018	182,953	-	24,465,971	50
Land improvements	1,165,088	-	49,839	1,115,249	20
Other equipment	2,705,063	61,892	181,415	2,585,540	10
Transportation equipment	1,657,367	410,304	798,763	1,268,908	20
Food service equipment	63,596	18,678	-	82,274	10
Total general fixed assets	<u>\$ 32,444,114</u>	<u>\$ 673,827</u>	<u>\$ 1,030,017</u>	<u>\$ 32,087,924</u>	

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(4) Changes in General Fixed Assets & Depreciation (Continued)

Accumulated Depreciation

	Balance <u>7/1/13</u>	Depreciation <u>for Year</u>	<u>Deletions</u>	Balance <u>6/30/14</u>	Undepreciated Cost <u>6/30/14</u>
Land					\$ 2,569,982
Buildings and improvements	\$ 9,039,561	\$ 451,502	\$ -	\$ 9,491,063	14,974,908
Land improvements	624,933	55,690	49,839	630,784	484,465
Other equipment	1,338,282	254,558	181,415	1,411,425	1,174,115
Transportation equipment	1,530,554	52,523	388,458	1,194,619	74,289
Food service equipment	<u>7,281</u>	<u>6,790</u>	<u>-</u>	<u>14,071</u>	<u>68,203</u>
Total general fixed assets	<u>\$ 12,540,611</u>	<u>\$ 821,063</u>	<u>\$ 619,712</u>	<u>\$ 12,741,962</u>	<u>\$ 19,345,962</u>

(5) Retirement Fund Commitments

(a) Teachers' Retirement System of the State of Illinois

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014 was 9.4 percent of creditable earnings. The same contribution rate applies to members

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

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 June 30, 2012.

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

- **On behalf contributions to TRS.**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 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 \$2,587,111 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent \$(2,311,714) and 24.91 percent \$(2,085,981), respectively.

The District makes other types of employer contributions directly to TRS:

- **2.2 formula contributions.**

Employers contributed 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 \$43,046. Contributions for the years ended June 30, 2013 and June 30, 2012 were \$48,343 and \$49,112, respectively.

- **Federal and special trust fund contributions.**

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

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

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 June 30, 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$115,503 were paid from federal and special trust funds that required employer contributions of \$40,900. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$26,251 and \$23,302, 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 \$119,235 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 \$2,447 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 \$0 and \$0, 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 a service credit, the highest salary rate reported by the granting employer 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).

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

For the year ended June 30, 2014, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 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 Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

(b) Teacher Health Insurance Security (THIS) Fund

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. 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 the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

- **On behalf contributions to the 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 the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$71,990, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of employees were \$76,682 and \$74,515, respectively.

- **Employer contributions to the THIS Fund.**

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$53,436 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$57,511 and \$55,886, 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 current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

(c) Illinois Municipal Retirement Fund Pension Plan

Plan Description. The employer’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 employer 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 issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 13.18 percent. The employer 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 for calendar year 2013 was \$289,309.

Three-Year Trend Information for the Regular Plan

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/2013	\$ 289,309	100%	\$ -
12/31/2012	301,586	100%	-
12/31/2011	301,328	100%	-

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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of your employer 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 employer 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.

Notes to Financial Statements

(5) Retirement Fund Commitments (Continued)

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 82.43 percent funded. The actuarial accrued liability for benefits was \$4,802,930 and the actuarial value of assets was \$3,959,185, resulting in an underfunded actuarial accrued liability (UAAL) of \$843,745. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,195,062 and the ratio of the UAAL to the covered payroll was 38 percent.

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

(d) Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$146,042, the total required contribution for the current fiscal year.

(e) Medicare

All employees, except certificated personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the medicare health insurance program. The District paid \$144,341, the total required contribution for the current fiscal year.

(6) 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.

Notes to Financial Statements

(6) Fund Balance Reporting (Continued)

(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.

(b) *Restricted Fund Balance*

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

1. Special Education

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

2. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Municipal Retirement/Social Security Funds. At June 30, 2014, revenue received from state grants exceeded expenditures disbursed for these purposes in the Educational Fund, resulting in no restricted fund balance.

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational, Transportation, and Municipal Retirement/-Social Security Funds. At June 30, 2014, revenue received from federal grants exceeded expenditures disbursed for these purposes in the Educational Fund, resulting in a restricted fund balance of \$323. This balance is included in the financial statements as reserved in the Educational Fund.

Notes to Financial Statements

(6) Fund Balance Reporting (Continued)

4. IMRF/Social Security

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$98,705. For purposes of Regulatory reporting, the Social Security portion of the fund balance, \$15,596, will be classified as Reserved, and the Municipal Retirement portion of the tax levies, \$83,109 will be classified as Unreserved.

5. Food Service

All revenue generated by the school food service must be used to operate and improve its food services therefore making this a restricted fund balance. The District accounts for the food service in a separate fund within the Educational Fund to allow for the ease of tracking food service fund balance. At June 30, 2014 the restricted fund balance for food service is \$802,382.

(c) Committed Fund Balance

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

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

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 for services performed during the fiscal year ended June 30, 2014 amounted to \$907,073. This amount is shown as Unreserved in the Educational Fund.

Notes to Financial Statements

(6) Fund Balance Reporting (Continued)

(d) Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The Board approved a settlement of the property tax appeal, as more fully described in Note 16. The remaining balance on this settlement of \$766,478 is considered an assignment of fund balance in the Educational Fund.

(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, Operations and Maintenance, and Working Cash Funds.

(f) Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specific 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.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(6) Fund Balance Reporting (Continued)

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	802,705	907,073	766,478	1,331,360	802,705	3,004,911
Operations & Maintenance	-	-	-	-	8,058	-	8,058
Debt Service	-	94,897	-	-	-	-	94,897
Transportation	-	529,207	-	-	-	-	529,207
Municipal Retirement	-	98,705	-	-	-	15,596	83,109
Capital Projects	-	288,132	-	-	-	-	288,132
Working Cash	-	-	-	-	137,579	-	137,579
Tort Liability	-	42	-	-	-	-	42
Fire Prevention and Safety	-	145,848	-	-	-	-	145,848

(h) Expenditures of Fund Balance

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

(7) Long-Term Debt

As of June 30, 2014, the District had long-term debt outstanding in the amount of \$9,299,591. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

Bonded Indebtedness

Bonded indebtedness current requirements for principal and interest expenditures are payable from future revenues of the Debt Service Fund. The revenues consist principally of property taxes collected by the District and interest earnings. Bonded indebtedness consists of the following:

Capital Appreciation School Bonds, Series 2000

These bonds were issued in increments of \$5,000 with various maturity dates and interest is payable only at maturity. Accretion of interest is calculated annually and is shown as an increase in the principal balance at the time of accretion.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(7) Long-Term Debt (Continued)

Original Issue	\$8,869,998
Interest Rate	6.19 to 6.62%
Issue Date	June 15, 2000
Interest Date	December 1

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 536,810	\$ 978,190	\$ 1,515,000
2016	519,435	1,055,565	1,575,000
2017	503,431	1,136,569	1,640,000
2018	487,153	1,217,847	1,705,000
2019	470,696	1,299,304	1,770,000
2020	455,437	1,384,563	1,840,000
	<u>\$ 2,972,962</u>	<u>\$ 7,072,038</u>	<u>\$ 10,045,000</u>

Capital Appreciation School Bonds, Series 2002

Original Issue	\$1,899,994
Interest Rate	5.95% Average coupon
Issue Date	August 27, 2002
Interest Date	June 1 and December 1

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 60,904	\$ 64,096	\$ 125,000
2016	59,732	70,268	130,000
2017	58,497	76,503	135,000
2018	57,208	82,792	140,000
2019	57,802	92,198	150,000
2020	56,329	98,671	155,000
2021	711,123	1,363,877	2,075,000
2022	87,261	182,739	270,000
	<u>\$ 1,148,856</u>	<u>\$ 2,031,144</u>	<u>\$ 3,180,000</u>

Working Cash Fund Bonds

The final payment on these bonds was made on 10/23/2013.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(7) Long-Term Debt (Continued)

Notes Payable

The following are installment loans used to purchase copiers and transportation equipment and are accounted for in the general long-term debt account group.

Amounts outstanding at June 30, 2014 are:

	<u>Amount</u>
Note payable to bank, four annual payments including interest at 4.16%, of \$57,921 starting August 13, 2011	<u>\$ 56,150</u>

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>7/1/2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2014</u>
General obligation bonds*	\$ 10,578,762	\$ 611,677	\$ 1,946,998	\$ 9,243,441
Notes payable	<u>130,515</u>	<u>-</u>	<u>74,365</u>	<u>56,150</u>
	<u>\$ 10,709,277</u>	<u>\$ 611,677</u>	<u>\$ 2,021,363</u>	<u>\$ 9,299,591</u>

* Accretion of interest on Capital Appreciation School Bonds, Series 2000 of \$611,677 is shown as an increase in principal.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(7) Long-Term Debt (Continued)

Future cash flow requirements of the District for retirement of principal and interest by fiscal year follow:

Bonds

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 597,714	\$ 1,042,286	\$ 1,640,000
2016	579,167	1,125,833	1,705,000
2017	561,928	1,213,072	1,775,000
2018	544,361	1,300,639	1,845,000
2019	528,498	1,391,502	1,920,000
2020	511,765	1,483,235	1,995,000
2021	711,123	1,363,877	2,075,000
2022	87,261	182,739	270,000
	<u>\$ 4,121,817</u>	<u>\$ 9,103,183</u>	<u>\$ 13,225,000</u>

Notes

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 56,150	\$ 2,320	\$ 58,470
	<u>\$ 56,150</u>	<u>\$ 2,320</u>	<u>\$ 58,470</u>

(8) Legal Debt Margin

2013 Equalized assessed valuation	<u>\$ 160,122,192</u>
Statutory debt limitation 13.8% of 2013 equalized assessed valuation	\$ 22,096,862
Less total indebtedness	<u>9,299,591</u>
Legal Debt Margin	<u>\$ 12,797,271</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(9) Interfund Loans

There were no interfund loans made or repaid during the fiscal year ended June 30, 2014.

(10) Interfund Transfers

<u>From</u>	<u>To</u>	<u>Amount Transferred</u>	<u>Purpose</u>
Educational Fund	Operations & Maintenance Fund	\$595,000	To cover deficit in fund
Working Cash Fund	Debt Service Fund	\$207,501	To cover deficit in fund

(11) Overexpenditure of Budget

The District overexpended its budget in the following funds during the fiscal year ended June 30, 2014.

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
Operations & Maintenance Fund	\$ 1,520,687	\$ 1,189,059
Tort Fund	\$ 217,070	\$ 213,400
Fire Prevention & Safety Fund	\$ 158,634	\$ 36,900

All other funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2014.

(12) Joint Agreements

The District is a member of Ogle County Educational Cooperative Joint Agreement located at 417 N. Colfax, Box 52, Byron, IL 61010, along with other area school districts to provide special education services. The District pays tuition to the Cooperative based upon the Cooperative's budgeted expenditures and the District's special education enrollment. The District made payments to the Ogle County Educational Cooperative during fiscal year 2014 in the amount of \$470,727.

The District also has entered into an operating agreement with the Julia Hull District Library which is located on the Stillman Valley High School Campus. The Library reimburses the District for the cost of certain librarian and aides salaries and benefits and other operating costs. During the year ended June 30, 2014, the District received \$48,589 from the Library.

Notes to Financial Statements

(12) Joint Agreements (Continued)

The District is also a member of Career Education Associates of North Central Illinois (CEANCI) located at 4151 Samuelson Road, Rockford, Illinois, 61109. CEANCI provides technical education services and receives state grants and reallocates to member districts. During the year ended June 30, 2014, the District paid CEANCI \$20,963 for technical education services and received \$8,400 from CEANCI.

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 any equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements. Financial information about the joint agreements can be obtained by contacting them at the addresses given above.

(13) Other Postemployment Benefits (OPEB)

The District has determined the effects of OPEB are immaterial to the financial statements and therefore has not presented the OPEB liability.

(14) Risk Management

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District participates in the Illinois Association of School Board Workers' Compensation Self Insurance Trust. Estimated payments are made annually to the Trust to cover claims, however, additional assessments could be required if the Trust reflects a deficit. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(15) Operating Leases

Bus Leases

The District entered into a lease agreement for four 77 passenger buses and one 51 passenger bus with a lift in February 2014 for a term of four years. The initial lease payment due February 14, 2014 was paid by the District in the amount of \$62,978, and was recorded as an expenditure in the Transportation Fund. The lease requires two additional payments of \$62,978 and a final payment of \$250,966. The District does not intend to make the final year lease payment and will return the buses to the lessor.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(15) Operating Leases (Continued)

The remaining lease payments are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	51,377	\$ 11,601	\$ 62,978
2016	53,093	9,885	62,978
2017	242,855	8,111	250,966
	<u>\$ 347,325</u>	<u>\$ 29,597</u>	<u>\$ 376,922</u>

(16) Contingencies

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

The District filed an assessment appeal with the Illinois Property Tax Appeal Board (PTAB) involving the Onyx Orchard Hills Landfill (Landfill), located in Davis Junction, Illinois, within the boundaries of the District. The appeal involved the 2003 tax year where the PTAB reduced the assessed value to \$3,321,000 for the 2003 tax year instead of the \$8,633,000 set by the Ogle County Board of Review. The District appealed this decision to the Illinois Appellate Court and on October 24, 2011 the Appellate Court affirmed the PTAB's decision for the 2003 tax year assessed value. The District also appealed the assessed value of Onyx for the years 2004 to 2007 and 2009 to 2010.

The District has agreed to a settlement with Veolia (formerly Onyx) and during the year ended June 30, 2014 made settlement payments of \$495,055. The agreed upon settlement payments are paid via an agreement with the Ogle County Treasurer whereby the Treasurer abates the required amount from the District's tax distributions. As a result, the settlement is reflected in these financial statements as a reduction in property tax receipts. The future settlement payments are due as follows:

Notes to Financial Statements

(16) Contingencies

Year ending June 30,	<u>Total</u>
2015	\$ 459,529
2016	<u>306,949</u>
	<u>\$ 766,478</u>

The District was also the defendant in a discrimination lawsuit filed by a former employee. The parties were able to settle the case in June of 2013. The settlement payment was covered by the District’s insurance, except for the \$25,000 deductible which was paid by the District during the year ended June 30, 2014. The District also paid a settlement to a former District employee in the amount of \$7,320.

(17) Unemployment Compensation

The District is self-insured for unemployment compensation. The District is therefore liable to the state for any payments made to any of its former employees claiming benefits. For the year ended June 30, 2014, claims paid out under the plan were \$47,719.

(18) Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through December 10, 2014, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date, except as noted below:

Bus Lease Obligation

The District entered into a four year lease agreement with a local financial institution for seven 77 passenger school buses which became effective August 5, 2014. The principal amount of the lease is \$552,706. The District does not intent to make the final lease payment and will return the buses to the lessor.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(18) Subsequent Events (Continued)

The future lease payments are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 83,860	\$ 529	\$ 84,389
2016	68,248	16,141	84,389
2017	70,597	13,792	84,389
2018	330,001	11,361	341,362
	<u>\$ 552,706</u>	<u>\$ 41,823</u>	<u>\$ 594,529</u>

This lease agreement will be accounted for in the Transportation Fund for the year ended June 30, 2015.



BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.BenningGroup.com

Meridian Community Unit School District No. 223:

We have audited the financial statements of Meridian Community Unit School District No. 223 for the year ended June 30, 2014 and have issued our report thereon dated December 10, 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards* and OMB Circular A-133

As stated in the engagement letter dated July 9, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting and regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our responsibility is also to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Meridian Community Unit School District No. 223. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

50 W. Douglas Street, Suite 801
Freeport, Illinois 61032
(815) 235-3157
Fax (815) 235-3158

6785 Weaver Road, Suite 2A
Rockford, Illinois 61114
(815) 316-2375
Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Meridian Community Unit School District No. 223's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Meridian Community Unit School District No. 223's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Meridian Community Unit School District No. 223's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Meridian Community Unit School District No. 223's compliance with those requirements.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements, and furthermore management has not requested us to devote attention to any documents containing audited financial statements.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by Meridian Community Unit School District No. 223 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. These adjustments are attached to this letter. The following material misstatements detected as a result of audit procedures were corrected by management.

- Adjustment of \$88,797 to payroll liability accounts.
- Adjustments of \$522,500 to properly record the Working Cash transfers.
- Adjustment of \$32,400 from CTEI grant recorded twice.
- Several reclassification entries to properly record purchases in Capital Outlay.
- Adjustment of \$22,027 to record unlocated variance in bank account.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 10, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Management, at our suggestion, did contract with other accountants to perform bank reconciliations. We reviewed these bank reconciliations as part of our audit procedures.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of Meridian Community Unit School District No. 223 as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Meridian Community Unit School District No. 223's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Meridian Community Unit School District No. 223's internal control. Accordingly, we do not express an opinion on the effectiveness of the Meridian Community Unit School District No. 223's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in Meridian Community Unit School District No. 223's internal control to be a material weakness:

District Treasurer & Account Reconciliations

The District operated much of the year without a Treasurer. Therefore, the oversight of the financial records was missing. Bank reconciliations and payroll liability reconciliations were not performed in a timely manner. This resulted in the financial records containing significant errors. This was reported as Financial Statement finding #2014-003 and Federal Award finding #2014-009 in the Schedule of Findings and Questioned Costs.

A significant deficiency is a deficiency, or a 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. We consider the following deficiencies in Meridian Community Unit School District No. 223's internal control to be significant deficiencies:

Financial Reporting

Significant adjusting journal entries were required to correct the District's financial records. The District needs to establish a system to review the financial information and make the required adjustments in a timely manner. This was reported as Financial Statement finding #2014-001 in the Schedule of Findings and Questioned Costs.

Child Nutrition Eligibility

The internal control process of determining eligibility of free and reduced lunch applicants based upon applicant's income levels is not being done accurately in accordance with established USDA guidelines. As a result, the federal funding received for the Child Nutrition programs were inaccurate. This was reported as Federal Award finding #2014-004 in the Schedule of Findings and Questioned Costs showing questioned costs of \$1,143 for National School Lunch program and \$486 for the School Breakfast program.

Food Service Program

The federal guidelines require that the entire food service program of the District be operated as a non-profit. Any profits made are to be used to improve the program. The District profited \$108,000 during FY 14 for the food service program thus subsidizing the Education fund. This was reported as Federal Award finding #2014-005 in the Schedule of Findings and Questioned Costs.

Title I Expenditure Report Submissions

The state guidelines require that expenditure reports for federal programs are to be submitted within 20 days after the quarter has ended. The District did not submit timely the expenditure reports for the quarters ending 9/30, 12/31, and 3/31 for the Title I – Low Income program. This was reported as Federal Award finding #2014-006 in the Schedule of Findings and Questioned Costs.

Title I Expenditures

Title I expenditures for transportation, general administration, and food service as claimed on the 6/30/14 expenditure report did not have sufficient documentation to substantiate the expenditures. These expenditures were also recorded with non-federal expenditures resulting in \$8,314 of questioned costs as reported in Federal Award finding #2014-007 in the Schedule of Findings and Questioned Costs. The compliance opinion for Title I was qualified as a result of this finding.

Title I Expenditure Report

Salaries for July and August that were paid after the fiscal year end are to be reported on the expenditure report as outstanding obligations. On the 6/30/14 Title I expenditure report, the District reported \$15,756 July and August 2014 salaries as paid expenditures. This resulted in overstated paid costs and understated obligated expenditures on the 6/30/14 expenditure report. Overall net effect is \$0, however, due to error in reporting, this was reported as Federal Award finding #2014-008 in the Schedule of Findings and Questioned Costs.


Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting and regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

We have attached to this letter our summary of comments and recommendations as a result of our procedures.

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


Freeport, Illinois
December 10, 2014

Meridian Community Unit School District No. 223
Letter of Comments
June 30, 2014

1. During the audit, several journal entries were required to be made to correct the financial records. We recommend more rigorous oversight to make the financial records more accurate.

2. Activity Funds
 - Controls over cash receipts and disbursements in the activity funds need to be improved. We recommend the District use a standard form to document monies received. The District should also require that all funds be recounted and the count sheet initialed. We also noted that supporting documentation for cash disbursements was missing in some cases. We emphasize the importance of maintaining supporting documentation along with all payment requests.

 - There appears to be District activity being accounted for in activity funds. We specifically noted parking permit fees being recorded in an activity fund. These types of activities should be accounted for in the District's general ledger.

 - We also noted some track expenditures were recorded in the volleyball account. The District needs procedures in place to ensure the proper fund is charged for expenses.

3. The District currently has bank loans for the purchase of buses and for technology purchases. The Illinois School Code grants the Board of Education the authority to borrow funds in a number of ways including issuing bonds, tax anticipation warrants, state aid anticipation warrants, entering into leases, etc. It does not give the Board of Education the authority to take out a loan from a financial institution. The District needs to consider paying off or restructuring their existing loans to be in compliance with state statutes. This is a repeat comment from prior year.

4. Internal Controls

As previously mentioned in this letter we have identified as Financial Statement finding 2014-003 and Federal Award finding 2014-009 as a material weakness in the District's internal controls. Specific internal control deficiencies that require correction are as follows:

- District Treasurer – The District operated much of the year without a Treasurer. The function of a Treasurer is to review the accounting functions and provide a measure of oversight over daily procedures. This oversight function is a critical element of the District’s internal control system. The District must find a qualified individual to fulfill these responsibilities as soon as possible.
- Bank Accounts – The District’s bank accounts were not reconciled on a timely basis. In order for us to complete the audit, the District hired an outside accounting firm to perform these reconciliations. Bank reconciliations should be performed on a monthly basis to ensure that all activity is being properly recorded in the general ledger and any discrepancies can be identified and corrected in a timely manner. The bank reconciliations performed by the outside accountant revealed significant errors in the accounting records.
- Liability Accounts – The District’s payroll liability accounts contain several accounts with large debit balances and other accounts with large credit balances. These accounts should be reconciled monthly with the related payroll information to ensure that District expenses and employee withholding are accounted for properly.
- Accounting System – The bank reconciliations performed by the outside accountant and the payroll liability accounts mentioned above revealed a significant number of errors in recording the payroll activity on the District’s general ledger. There appears to be a lack of understanding of the payroll accounting software and how the payroll system integrates with the general ledger. The District needs to have the software vendor provide in-house training so that the correct procedures can be identified, documented and followed on a regular basis.
- Check Signing – We noted during our audit that the District’s Bookkeeper has check signing authority. One of the most basic elements of an effective internal control system is that the individual responsible for recording activity in the accounting records does not have the ability to sign checks. The District should remove from the District Bookkeeper this check signing authority.
- Interest Income – During FY 14, the District did not record the interest earned on its bank accounts and certificates of deposit. The District should record this income monthly.

The results of the above noted deficiencies are that the Board of Education does not have accurate financial information at its disposal. The Board needs accurate financial information so that it can make informed decisions.

5. IMRF Tax Levy

The IMRF tax levy is a restricted levy and the proceeds are intended only for use to pay IMRF expenses of the District. The IMRF revenue and expenses are combined with Social Security revenue and expenses in the Municipal Retirement/Social Security Fund (Fund 50). Because of the restricted nature of the IMRF tax levy, care should be taken to make sure the IMRF tax levy is not used for Social Security purposes. Because of the restricted nature of the IMRF portion of Fund 50, we suggest that the District revise the monthly Treasurer's report. This report should split Fund 50 activity into two columns, IMRF and Social Security, and report the monthly income and expenses related to each in the respective column. Interest income should also be allocated in these two columns based on your method of calculation. This is a repeat comment from prior year.

6. Numerous disbursements were coded to the wrong account. When a purchase order is prepared, an account number is assigned by the preparer and entered into the system. When this invoice is paid, it is recorded in the account previously coded. Often times this coding is not being made by individuals familiar with the Illinois Program Accounting Manual, and it is not reviewed by the Bookkeeper. We recommend that a review be performed before the disbursement to ensure proper coding.
7. Driver Education expenses should be recorded in account 1700 and Driver's Ed fee income should be recorded in account 1970, not 1723.

	A	B	C	D	E	F	G	H
1	DEFICIT ANNUAL FINANCIAL REPORT (AFR) SUMMARY INFORMATION							
2	New Provisions in the School Code, Section 17-1 (105 ILCS 5/17-1)							
3	<p>Instructions: If the Annual Financial Report (AFR) reflects that a "deficit reduction plan" is required as calculated below, then the school district is to complete the "deficit reduction plan" in the annual budget and submit the plan to Illinois State Board of Education (ISBE) within 30 days after accepting the audit report. This may require the FY2015 annual budget to be amended to include a "deficit reduction plan" and narrative.</p>							
4	<p>The "deficit reduction plan" is developed using ISBE guidelines and format in the School District Budget Form 50-36. A plan is required when the operating funds listed below result in direct revenues (line 7) being less than direct expenditures (line 8) by an amount equal to or greater than one-third (1/3) of the ending fund balance (line 10). That is, if the ending fund balance is less than three times the deficit spending, the district must adopt and submit an original budget/amended budget with ISBE that provides a "deficit reduction plan" to balance the shortfall within the next three years.</p>							
5	<p>DEFICIT AFR SUMMARY INFORMATION - Operating Funds Only (All AFR pages must be completed to generate the following calculation)</p>							
6		EDUCATIONAL	OPERATIONS & MAINTENANCE	TRANSPORTATION	WORKING CASH	TOTAL		
7	Direct Revenues	12,203,431	882,840	1,199,394	1,912	14,287,577		
8	Direct Expenditures	12,265,805	1,520,687	971,962		14,758,454		
9	Difference	(62,374)	(637,847)	227,432	1,912	(470,877)		
10	Fund Balance - June 30, 2014	3,807,616	8,058	529,207	137,579	4,482,460		
11	<p>Unbalanced - however, a deficit reduction plan is not required at this time.</p>							
12								
13								
14								

Audit Checklist

All entries must balance within the individual fund statements and schedules as instructed below.

Any error messages left unresolved below, will be returned to the school district/joint agreement.

Round all entries to the nearest dollar.

- 1. The auditor's Opinion and Notes to the Financial Statements are embedded in the "Opinion-Notes 34" tab.
- 2. Student Activity Funds, Convenience Accounts, and other agency funds are included, if applicable.
- 3. All audit questions on page 2 are answered appropriately by checking all that apply. This page must also be certified with the signature of the CPA firm. Comments and explanations
- 4. All **Other** accounts and functions labeled "(describe & itemize)" are properly noted on the "Itemization 32" tab.
- 5. In all funds, Function No. 2900 does not include Worker's Compensation or Unemployment Insurance.
- 6. Tuition paid to another school district or to a joint agreement (in state) is coded to Function 4200, and Other Objects (600).
- 7. Business Manager/Bookkeeper Costs are charged to the proper Function (No. 2510/2520).
- 8. If district is subject to PTELL on tab "Aud Quest 2", line 21 be sure to check the box and enter the effective date.

Balancing Schedule

Check this Section for Error Messages

The following assures that various entries are in balance. Any out of balance condition is followed by an error message in **RED** and must be resolved before submitting to ISBE. One or more errors detected may cause this AFR to be returned for corrections and resubmission. If impossible for entries to balance please explain on the itemization page.

Description:	Error Message
1. Cover Page: The Accounting Basis must be Cash or Accrual.	
2. The A-133 related documents must be completed and attached.	
What Basis of Accounting is used?	CASH
Accounting for late payments (Audit Questionnaire Section D)	OK
Are Federal Expenditures greater than \$500,000?	OK
Is all A133 information completed and enclosed?	OK
Is Budget Deficit Reduction Plan Required?	Deficit reduction plan is not required.
3. Page 3: Financial Information must be completed.	
Section A: Tax rates are not entered in the following format: [1.50 should be .0150]. Please enter with the correct decimal point.	OK
Section D: Check a or b that agrees with the school district type.	OK
4. Page 5: Cells C4:L4 Acct 111-115 - Cash Balances cannot be negative.	
Fund (10) ED: Cash balances cannot be negative.	OK
Fund (20) O&M: Cash balances cannot be negative.	OK
Fund (30) DS: Cash balances cannot be negative.	OK
Fund (40) TR: Cash balances cannot be negative.	OK
Fund (50) MR/SS: Cash balances cannot be negative.	OK
Fund (60) CP: Cash balances cannot be negative.	OK
Fund (70) WC: Cash balances cannot be negative.	OK
Fund (80) Tort: Cash balances cannot be negative.	OK
Fund (90) FP&S: Cash balances cannot be negative.	OK
5. Page 5 & 6: Total Current & Capital Assets must = Total Liabilities & Fund Balance.	
Fund 10, Cell C13 must = Cell C41.	OK
Fund 20, Cell D13 must = Cell D41.	OK
Fund 30, Cell E13 must = Cell E41.	OK
Fund 40, Cell F13 must = Cell F41.	OK
Fund 50, Cell G13 must = Cell G41.	OK
Fund 60, Cell H13 must = Cell H41.	OK
Fund 70, Cell I13 must = Cell I41.	OK
Fund 80, Cell J13 must = Cell J41.	OK
Fund 90, Cell K13 must = Cell K41.	OK
Agency Fund, Cell L13 must = Cell L41.	OK
General Fixed Assets, Cell M23 must = Cell M41.	OK
General Long-Term Debt, Cell N23 must = Cell N41.	OK
6. Page 5: Sum of Reserved & Unreserved Fund Balance must = Page 8, Ending Fund Balance.	
Fund 10, Cells C38+C39 must = Cell C81.	OK
Fund 20, Cells D38+D39 must = Cell D81.	OK
Fund 30, Cells E38+E39 must = Cell E81.	OK
Fund 40, Cells F38+F39 must = Cell F81.	OK
Fund 50, Cells G38+G39 must = Cell G81.	OK
Fund 60, Cells H38+H39 must = Cell H81.	OK
Fund 70, Cells I38+I39 must = Cell I81.	OK
Fund 80, Cells J38+J39 must = Cell J81.	OK
Fund 90, Cells K38+K39 must = Cell K81.	OK
8. Page 25: Schedule of Bonds Payable must = Pages 5, 8 & 18: Basic Financial Statements.	
Note: Explain any unreconcilable differences in the Itemization sheet.	
Total Long-Term Debt Issued (P25, Cell F49) must = Principal on Long-Term Debt Sold (P8, Cells C33:F33, H33:K33).	ERROR!
Total Long-Term Debt (Principal) Retired (P18, Cells H163) must = Debt Service - Long-Term Debt (Principal) Retired (P25, Cells H49).	ERROR!
9. Page 7 & 8: Other Sources of Funds (L 24:42) must = Other Uses of Funds (P8, L46:59).	
Acct 7130 - Transfer Among Funds, Cells C27:K27 must = Acct 8130 Transfer Among Funds, Cells C49:K49	OK
Acct 7140 - Transfer of Interest, Cells C28:K28 must = Acct 8140 Transfer of Interest, Cells C50:K50.	OK
Acct 7900 - ISBE Loan Proceeds (Cells C42:K42) must = Acct 8910 - Transfers to Debt Service Fund to Pay Principal on ISBE Loans (Cells C74:K74)	OK
10. Restricted Local Tax Levies Page 26, Line 25 must = Reserved Fund Balance, Pages 5 & 6, Line 38.	
Reserved Fund Balance, Page 5, Cells C38:H38 must be => Reserve Fund Balance Cell G25:K25.	OK
Unreserved Fund Balance, Page 5, Cells C39:H39 must be > 0	OK
11. Page 5: "On behalf" payments to the Educational Fund	
Fund (10) ED: Account 3998 must be entered	OK
12. Page 28: The 9 Month ADA must be entered on Line 77.	OK
13. Page 32: LIMITATION OF ADMINISTRATIVE COST, Budget Information must be completed and submitted to ISBE.	OK
14. Page 31: SHARED OUTSOURCED SERVICES, Completed.	OK

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

DISTRICT/JOINT AGREEMENT NAME MERIDIAN COMMUNITY UNIT SCHOO	RCDT NUMBER 47-071-2230-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-004238
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) PHILLIP J CAPOSEY		NAME AND ADDRESS OF AUDIT FIRM BENNING GROUP, LLC 50 W. DOUGLAS STREET, SUITE 801
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 207 W. MAIN ST. STILLMAN VALLEY 61084		FREEPORT IL 61032
		E-MAIL ADDRESS dbenning@benninggroup.com
		NAME OF AUDIT SUPERVISOR DONALD A. BENNING
		CPA FIRM TELEPHONE NUMBER 815/235-3157
		FAX NUMBER 815/235-3158

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)

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
A-133 SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is **OPTIONAL**; it is not a required form for completion of A-133 Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

1. **Signed** copies of audit opinion letters have been included with audit package submitted to ISBE.
2. All opinion letters use the **most current audit language and formatting** as mandated in SAS 115/SAS 117 and other pronouncements.
3. **ALL** Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
 - For those forms that are not applicable, "N/A" or similar language has been indicated.
4. **ALL** Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
 Programs funded through ARRA are identified separately in SEFA
5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
 - Verify or reconcile on reconciliation worksheet.
6. The total value of non-cash **COMMODITIES** has been included within the AFR on the **INDIRECT COSTS** page (ICR Computation 30) on Line 11. It **should not** be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299. Those accounts are specific cash programs, not non-cash assistance such as **COMMODITIES**.
7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs
 - Program name includes "ARRA - " prefix
 - Correct ARRA CFDA and ISBE program numbers are listed
9. All prior year's projects are included and reconciled to final FRIS report amounts.
 - Including receipt/revenue and expenditure/disbursement amounts.
10. All current year's projects are included and reconciled to most recent FRIS report filed.
 - Including revenue and expenditure/disbursement amounts.
11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received):
 Project year runs from October 1 to September 30, so projects will cross fiscal year;
 This means that audited year revenues will include funds from both the prior year and current year projects.
13. Each CNP project should be reported on separate line (one line per project year per program).
14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
16. Exceptions should result in a finding with Questioned Costs.
17. The total value of non-cash **COMMODITIES** has been reported on the SEFA (CFDA 10.555).
 - The value is determined from the following, with each item on a separate line:
- * **Non-Cash Commodities**: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
 Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
 Verify Non-Cash Commodities amount on ISBE web site: <http://www.isbe.net/business.htm>.
- * **Non-Cash Commodities**: Commodities information for non-cash items received through **Other Food Services**
 Districts should track separately through year; no specific report available from ISBE
 Verify Non-Cash Commodities amount through Other Food Services on ISBE web site: <http://www.isbe.net/business.htm>.
- * **Department of Defense Fresh Fruits and Vegetables** (District should track through year)
 - The two commodity programs should be reported on separate lines on the SEFA.
 Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site: <http://www.isbe.net/business.htm>.
- * Amounts verified for **Fresh Fruits and Vegetables cash** grant program (ISBE code 4240)
 CFDA number: 10.582
18. **TOTALS** have been calculated for Federal revenue and expenditure amounts (Column totals).
19. Obligations and Encumbrances are included where appropriate.
20. **FINAL STATUS** amounts are calculated, where appropriate.
21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have **not** been included on the SEFA.
22. **All** programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
23. **NOTES TO THE SEFA** within the AFR Excel workbook (SEFA NOTES) have been completed.
 Including, but not limited to:
24. Basis of Accounting
25. Name of Entity
26. Type of Financial Statements
27. Subrecipient information (Mark "N/A" if not applicable)
- * ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

28. Audit opinions expressed in opinion letters match opinions reported in Summary.
29. **All** Summary of Auditor Results questions have been answered.
30. All tested programs are listed.
31. Correct testing threshold has been entered. (OMB A-133, §.520)

Findings have been filled out completely and correctly (if none, mark "N/A").

32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding, with finding numbers in correct format.
32. Finding completed for each **Significant Deficiency** and for each **Material Weakness** noted in opinion letters.
33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
35. Questioned Costs have been calculated where there are questioned costs.
36. Questioned Costs are separated by project year **and** by program (and sub-project, if necessary).
37. Questioned Costs have been calculated for Interest Earned on **Excess Cash on Hand**.
 - Should be based on actual amount of interest earned
 - Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding
38. **A CORRECTIVE ACTION PLAN** has been completed for each finding.
 - Including Finding number, action plan details, projected date of completion, name and title of contact person

**MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26**

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 671,263
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		54,141
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 270	Account 4992	(15,431)
AFR TOTAL FEDERAL REVENUES:		\$ 709,973

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

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-----	-----
-----	-----
-----	-----
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ADJUSTED AFR FEDERAL REVENUES	\$ 709,973
--------------------------------------	-------------------

Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 709,973

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

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ADJUSTED SEFA FEDERAL REVENUE:	\$ 709,973
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DIFFERENCE:	\$ -
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MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF AGRICULTURE:									
Through Illinois State Board of Education:									
DoD Fresh Fruits & Vegetables Program (Non-Cash) (M)	10.555	2013	9,954		9,954		0	9,954	N/A
DoD Fresh Fruits & Vegetables Program (Non-Cash) (M)	10.555	2014		10,722		10,722	0	10,722	N/A
Commodities Program (non-cash) (M)	10.555	2013	46,515		46,515		0	46,515	N/A
Commodities Program (non-cash) (M)	10.555	2014		43,419		43,419	0	43,419	N/A
National School Lunch Program (M)	10.555	13-4210-00	<u>155,964</u>	46,571	<u>155,964</u>	46,571	0	202,535	N/A
National School Lunch Program (M)	10.555	14-4210-00		<u>169,272</u>		<u>169,272</u>	<u>0</u>	<u>169,272</u>	N/A
Subtotal 10.555			<u>212,433</u>	<u>269,984</u>	<u>212,433</u>	<u>269,984</u>	<u>0</u>	<u>482,417</u>	
School Breakfast Program (M)	10.553	13-4220-00	<u>29,905</u>	4,758	<u>29,905</u>	4,758	0	34,663	N/A
School Breakfast Program (M)	10.553	14-4220-00		<u>26,100</u>		<u>26,100</u>	<u>0</u>	<u>26,100</u>	N/A
Subtotal 10.553			<u>29,905</u>	<u>30,858</u>	<u>29,905</u>	<u>30,858</u>	<u>0</u>	<u>60,763</u>	
TOTAL THROUGH USDA PROGRAMS			<u>242,338</u>	<u>300,842</u>	<u>242,338</u>	<u>300,842</u>	<u>0</u>	<u>543,180</u>	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF EDUCATION:									
Through Illinois State Board of Education:									
Title I - Low Income	84.010A	13-4300-00	<u>60,438</u>	70,141	<u>105,724</u>	18,792	0	124,516	170,227
Title I - Low Income (M)	84.010A	14-4300-00		<u>53,392</u>		<u>130,030</u>	<u>39,398</u>	<u>169,428</u>	179,830
Subtotal 84.010A			<u>60,438</u>	<u>123,533</u>	<u>105,724</u>	<u>148,822</u>	<u>39,398</u>	<u>293,944</u>	
Title II - Teacher Quality	84.367A	13-4932-00	<u>36,172</u>	7,018	<u>43,190</u>	0	0	43,190	43,361
Title II - Teacher Quality	84.367A	14-4932-00		<u>37,282</u>		<u>37,282</u>	<u>0</u>	<u>37,282</u>	37,282
Subtotal 84.367A			<u>36,172</u>	<u>44,300</u>	<u>43,190</u>	<u>37,282</u>	<u>0</u>	<u>80,472</u>	
Title III - Lang Inst Prog-Limited Eng LIPLEP	84.365A	13-4909-00	<u>5,146</u>	8,540	<u>12,091</u>	1,595	0	13,686	14,106
Title III - Lang Inst Prog-Limited Eng LIPLEP	84.365A	14-4909-00		<u>4,824</u>		<u>6,851</u>	<u>0</u>	<u>6,851</u>	11,820
Subtotal 84.365A			<u>5,146</u>	<u>13,364</u>	<u>12,091</u>	<u>8,446</u>	<u>0</u>	<u>20,537</u>	
Through Ogle County Education Cooperative (47-071-8010-60):									
Fed. Sp. Ed. - Pre-School Flow-Through	84.173A	13-4600-00	<u>6,663</u>		<u>6,663</u>		0	6,663	6,663
Fed. Sp. Ed. - Pre-School Flow-Through	84.173A	14-4600-00		<u>5,975</u>		<u>7,685</u>	<u>0</u>	<u>7,685</u>	7,688
Subtotal 84.173A			<u>6,663</u>	<u>5,975</u>	<u>6,663</u>	<u>7,685</u>	<u>0</u>	<u>14,348</u>	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
Fed. Sp. Ed. - IDEA Flow-Through	84.027A	13-4620-00	<u>89,367</u>	18,525	<u>108,730</u>	583	0	109,313	110,511
Fed. Sp. Ed. - IDEA Flow-Through	84.027A	14-4620-00		<u>65,112</u>		<u>122,991</u>	<u>0</u>	<u>122,991</u>	124,445
Subtotal 84.027A			<u>89,367</u>	<u>83,637</u>	<u>108,730</u>	<u>123,574</u>	<u>0</u>	<u>232,304</u>	
Through Lee/Ogle County ROE(47-000-0000-00):									
McKinney Education for Homeless Children	84.196A	13-4920-00		315		315	0	315	N/A
McKinney Education for Homeless Children	84.196A	14-4920-00		<u>76</u>		<u>76</u>	<u>0</u>	<u>76</u>	N/A
Subtotal 84.196A			<u>0</u>	<u>391</u>	<u>0</u>	<u>391</u>	<u>0</u>	<u>391</u>	
Direct USDE Programs:									
Physical Education Program - cumulative prior to FY13	84.215F	Q215F110024	124,316		118,299			118,299	388,900
Physical Education Program - FY 13	84.215F	Q215F110024	<u>252,929</u>	56,974	295,598	83,583		379,181	132,237
Physical Education Program - FY 14	84.215F	Q215F110024		<u>80,600</u>		<u>23,868</u>	<u>0</u>	<u>23,868</u>	117,398
Subtotal 84.215F			<u>377,245</u>	<u>137,574</u>	<u>413,897</u>	<u>107,451</u>	<u>0</u>	<u>521,348</u>	
TOTAL THROUGH USDE PROGRAMS			<u>575,031</u>	<u>408,774</u>	<u>690,295</u>	<u>433,651</u>	<u>39,398</u>	<u>1,163,344</u>	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/12-6/30/13 (C)	Year 7/1/13-6/30/14 (D)	Year 7/1/12-6/30/13 (E)	Year 7/1/13-6/30/14 (F)			
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES:									
Through Illinois Dept. of Healthcare & Family Services:									
Through Sycamore District #147 (16-019-4270-26) :									
Through Northwestern Illinois Association:									
Medicaid Administrative Outreach	93.778	12-4991-00	<u>25,064</u>		<u>25,064</u>			25,064	N/A
Medicaid Administrative Outreach	93.778	13-4991-00						0	N/A
Medicaid Administrative Outreach	93.778	14-4991-00		<u>357</u>		<u>357</u>		<u>357</u>	N/A
Subtotal 93.778F			<u>25,064</u>	<u>357</u>	<u>25,064</u>	<u>357</u>	<u>0</u>	<u>25,421</u>	
TOTAL THROUGH USDHHS PROGRAMS			<u>25,064</u>	<u>357</u>	<u>25,064</u>	<u>357</u>	<u>0</u>	<u>25,421</u>	
TOTAL FEDERAL AWARD PROGRAMS			<u>842,433</u>	<u>709,973</u>	<u>957,697</u>	<u>734,850</u>	<u>39,398</u>	<u>1,731,945</u>	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2014

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Meridian Community Unit School District No. 223** 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 **general-purpose** financial statements.

Note 2: Subrecipients⁶

Of the federal expenditures presented in the schedule, **Meridian Community Unit School District No. 223** provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
NONE		

Note 3: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by **Meridian Community Unit School District No. 223** and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	\$54,141
OTHER NON-CASH ASSISTANCE	\$0

Note 4: Other Information

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

Property	\$0
Auto	\$0
General Liability	\$0
Workers Compensation	\$0
Loans/Loan Guarantees Outstanding at June 30:	\$0
District had Federal grants requiring matching expenditures	NO
	(Yes/No)

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

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

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

GAAP/REGULATORY

Type of auditor's report issued:

ADVERSE / UNQUALIFIED

(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

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

Type of auditor's report issued on compliance for major programs:

Unmodified - Child Nutrition Cluster/ Qualified - Title I

(Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)?

X YES NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
10.555, 10.553	Child Nutrition Cluster
84.010A	Title I - Low Income

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

 YES X NO

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

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

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

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2014- 004** 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? 2013

3. Federal Program Name and Year: National School Lunch Program 2014 & School Breakfast Program 2014

4. Project No.: 14-4210-00 & 14-4220-00 5. CFDA No.: 10.555 & 10.553

6. Passed Through: Illinois State Board of Education

7. Federal Agency: U.S. Department of Agriculture

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
 Eligibility for free and reduced lunch & breakfast is determined based upon gross income of the applicant compared against USDA established guidelines.

9. Condition¹⁵
 During testing, we noted 3 students were allowed free lunch & breakfast but should have been denied & 1 student was allowed reduced lunch & breakfast but qualified for free lunch & breakfast.

10. Questioned Costs¹⁶
 \$1,143.00 for Free & Reduced Lunch
 \$486.00 for School Breakfast

11. Context¹⁷
 The District inaccurately calculated income on 2 out of 5 income verified applications.

12. Effect
 Child Nutrition funding provided to the District based upon low income eligibility is incorrect.

13. Cause
 USDA income guidelines were not properly utilized resulting in an application being allowed reduced lunch and breakfast when it should have been denied. Another application did not have the results of the income verification process documented which resulted in questioned costs.

14. Recommendation
 We believe that this was an isolated incidence and that the District has made a good-faith effort to rectify the finding from the prior year. Documenting the results of the income verification process in the appropriate space on the application would aid in determining status of applicant as well as correct use of the USDA income guidelines.

15. Management's response¹⁸
 The district will implement the recommended changes. To that end, the staff in the position at the time of the mistake has since been removed from that position and a focus on improving our performance in this area has been adopted.

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

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2014- 005 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? _____

3. Federal Program Name and Year: National School Lunch Program 2014 & School Breakfast Program 2014

4. Project No.: 14-4210-00 & 14-4220-00 5. CFDA No.: 10.555 & 10.553

6. Passed Through: Illinois State Board of Education

7. Federal Agency: U.S. Department of Agriculture

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

The 2014 Compliance Supplement provided by the U.S. Office of Management and Budget for the Child Nutrition Cluster, which includes the National School Lunch Program and the School Breakfast Program, states that the food service program is to operate as a non-profit.

9. Condition¹⁵

The food service program operated at a profit of \$108,000 during the fiscal year ending June 30, 2014.

10. Questioned Costs¹⁶

N/A

11. Context¹⁷

N/A

12. Effect

Excess food service funds on hand at the end of the year.

13. Cause

The District does not utilize its accounting system to adequately monitor the non-profit status of the food service program.

14. Recommendation

The Compliance Supplement requires the excess funds to be reinvested into the food service program.

15. Management's response¹⁸

The recommendation will be followed as well as ensuring that we are coding all possible food service expenses correctly. The intent is not to run a for-profit program and this will be an area of focus.

For ISBE Review

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

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2014- 006** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____ Title I - Low Income 2014

4. Project No.: _____ **14-4300-00** 5. CFDA No.: _____ **84.010A**

6. Passed Through: _____ **Illinois State Board of Education**

7. Federal Agency: _____ **U.S. Department of Education**

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

Federal grant expenditure reports are to be submitted to ISBE within 20 days after the quarter end.

9. Condition¹⁵

Title I expenditure reports for the quarters ending 9/30/13, 12/31/13 and 3/31/14 were not filed within 20 days after the quarter end.

10. Questioned Costs¹⁶

N/A

11. Context¹⁷

Expenditure reports for Title I were not filed within the 20 day window after the appropriate quarter end.

12. Effect

None. No federal funds were frozen as a result of late expenditure reports.

13. Cause

An inadequate internal control system.

14. Recommendation

The District is to establish and utilize internal control procedures for completing and submitting the required quarterly grant expenditure reports within 20 days after the quarter end.

15. Management's response¹⁸

Monitoring of the recommended process will take place directly from the Superintendent's office from this point forward and the expectation is that this error will cease.

For ISBE Review

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

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2014- 007 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? _____

3. Federal Program Name and Year: Title I - Low Income 2014

4. Project No.: 14-4300-00 5. CFDA No.: 84.010A

6. Passed Through: Illinois State Board of Education

7. Federal Agency: U.S. Department of Education

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
 Sufficient evidence of Federal expenditures is to exist for expenditures claimed on the expenditure reports.

9. Condition¹⁵
 The District recorded 50% of Title I salaries as federal funds rather than 76% according to the approved grant budget. Also transportation, general administration, and food service expenditures were commingled with other local expenditures therefore expenditures were not substantiated.

10. Questioned Costs¹⁶
 \$8,314

11. Context¹⁷
 Title I expenditures for transportation (\$4055), general administration (\$3741) and food service (\$518) were not ascertainable.

12. Effect
 Expenditures were not able to be verified.

13. Cause
 Federal expenditures are comingled with non-federal expenditures due to lack of proper internal control procedures.

14. Recommendation
 The District is to document all expenditures claimed by Title I. Establish and utilize internal control procedures to ensure Title I salaries, benefits, purchased services, supplies, etc. are recorded in accounts designated for Title I only. Review the FY 15 Title I grant budget to ensure the FY 15 expenditures are appropriately recorded.

15. Management's response¹⁸
 The District will follow the recommendation as given.

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

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2014- 008 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? _____

3. Federal Program Name and Year: _____ Title I - Low Income 2014

4. Project No.: _____ 14-4300-00 5. CFDA No.: _____ 84.010A

6. Passed Through: _____ Illinois State Board of Education

7. Federal Agency: _____ U.S. Department of Education

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

The District is to file an accurate expenditure report.

9. Condition¹⁵

The June 30, 2014 expenditure report for Title I includes July and August 2014 salaries of \$15,756 as actual costs rather than as outstanding obligations.

10. Questioned Costs¹⁶

\$0

11. Context¹⁷

The District reported future salaries as current salaries rather than as outstanding obligations.

12. Effect

Actual expenditures are overstated and outstanding obligations are understated for the 6/30/14 expenditure report, but the overall effect on the expenditure report is \$0.

13. Cause

Inadequate internal control procedures.

14. Recommendation

The District is to establish and utilize internal control procedures to ensure salaries that are to be paid after the fiscal year end, but with in the grant period, are properly reported on the June 30th expenditure report.

15. Management's response¹⁸

After training and additional understanding of this topic by the Superintendent and the Bookkeeper this error will not occur again as a result of the district adopting the recommendation as presented.

For ISBE Review

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

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2014- 009 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Nat'l School Lunch 2014, School Breakfast 2014/ Title I - Low Income 2014

4. Project No.: 14-4210 & 14-4220 / 14-43000 5. CFDA No.: 10.555 & 10.553 / 84.010

6. Passed Through: Illinois State Board of Education

7. Federal Agency: U.S. Department of Agriculture / U.S. Department of Education

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

The district should be performing reconciliations of bank and payroll liability accounts and should have a District Treasurer oversee the accounting functions.

9. Condition¹⁵

Bank and payroll liability account reconciliations were not performed on a timely basis during the year. The district was also without a Treasurer for several months. This is considered a material weakness.

10. Questioned Costs¹⁶

N/A

11. Context¹⁷

During the course of performing audit procedures, we noted bank reconciliations had not been performed. The district hired an outside accounting firm to perform these reconciliations. Payroll liability accounts have not been reconciled.

12. Effect

Significant journal entries were required as a result of the bank reconciliations performed by the outside accountant and an internal review of the payroll liability accounts.

13. Cause

Account reconciliations were not performed in a timely manner.

14. Recommendation

The district needs to hire a qualified District Treasurer as well as implement timely account reconciliation procedures.

15. Management's response¹⁸

Board has hired a Treasurer effective August 15, 2014. Reconciliations will be performed monthly.

For ISBE Review

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

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2014

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
13-1	Eligibility testing of Free & Reduced Lunch and School Breakfast programs resulted in 9 students that should have been denied and 3 were allowed free but qualified for reduced.	The District reviewed all FY 13 - 14 lunch applications per the FY 13 audit recommendations and believe that the issue has been corrected.
13-2	As a result of finding 13-1, the funding for Title I was incorrectly allocated.	The District believes this was rectified as a result of the procedures implemented for finding 13-1.
13-3	Misstatements of financial statements were found during the audit, resulting in material adjusting entries.	This is an ongoing issue for the fiscal year ended June 30, 2014. See finding 2014-001
13-4	The District obtained financing for property and equipment acquisitions from a local financial institution which is not an authorized financing source.	The District continues to pay down on the existing loans, but no new loans were established See finding 2014-002.
13-5	The District's activity fund custodians are not properly bonded.	Appropriate bonding was obtained by the District.

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

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

²⁰ Current Status should include one of the following:

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 001**

Condition:

During the audit, material misstatements of the financial records were found, resulting in adjusting entries. These entries were material to the financial statements and necessary to ensure that the financial statements are fairly stated. Management agreed with the adjustments and they were included in the 2014 financial statements.

Plan:

Management will develop a checklist to identify potential adjustment to be posted prior to year end.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response: Management will work on developing procedures to identify potential adjustments.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 002**

Condition:

The District has obtained financing for various property and equipment acquisitions from a local financial institution that is not authorized by the Illinois School Code.

Plan:

The District will refrain from using this source of funding in the future.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response: Management will implement the plan noted above.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 003**

Condition:

Bank and payroll liability account reconciliations were not performed on a timely basis during the year. The district was also without a Treasurer for several months. This is considered a material weakness.

Plan:

The district needs to hire a qualified District Treasurer as well as implement timely account reconciliation procedures.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response:

Board has hired a Treasurer effective August 15, 2014. Reconciliations will be performed monthly.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 004**

Condition:

During testing, we noted 3 students were allowed free lunch & breakfast but should have been denied & 1 student was allowed reduced lunch & breakfast but qualified for free lunch & breakfast.

Plan:

Documenting the results of the income verification process in the appropriate space on the application would aid in determining status of applicant as well as correct use of the USDA income guidelines.

Anticipated Date of Completion: 1/31/2014

Name of Contact Person: Phillip J. Caposey

Management Response: The district will implement the recommended changes. To that end, the staff in the position at the time of the mistake has since been removed from that position and a focus on improving our performance in this area has been adopted.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 005**

Condition:

The food service program operated at a profit of \$108,000 during the fiscal year ending June 30, 2014.

Plan:

The Compliance Supplement requires the excess funds to be reinvested into the food service program.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response: The recommendation will be followed as well as ensuring that we are coding all possible food service expenses correctly. The intent is not to run a for-profit program and this will be an area of focus.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 006**

Condition:

Title I expenditure reports for the quarters ending 9/30/13, 12/31/13, and 3/31/14 were not filed within 20 days after the quarter end.

Plan:

The District is to establish and utilize an internal control procedures for completing and submitting the required quarterly grant expenditure reports within 20 days of the quarter end.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response:

Monitoring of the recommended process will take place directly from the Superintendent's office from this point forward and the expectation is that this error will cease.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 007**

Condition:

The District recorded 50% of Title I salaries in the appropriate expenditure accounts, but 76% of Title I expenditures qualified according to the approved grant budget. Also, transportation, general administration, and food service expenditures for Title I were commingled with other local expenditures and not recorded in separate Title I expenditure accounts.

Plan:

The District is to document all expenditures claimed by Title I as well as establish and utilize internal control procedures to ensure Title I salaries, benefits, purchased services, supplies, etc. are recorded in accounts designated for Title I only (separate from non-federal funds). The District will review the FY 15 Title I grant budget to ensure the FY 15 expenditures (including salary %'s) are appropriately recorded.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J Caposey

Management Response: The District will follow the recommendation as given.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 008**

Condition:

The June 30, 2014 Title I expenditure report includes July and August 2014 salaries as actual expenditures rather than as outstanding obligations.

Plan:

The District will establish and utilize proper internal control procedures to ensure that July and August salaries paid after the fiscal year end are correctly reported as outstanding obligations on the June 30 expenditure report.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response: After training and additional understanding of this topic by the Superintendent and the Bookkeeper this error will not occur again as a result of the district adopting the recommendation as presented.

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

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
47-071-2230-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2014

Corrective Action Plan

Finding No.: **2014- 009**

Condition:

Bank and payroll liability account reconciliations were not performed on a timely basis during the year. The district was also without a Treasurer for several months. This is considered a material weakness.

Plan:

The district needs to hire a qualified District Treasurer as well as implement timely account reconciliation procedures.

Anticipated Date of Completion: 6/30/2015

Name of Contact Person: Phillip J. Caposey

Management Response:

Board has hired a Treasurer effective August 15, 2014. Reconciliations will be performed monthly.

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