

Peotone Community Unit  
School District 207U

Annual Financial Report

Peotone, Illinois

June 30, 2009



PEOTONE COMMUNITY UNIT  
SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS

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PEOTONE COMMUNITY UNIT  
SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS

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Independent Auditors' Report

To The Board of Education  
Peotone Community Unit School District 207U  
Peotone, Illinois

We have audited the accompanying financial statements of Peotone Community Unit School District 207U as of and for the fiscal year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note #1, these financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable are presumed to be material.

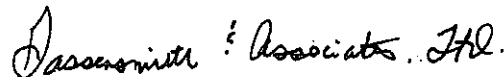
In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of Peotone Community Unit School District 207U as of June 30, 2009, or changes in financial position for the fiscal year then ended.

To The Board of Education  
Peotone Community Unit School District 207U

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Peotone Community Unit School District 207U as of June 30, 2009, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

In accordance with Government Auditing Standards, we have also issued a separate report dated September 8, 2009, on our consideration of Peotone Community Unit School District 207U's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules listed as "Supplemental Information" in the table of contents are presented for the purposes of additional analysis and are not a required part of the financial statements of Peotone Community Unit School District 207U. The "Supplemental Information" has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the financial statements as a whole.



Gassensmith & Associates, Ltd.  
Certified Public Accountants

September 8, 2009





PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
JUNE 30, 2009

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security
<u>Assets</u>					
Cash and Cash Equivalents	2,070,057	631,103	2,008,624	186,588	29,782
Investments	-	-	-	-	-
Other Current Assets	-	-	-	-	-
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Improvements other than Buildings	-	-	-	-	-
Equipment Other than Trans or Food Svc	-	-	-	-	-
Transportation Equipment	-	-	-	-	-
Food Service Equipment	-	-	-	-	-
Amounts Available in Debt Service Funds	-	-	-	-	-
Amounts to be provided for Payment of Bonds	-	-	-	-	-
Amounts to be provided for Payment of Other Long Term Debt	-	-	-	-	-
Total Assets	<u>2,070,057</u>	<u>631,103</u>	<u>2,008,624</u>	<u>186,588</u>	<u>29,782</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Due to Organizations	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other Long-term Liabilities	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Reserved	-	-	2,008,624	-	29,782
Unreserved	2,070,057	631,103	-	186,588	-
Investments in General Fixed Assets	-	-	-	-	-
Total Fund Balances	<u>2,070,057</u>	<u>631,103</u>	<u>2,008,624</u>	<u>186,588</u>	<u>29,782</u>
Total Liabilities and Fund Balances	<u>2,070,057</u>	<u>631,103</u>	<u>2,008,624</u>	<u>186,588</u>	<u>29,782</u>

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



STATEMENT I

Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
52,698	-	4,078	205,331	-	-	5,188,261
-	-	-	-	-	-	-
-	-	-	-	2,973,996	-	2,973,996
-	-	-	-	28,374,199	-	28,374,199
-	-	-	-	783,127	-	783,127
-	-	-	-	4,127,224	-	4,127,224
-	-	-	-	3,096,421	-	3,096,421
-	-	-	-	-	-	-
-	-	-	-	-	2,008,624	2,008,624
-	-	-	-	-	24,676,376	24,676,376
-	-	-	-	-	-	-
<u>52,698</u>	<u>-</u>	<u>4,078</u>	<u>205,331</u>	<u>39,354,967</u>	<u>26,685,000</u>	<u>71,228,228</u>
-	-	-	205,331	-	-	205,331
-	-	-	-	-	26,685,000	26,685,000
-	-	-	-	-	-	-
-	-	-	<u>205,331</u>	-	<u>26,685,000</u>	<u>26,890,331</u>
-	-	4,078	-	-	-	2,042,484
52,698	-	-	-	-	-	2,940,446
-	-	-	-	39,354,967	-	39,354,967
<u>52,698</u>	<u>-</u>	<u>4,078</u>	<u>-</u>	<u>39,354,967</u>	<u>-</u>	<u>44,337,897</u>
<u>52,698</u>	<u>-</u>	<u>4,078</u>	<u>205,331</u>	<u>39,354,967</u>	<u>26,685,000</u>	<u>71,228,228</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED,  
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES -  
ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Educational	Operations and Maintenance	Debt Services
Revenue Received:			
Local Sources	7,818,500	1,197,436	3,639,267
State Sources	3,559,548	-	-
Federal Sources	1,377,711	-	-
Total Direct Receipts	12,755,759	1,197,436	3,639,267
Receipts for On-Behalf Payments	1,422,496	-	-
Total Revenues	14,178,255	1,197,436	3,639,267
Expenditures Disbursed:			
Instruction	11,017,884	-	-
Support Services	2,123,847	3,193,438	-
Community Services	-	-	-
Payments to Other Districts and Governmental Units	1,219,612	-	-
Debt Service	8,847	44,840	3,398,387
Total Direct Disbursements	14,370,190	3,238,278	3,398,387
Disbursements for On-Behalf Payments	1,422,496	-	-
Total Expenditures	15,792,686	3,238,278	3,398,387
Excess (Deficiency) of Revenues Over Expenditures	(1,614,431)	(2,040,842)	240,880
Other Financing Sources:			
Permanent Transfer	2,001,633	538,679	35,000
Principal on Bonds Sold	-	1,475,000	3,590,000
Accrued Interest on Bond Sold	-	-	5,596
Other Financing (Uses):			
Bond Defeased	-	-	(3,595,596)
Permanent Transfer	-	(35,000)	-
Total Other Financing Sources and (Uses)	2,001,633	1,978,679	35,000
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	387,202	(62,163)	275,880
Beginning Fund Balance - July 1, 2008	1,682,855	693,266	1,732,744
Ending Fund Balance - June 30, 2009	2,070,057	631,103	2,008,624

The accompanying notes are an integral part of these statements

Transportation	Municipal Retirement/ Social Security	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
448,275	639,835	99,129	74,241	30	13,916,713
895,537	-	-	-	-	4,455,085
-	-	-	-	-	1,377,711
<u>1,343,812</u>	<u>639,835</u>	<u>99,129</u>	<u>74,241</u>	<u>30</u>	<u>19,749,509</u>
-	-	-	-	-	1,422,496
<u>1,343,812</u>	<u>639,835</u>	<u>99,129</u>	<u>74,241</u>	<u>30</u>	<u>21,172,005</u>
-	314,080	-	-	-	11,331,964
1,454,699	304,761	-	74,241	-	7,150,986
-	-	-	-	-	-
-	-	-	-	-	1,219,612
-	-	-	-	-	3,452,074
<u>1,454,699</u>	<u>618,841</u>	<u>-</u>	<u>74,241</u>	<u>-</u>	<u>23,154,636</u>
-	-	-	-	-	1,422,496
<u>1,454,699</u>	<u>618,841</u>	<u>-</u>	<u>74,241</u>	<u>-</u>	<u>24,577,132</u>
(110,887)	20,994	99,129	-	30	(3,405,127)
-	-	(2,540,312)	-	-	35,000
-	-	2,400,000	-	-	7,465,000
-	-	1,633	-	-	7,229
-	-	-	-	-	(3,595,596)
-	-	-	-	-	(35,000)
-	-	(138,679)	-	-	3,876,633
(110,887)	20,994	(39,550)	-	30	471,506
297,475	8,788	92,248	-	4,048	4,511,424
<u>186,588</u>	<u>29,782</u>	<u>52,698</u>	<u>-</u>	<u>4,078</u>	<u>4,982,930</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUE RECEIVED - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Educational	Operations and Maintenance	Debt Services
Revenue Received:			
Revenue from Local Sources:			
Ad Valorem Taxes Levied:			
Designated Purposes Levies	6,545,784	1,120,310	3,634,831
Special Education Levy	73,000	-	-
Social Security/Medicare Levy	-	-	-
Other Levies	97,324	-	-
Payments in Lieu of Taxes:			
Corporate Personal Property Replacement Taxes	261,119	-	-
Other Payments in Lieu of Taxes	-	-	-
Interest on Investments	15,123	10,108	4,436
Food Service:			
Sales to Pupils-Lunch	331,113	-	-
Pupil Activities:			
Admissions Athletic	33,790	-	-
Admissions Other	37,125	-	-
Fees	71,908	-	-
Textbooks:			
Rentals:			
Regular Textbooks	219,365	-	-
Rentals	-	-	-
Contributions from Private Sources	-	18,225	-
Refund of Prior Years' Expenditures	-	-	-
Local Fees	-	-	-
Tuition	110,322	-	-
Other Local Revenue	22,527	48,793	-
<b>Total Revenue from Local Sources</b>	<b>7,818,500</b>	<b>1,197,436</b>	<b>3,639,267</b>
Flow-through Revenue received from one LEA to another LEA			
Flow-through Revenue from State Sources	-	-	-
Flow-through Revenue from Federal Sources	-	-	-
<b>Total Flow-through Revenue received from one LEA to another LEA</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Statement 3

<u>Trans- portation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
442,652	160,864	-	98,993	74,241	-	12,077,675
-	-	-	-	-	-	73,000
-	136,116	-	-	-	-	136,116
-	-	-	-	-	-	97,324
-	342,408	-	-	-	-	603,527
-	-	-	-	-	-	-
605	447	-	136	-	30	30,885
-	-	-	-	-	-	331,113
-	-	-	-	-	-	33,790
-	-	-	-	-	-	37,125
-	-	-	-	-	-	71,908
-	-	-	-	-	-	219,365
-	-	-	-	-	-	-
-	-	-	-	-	-	18,225
-	-	-	-	-	-	-
5,018	-	-	-	-	-	5,018
-	-	-	-	-	-	110,322
-	-	-	-	-	-	71,320
<u>448,275</u>	<u>639,835</u>	<u>-</u>	<u>99,129</u>	<u>74,241</u>	<u>30</u>	<u>13,916,713</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUE RECEIVED - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue from State Sources:			
Unrestricted Grants-in-Aid:			
General State Aid - Sec 18-8.05	2,544,221	-	-
Other Unrestricted	-	-	-
Restricted Grants-in-Aid:			
Special Education:			
Private Facility Tuition	153,779	-	-
Extraordinary	198,028	-	-
Personnel	312,095	-	-
Summer School	9,327	-	-
Career and Technical Education (CTE):			
CTE-Agriculture Education	3,758	-	-
CTE-Other	1,470	-	-
Vocational Education	-	-	-
Transportation Aid:			
Regular/Vocational	-	-	-
Special Education	-	-	-
State Free Lunch & Breakfast	1,869	-	-
Driver's Education	19,837	-	-
Early Childhood-Block Grant	186,289	-	-
Reading Improvement Block Grant	54,183	-	-
School Safety & Educational Improvement			
Block Grant	71,055	-	-
Other State Funds	3,637	-	-
Total Revenue from State Sources	<u>3,559,548</u>	<u>-</u>	<u>-</u>
Revenue from Federal Sources:			
Restricted Grants-in-Aid Received			
Directly from the Federal Government			
Through the State:			
Title V - Innovation & Flex Formula	-	-	-
Title V - State Assessments:			
Food	-	-	-
Food Service:			
National Lunch Program	75,353	-	-
Special Milk	11,751	-	-
Food Service-Other	372	-	-
Title I:			
Low Income	112,578	-	-
Title IV - Safe & Drug Free Schools:			
Formula	4,443	-	-

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



Statement 3  
(continued)

<u>Trans- portation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
-	-	-	-	-	-	2,544,221
-	-	-	-	-	-	-
-	-	-	-	-	-	153,779
-	-	-	-	-	-	198,028
-	-	-	-	-	-	312,095
-	-	-	-	-	-	9,327
-	-	-	-	-	-	3,758
-	-	-	-	-	-	1,470
-	-	-	-	-	-	-
479,928	-	-	-	-	-	479,928
415,609	-	-	-	-	-	415,609
-	-	-	-	-	-	1,869
-	-	-	-	-	-	19,837
-	-	-	-	-	-	186,289
-	-	-	-	-	-	54,183
-	-	-	-	-	-	71,055
-	-	-	-	-	-	3,637
<u>895,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,455,085</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	75,353
-	-	-	-	-	-	11,751
-	-	-	-	-	-	372
-	-	-	-	-	-	112,578
-	-	-	-	-	-	4,443

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUE RECEIVED - ALL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Vocational Education:			
Title II - Eisenhower Professional Medicaid Matching Funds -	39,001	-	-
Administrative Outreach	107,400	-	-
Federal-Special Education:			
IDEA - Flow Through Low Incidence	252,369	-	-
IDEA - Room and Board	5,276	-	-
Other Restricted Revenue from Federal Stimulus Program:	18,179	-	-
General State Aid-Education Stabilization	<u>750,989</u>	<u>-</u>	<u>-</u>
 Total Revenue from Federal Sources	 <u>1,377,711</u>	 <u>-</u>	 <u>-</u>
 Total Revenues	 <u>12,755,759</u>	 <u>1,197,436</u>	 <u>3,639,267</u>

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

Statement 3  
(continued)

<u>Trans- portation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
-	-	-	-	-	-	39,001
-	-	-	-	-	-	107,400
-	-	-	-	-	-	252,369
-	-	-	-	-	-	5,276
-	-	-	-	-	-	18,179
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,989</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,377,711</u>
<u>1,343,812</u>	<u>639,835</u>	<u>-</u>	<u>99,129</u>	<u>74,241</u>	<u>30</u>	<u>19,749,509</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 4

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	5,451,233	5,904,913	453,680
Employee Benefits	1,438,057	1,663,190	225,133
Purchased Services	140,091	151,550	11,459
Supplies and Materials	396,855	530,500	133,645
Capital Outlay	34,386	45,500	11,114
Other Objects	2,509	4,400	1,891
Total Regular Programs	<u>7,463,131</u>	<u>8,300,053</u>	<u>836,922</u>
Special Education Programs:			
Salaries	2,307,431	2,022,618	(284,813)
Employee Benefits	514,641	471,100	(43,541)
Purchased Services	50,076	42,600	(7,476)
Supplies and Materials	57,373	42,400	(14,973)
Capital Outlay	7,045	-	(7,045)
Total Special Education Programs	<u>2,936,566</u>	<u>2,578,718</u>	<u>(357,848)</u>
CTE Programs:			
Salaries	140,257	144,618	4,361
Employee Benefits	24,160	56,723	32,563
Purchased Services	659	13,700	13,041
Supplies and Materials	11,245	26,595	15,350
Capital Outlay	-	6,400	6,400
Total CTE Programs	<u>176,321</u>	<u>248,036</u>	<u>71,715</u>
Interscholastic Programs:			
Salaries	211,606	221,260	9,654
Employee Benefits	41,791	48,800	7,009
Purchased Services	48,298	46,700	(1,598)
Supplies and Materials	35,988	39,000	3,012
Total Interscholastic Programs	<u>337,683</u>	<u>355,760</u>	<u>18,077</u>
Gifted Program:			
Salaries	83,426	78,600	(4,826)
Employee Benefits	20,419	16,000	(4,419)
Purchased Services	-	500	500
Supplies and Materials	338	750	412
Total Gifted Programs	<u>104,183</u>	<u>95,850</u>	<u>(8,333)</u>
Total Instruction	<u>11,017,884</u>	<u>11,578,417</u>	<u>560,533</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 4  
(continued)

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
<b>Supporting Services:</b>			
Support Services - Pupils			
Guidance Services:			
Salaries	117,293	102,139	(15,154)
Employee Benefits	27,403	23,670	(3,733)
Purchased Services	26,808	35,000	8,192
Supplies and Materials	2,630	2,500	(130)
Total Guidance Services	<u>174,134</u>	<u>163,309</u>	<u>(10,825)</u>
Health Services:			
Salaries	68,091	90,000	21,909
Employee Benefits	5,288	14,000	8,712
Purchased Services	216	1,000	784
Supplies and Materials	7,891	10,000	2,109
Other Objects	1,080	-	(1,080)
Total Health Services	<u>82,566</u>	<u>115,000</u>	<u>32,434</u>
Other Support Services - Pupils:			
Supplies and Materials	7,387	8,000	613
Total Support Services - Pupils	<u>264,087</u>	<u>286,309</u>	<u>22,222</u>
Support Services - Instructional Staff:			
Improvement of Instructional Services:			
Salaries	180,781	173,394	(7,387)
Employee Benefits	24,192	27,439	3,247
Purchased Services	25,521	43,100	17,579
Supplies and Materials	453	3,100	2,647
Capital Outlay	624	1,000	376
Other Objects	13,020	17,000	3,980
Total Improvement of Instructional Svc.	<u>244,591</u>	<u>265,033</u>	<u>20,442</u>
Educational Media Services:			
Salaries	49,786	50,900	1,114
Employee Benefits	11,043	11,500	457
Supplies and Materials	21,356	32,000	10,644
Total Educational Media Services	<u>82,185</u>	<u>94,400</u>	<u>12,215</u>
Total Support Services - Instructional Staff	<u>326,776</u>	<u>359,433</u>	<u>32,657</u>

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



PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 4  
(continued)

	Actual	Budget	Unexpended Budget
Support Services - General Administration:			
Board of Education Services:			
Salaries	36,506	37,900	1,394
Employee Benefits	45	50	5
Purchased Services	88,191	63,400	(24,791)
Supplies and Materials	-	100	100
Other Objects	54,116	33,000	(21,116)
Total Board of Education Services	<u>178,858</u>	<u>134,450</u>	<u>(44,408)</u>
Executive Administration Services:			
Salaries	112,500	109,200	(3,300)
Employee Benefits	13,033	300	(12,733)
Purchased Services	2,152	2,000	(152)
Supplies and Materials	1,508	1,500	(8)
Total Executive Admin Services	<u>129,193</u>	<u>113,000</u>	<u>(16,193)</u>
Total Support Services - General Admin.	<u>308,051</u>	<u>247,450</u>	<u>(60,601)</u>
Support Services - School Administration			
Office of the Principal Services:			
Salaries	510,833	473,180	(37,653)
Employee Benefits	85,538	89,610	4,072
Purchased Services	2,250	3,600	1,350
Supplies and Materials	736	1,250	514
Capital Outlay	70	1,000	930
Other Objects	1,000	1,000	-
Total Office of the Principal Service	<u>600,427</u>	<u>569,640</u>	<u>(30,787)</u>
Support Services - Business			
Director of Business Support Services:			
Salaries	76,650	76,650	-
Employee Benefits	4,375	7,600	3,225
Purchased Services	3,472	500	(2,972)
Supplies and Materials	269	1,000	731
Capital Outlay	400	3,000	2,600
Other Objects	500	500	-
Total Director of Business Support Services	<u>85,666</u>	<u>89,250</u>	<u>3,584</u>
Fiscal Services			
Salaries	94,442	94,600	158
Employee Benefits	18,040	33,338	15,298
Purchased Services	591	1,400	809
Supplies and Materials	5,378	6,800	1,422
Total Fiscal Services	<u>118,451</u>	<u>136,138</u>	<u>17,687</u>

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





PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 4  
(continued)

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Operation and Maintenance of			
Plant Services:			
Purchased Services	22,920	28,000	5,080
Other Objects	<u>6,800</u>	<u>-</u>	<u>(6,800)</u>
Total Operation and Maintenance of Plant Services	<u>29,720</u>	<u>28,000</u>	<u>(1,720)</u>
Food Services:			
Salaries	157,391	158,000	609
Employee Benefits	19,133	18,000	(1,133)
Purchased Services	1,443	2,000	557
Supplies and Materials	211,358	206,000	(5,358)
Other Objects	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total Food Services	<u>389,325</u>	<u>386,000</u>	<u>(3,325)</u>
Total Support Services - Business	<u>623,162</u>	<u>639,388</u>	<u>16,226</u>
Other Support Services:			
Salaries			
Employee Benefits			
Purchased Services			
Supplies and Materials			
Other Objects	<u>1,344</u>	<u>-</u>	<u>(1,344)</u>
Total Other Supporting Services	<u>1,344</u>	<u>-</u>	<u>(1,344)</u>
Total Supporting Services	<u>2,123,847</u>	<u>2,102,220</u>	<u>(21,627)</u>
Nonprogrammed Charges:			
Payments to Other Governmental Units (In-state):			
Payments for Special Education Programs:			
Purchased Services	1,060,880	969,000	(91,880)
Payments for Vocational Education Programs:			
Purchased Services	<u>158,732</u>	<u>180,000</u>	<u>21,268</u>
Total Payments to Other Governmental Units (In-State)	<u>1,219,612</u>	<u>1,149,000</u>	<u>(70,612)</u>
Debt Service			
Debt Service Interest	<u>8,847</u>	<u>-</u>	<u>(8,847)</u>
Provision for Contingencies	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total Expenditures	<u>14,370,190</u>	<u>14,839,637</u>	<u>469,447</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
OPERATIONS AND MAINTENANCE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 5

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Facilities Acquisition & Construction Services:			
Capital Outlay	1,448,006	-	(1,448,006)
Other Objects	10,898	-	(10,898)
Total Facilities Acquisition & Construction Services	1,458,904	-	(1,458,904)
Operation and Maintenance of Plant Services:			
Salaries	601,585	579,000	(22,585)
Employee Benefits	103,155	112,000	8,845
Purchased Services	258,049	397,300	139,251
Supplies and Materials	634,726	545,000	(89,726)
Capital Outlay	127,019	182,000	54,981
Other Objects	10,000	11,000	1,000
Total Operation and Maintenance of Plant Services	1,734,534	1,826,300	91,766
Total Support Services - Business	3,193,438	1,826,300	(1,367,138)
Debt Services-Interest on Short-Term Debt:			
Other Objects	44,840	-	(44,840)
Provision for Contingencies	-	10,000	10,000
Total Expenditures	3,238,278	1,836,300	(1,401,978)

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
DEBT SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 6

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Debt Services:			
Debt Service - Interest:			
Bonds	1,040,669	3,324,000	2,283,331
Debt Service - Bond Principal	2,345,000	-	(2,345,000)
Debt Service - Other	<u>12,718</u>	<u>8,000</u>	<u>(4,718)</u>
 Total Expenditures	 <u>3,398,387</u>	 <u>3,332,000</u>	 <u>(66,387)</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
TRANSPORTATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 7

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Pupil Transportation Services:			
Salaries	837,533	753,000	(84,533)
Employee Benefits	33,718	29,000	(4,718)
Purchased Services	56,419	89,100	32,681
Supplies and Materials	370,278	490,000	119,722
Capital Outlay	149,751	259,000	109,249
Other Objects	5,000	5,000	-
Total Pupil Transportation Services	1,452,699	1,625,100	172,401
Other Support Services:			
Other Objects	2,000	2,000	-
Total Support Services - Business	1,454,699	1,627,100	172,401
Total Expenditures	1,454,699	1,627,100	172,401

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 8

	Actual	Budget	Unexpended Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	162,245	150,100	(12,145)
Special Education Programs:			
Employee Benefits	146,153	173,800	27,647
Vocation Programs:			
Employee Benefits	1,246	6,000	4,754
Interscholastic Programs			
Employee Benefits	3,227	4,500	1,273
Gifted			
Employee Benefits	1,209	800	(409)
Total Instruction	314,080	335,200	21,120
Supporting Services:			
Support Services - Pupils			
Guidance Services:			
Employee Benefits	4,236	1,500	(2,736)
Health Services:			
Employee Benefits	11,121	12,200	1,079
Other Support Services - Pupils:			
Employee Benefits	-	-	-
Total Support Services - Pupils	15,357	13,700	(1,657)
Support Services - Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	2,498	2,500	2
Educational Media Services:			
Employee Benefits	722	800	78
Total Support Services - Instructional Staff	3,220	3,300	80

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 8  
(continued)

	Actual	Budget	Unexpended Budget
Support Services - General Administration:			
Board of Education Services:			
Employee Benefits	5,960	6,600	640
Executive Administration Services:			
Employee Benefits	1,631	1,700	69
Total Support Services - General Admin.	7,591	8,300	709
Support Services - School Administration:			
Office of the Principal Services:			
Employee Benefits	7,255	6,800	(455)
Support Services - Business			
Director of Business Support:			
Employee Benefits	11,210	11,300	90
Fiscal Services:			
Employee Benefits	14,443	16,600	2,157
Operation and Maintenance of Plant Services:			
Employee Benefits	90,414	9,800	(80,614)
Pupil Transportation Services:			
Employee Benefits	131,966	126,000	(5,966)
Food Services:			
Employee Benefits	23,305	24,000	695
Total Support Services - Business	271,338	187,700	(83,638)
 Total Support Services	 304,761	 219,800	 (84,961)
 Total Expenditures	 618,841	 555,000	 (63,841)

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
TORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 9

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services - General Administration:			
Insurance Payments			
Purchased Services	74,241	63,000	(11,241)
Total Support Services-General Administration	<u>74,241</u>	<u>63,000</u>	<u>(11,241)</u>
Total Expenditures	<u>74,241</u>	<u>63,000</u>	<u>(11,241)</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF EXPENDITURES DISBURSED  
(AND COMPARISON WITH BUDGET)  
FIRE PREVENTION & SAFETY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Statement 10

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services - Business:			
Facilities Acquisition and Construction Services			
Purchased Services	-	-	-
Operation & Maintenance of Plant			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>

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



PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1 Summary of Significant Accounting Policies

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

A. Principles Used to Determine Scope of the Reporting Entity

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

Component Units

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

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

The Annual Financial Report is a regulatory report prepared in accordance with the requirements of the Illinois State Board of Education and does not include the government-wide financial statements including the statement of net assets and the statement of activities required by accounting principles generally accepted in the United States of America.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1     Summary of Significant Accounting Policies (continued)

B.           Basis of Presentation - Fund Accounting (continued)

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State Board of Education.

The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Governmental Funds -

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

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

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

The Transportation Fund and the Illinois Municipal Retirement/Social Security Fund are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

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

The Tort Fund accounts for financial resources to be used for the payment of insurance and tort related expenses.

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

Fiduciary Funds

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

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

Governmental and Expendable Trust Funds - Measurement Focus

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1     Summary of Significant Accounting Policies (continued)

B.           Basis of Presentation - Fund Accounting (continued)

General Fixed Assets and General Long-term Debt Account Group

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

No depreciation has been provided on fixed assets in these financial statements. Current depreciation of \$1,437,912 has been utilized for the calculation of the per capita tuition charge and accumulated depreciation totaling \$14,491,101 has been reported on the Illinois Local Education Agency annual financial report (ISBE Form 50-35). Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Buildings	50 years
Improvements	20 years
Transportation Equipment	5 years
Other Equipment	3-10 years

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

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1    Summary of Significant Accounting Policies (continued)

C.        Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed 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, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

D.        Budgets and Budgetary Accounting

The budget for all Governmental Funds and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Compiled Statutes. The budget was passed on September 22, 2008.

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

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1     Summary of Significant Accounting Policies (continued)

D.           Budgets and Budgetary Accounting (continued)

2. A Public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption

E.           Cash and Cash Equivalents

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

F.           Investments

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

G.           Inventories

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #1 Summary of Significant Accounting Policies (continued)

H. Total Memorandum Only

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

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

Note #2 Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2008 levy was passed by the Board on December 18, 2008. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The District received \$6,335,116 from the 2008 tax levy prior to June 30, 2009. The balance of taxes shown in these financial statements are from the 2007 and prior tax levies.

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

	Maximum	Actual 2008	Actual 2007
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Educational	4.0000	1.7096	1.6939
Operations & Maintenance	.7500	.2939	.2911
Transportation	None	.1166	.1154
Bond and Interest	None	1.0062	.9241
Municipal Retirement	None	.0428	.0424
Social Security	None	.0370	.0366
Tort Immunity	None	.0182	.0180
Special Education	.8000	.0183	.0181
Working Cash	.0500	.0257	.0254
Lease Purchase	1.0000	<u>.0244</u>	<u>.0241</u>
Total		<u>3.2927</u>	<u>3.1891</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #3 Special Tax Levies and Restricted Equity

A. Tort Immunity.

Revenue collected and the related expenditures paid of this restricted tax levy are accounted for in the Tort Fund. A total of \$74,241 was collected and all was spent during the current fiscal year. Refer to the table below:

	<u>Tort Fund</u>
Tort Revenues:	
Tax Collections	\$74,241
Total Tort Revenues	74,241
Tort Expenditures:	
Insurance	74,241
Total Tort Expenditures	74,241
Revenues Over (Under) Expenditures	-
Restricted at June 30, 2008	-
Restricted at June 30, 2009	\$ 0

B. Special Education.

Revenue collected and the related expenditures paid of this restricted tax levy are accounted for in the Educational Fund. A total of \$73,000 was collected and all was spent.

C. Leasing.

Revenue collected and related expenditures paid of this restricted levy are accounted for in the Educational Fund. A total of \$97,324 was collected and all was spent.

D. Fire Prevention Safety.

Cash receipts and the related cash disbursements of these restricted tax levies are accounted for in Fire and Safety Fund. The total of this fund's equity is restricted for future fire prevention and safety project disbursements. At June 30, 2009, \$4,078, is restricted.



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Note #3 Special Tax Levies and Restricted Equity (continued)

E. IMRF and Social Security.

Cash receipts and related cash disbursements of these restricted levies are accounted for in the Municipal Retirement Fund. The total of this fund's equity is restricted for future IMRF and Social Security disbursements. At June 30, 2009, \$29,782, is restricted.

F. Debt Services.

Cash receipts and related cash disbursements of these restricted levies are accounted for in the Debt Services Fund. The total of this fund's equity, \$2,008,624, is restricted.

Note #4 Deposits and Investments

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

1. bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
3. money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) or (2) above and to agreements to repurchase such obligations;
4. the Illinois Funds. Any public agency may also invest any public funds in a fund managed, operated and administered by a bank, subsidiary of a bank or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds;
5. the Illinois School District Liquid Asset Fund Plus;

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Note #4 Deposits and Investments (continued)

6. any investment as authorized by the Public Funds Investment Act and Acts amendatory thereto. Paragraph 6 supersedes paragraphs 1-5 and controls in the event of conflict.

Custodial Credit Risk Related to Deposits with Financial Institutions

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

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

At June 30, 2009, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts, repurchase agreements and certificates of deposits was \$5,188,101(excludes \$160 petty cash) and the bank balance was \$6,306,348. As of June 30, 2009, the following District's bank balances (certificates of deposit, checking and savings accounts) were exposed to custodial credit risk as follows (carrying amounts are presented as additional information only):

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	\$ -	\$ -
Category #2	4,588,093	5,706,340
Category #3	<u>600,000</u>	<u>600,000</u>
	<u>\$5,188,093</u>	<u>\$6,306,340</u>

Category #1 includes deposits that are uncollateralized.

Category #2 includes deposits that are collateralized with securities held by the pledging financial institution.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
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Note #4 Deposits and Investments (continued)

Category #3 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent, but not in the depositor-government's name.

Non-Categorized Funds:	<u>Carrying</u> <u>Amount</u>	<u>Market</u> <u>Value</u>
Illinois Funds	\$8	\$8

Note #5 Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2009</u>
Non-depreciable				
Fixed assets:				
Land	1,682,948	1,345,048	-	2,973,996
Depreciable fixed assets:				
Buildings	28,374,199	-	-	28,374,199
Improvements	694,100	89,027	-	783,127
Transportation				
Equipment	3,085,121	11,300	-	3,096,421
Equipment	<u>4,002,563</u>	<u>124,661</u>	-	<u>4,127,224</u>
Total Fixed Assets	37,784,931	1,570,036	-	39,354,967
Accumulated Depreciation:				
Buildings	6,645,553	567,484	-	7,213,037
Improvements	309,685	36,826	-	346,511
Transportation				
Equipment	2,661,817	425,376	-	3,087,193
Equipment	<u>3,436,134</u>	<u>408,226</u>	-	<u>3,844,360</u>
Total Accumulated Depreciation	<u>13,053,189</u>	<u>1,437,912</u>	-	<u>14,491,101</u>
Fixed Assets, Net	<u>24,731,742</u>	<u>132,124</u>	-	<u>24,863,866</u>

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Note #6 Lease Commitments

During the current fiscal year, the school district entered into a five year lease agreement with Sovereign Leasing, Inc to lease 38 school busses. The lease is payable in five annual installments of \$351,544. In July 2008, the District entered into a sixty month lease agreement to lease a bus barn. In October 2008, the district entered into a four year lease agreement to lease various equipment. The lease is payable in four annual installments of \$37,890.

The district is currently obligated under operating lease agreements for office equipment.

The annual future obligation for the District is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Amount</u>
6/30/10	449,311
6/30/11	442,807
6/30/12	439,056
6/30/13	<u>351,544</u>
Total	<u>\$2,122,040</u>

Note #7 Retirement Fund Commitments

A. Teachers' Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for 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.

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Note #7 Retirement Fund Commitments (continued)

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

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, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$1,422,496 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$1,063,605) and 9.78 percent (\$743,013), respectively.

The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contributions for the year ended June 30, 2007 was based on dollar amounts specified by the statute and were not actuarially determined.

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

**2.2 formula contributions** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 were \$48,305. Contributions for the years ended June 30, 2008 and June 30, 2007 were \$47,055 and \$44,064, 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 for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from

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Note #7 Retirement Fund Commitments (continued)

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

federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0. For the years ended June 30, 2008 and June 30, 2007, required district contributions were \$0 and \$0, 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.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and the 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ending June 30, 2009, the district paid \$70,663 to TRS for employer contributions under the ERO program. For the years ended June 30, 2008 and June 30, 2007, the district paid \$0 and \$0 in employer ERO contributions, respectively.

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Note #7 Retirement Fund Commitments (continued)

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

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

Public Act 94-0004 added two additional employer contributions to TRS.

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

For the year ended June 30, 2009, the district paid \$12,114 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2008 and 2007, the district paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- ▶ If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009).

For the year ended June 30, 2009, the district paid \$800 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and June 30, 2007, the district paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

**Further Information on TRS**

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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009.

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Note #7 Retirement Fund Commitments (continued)

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

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P. O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS website at [trs.illinois.gov](http://trs.illinois.gov).

B. THIS Fund

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provision of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

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

► **On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2009. State of Illinois contributions were



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Note #7 Retirement Fund Commitments (continued)

B. THIS Fund (continued)

\$69,959 and the district recognized revenue and expenditures of this amount during the year.

The State contributions intended to match active member contributions during the year ended June 30, 2008 were also .84 percent of pay. They were .80 percent for the year ended June 30, 2007. State contributions on behalf of district employees were \$68,149 for 2008.

► **Employer contributions to THIS Fund.** The district also makes contributions to THIS Fund. The employer THIS Fund contribution was .63 percent during the years ended June 30, 2009 and June 30, 2008. For the year ended June 30, 2009, the district paid \$52,469 to the THIS Fund. For the year ended June 30, 2008 the district paid \$51,111 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on THIS Fund.** The Publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave, Springfield, IL 62763-3838.

C. Illinois Municipal Retirement Fund

**Plan Description.** The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. Your 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](http://www.imrf.org).

**Funding Policy.** As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar

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Note #7 Retirement Fund Commitments (continued)

C. Illinois Municipal Retirement Fund (continued)

year 2008 was 8.73 percent of annual covered payroll. Your 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.** For 2008, the District's annual pension cost of \$270,707 for the Regular plan was equal to the District's required and actual contributions.

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

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/08	270,707	100%	\$0
12/31/07	235,785	100%	0
12/31/06	221,489	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 24 years.

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Note #7 Retirement Fund Commitments (continued)

C. Illinois Municipal Retirement Fund (continued)

**Funded Status and Funding Progress.** As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 81.97 percent funded. The actuarial accrued liability for benefits was \$4,774,056 and the actuarial value of assets was \$3,913,147, resulting in an underfunded actuarial accrued liability (UAAL) of \$860,909. The covered payroll (annual payroll of active employees covered by the plan) was \$3,100,880 and the ratio of the UAAL to the covered payroll was 28 percent.

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

Note #8 Long-Term Debt

As of June 30, 2009, the District had long-term debt outstanding in the amount of \$26,685,000. The long-term debt consists of the following:

Bonded indebtedness:

Bonded indebtedness is reflected in the General Long-Term Debt Account Group.

Current requirements for principal and interest expenditures are payable solely from future revenues of the Board and Interest Fund which consists principally of property taxes collected by the District and interest earnings. Bonded indebtedness consists of numerous bonds in the amount of \$26,685,000.

On December 15, 2008, the District issued \$3,590,000 in General Obligation Limited Tax Refunding Bonds, Series 2008B to advance refund \$3,030,000 of General Obligation, Series 2002A. The net proceeds of \$3,446,742 after payment of \$143,258 in underwriting fees, insurance, and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the above-mentioned portion of the Series 2002A bonds. As a result, the refunded portion of those bonds is considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account.

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WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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Note #8 Long-Term Debt (continued)

On December 1, 2008 the District issued \$2,400,000 Limited School Bonds, Series 2008A, for the purpose of increasing the working cash fund. These bonds are due in two installments dated October 1, 2009 and October 1, 2010. Interest is payable at a rate of 3.50%.

On July 16, 2008 the District issued \$1,475,000 Debt Certificates, Series 2008, for the purpose of buying land. These Bonds are payable in varying amounts beginning March 1, 2009 until March 1, 2018. Interest is payable semi-annually at a rate of 4.80%.

The following is a summary of the District's general long-term obligations for the year ended June 30, 2009:

	Balance July 1, 2008	Proceeds	Decrease	Balance June 30, 2009
Series 2000A	300,000	-		300,000
Series 2000C	605,000	-	50,000	555,000
Series 2000D	1,105,000	-	-	1,105,000
Series 2002A	8,705,000	-	3,030,000	5,675,000
Series 2002B	190,000	-	-	190,000
Series 2005	3,355,000	-	-	3,355,000
Series 2005B	4,305,000	-	-	4,305,000
Series 2006C	1,840,000	-	-	1,840,000
Series 2007A	360,000	-	360,000	-
Series 2007B	1,430,000	-	-	1,430,000
Series 2007C	2,400,000	-	1,900,000	500,000
Series 2008A	-	2,400,000	-	2,400,000
Series 2008B	-	3,590,000	-	3,590,000
Series 2008	-	1,475,000	35,000	1,440,000
	<u>24,595,000</u>	<u>7,465,000</u>	<u>5,375,000</u>	<u>26,685,000</u>
Total				

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
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JUNE 30, 2008

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Note #8 Long-Term Debt (continued)

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2009 are as follows:

<u>Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2010	2,932,000	1,216,719	4,148,719
2011	1,009,000	1,072,114	2,081,114
2012	519,000	1,038,058	1,557,058
2013	1,181,000	998,260	2,179,260
2014	1,796,000	930,849	2,726,849
2015	2,578,000	834,075	3,412,075
2016	3,423,000	703,414	4,126,414
2017	2,135,000	578,780	2,713,780
2018	2,025,000	481,748	2,506,748
2019	2,397,000	377,982	2,774,982
2020	2,457,000	263,081	2,720,081
2021	1,901,000	159,842	2,060,842
2022	1,736,000	72,791	1,808,791
2023	93,000	29,005	122,005
2024	93,000	24,546	117,546
2025	100,000	19,954	119,954
2026	100,000	15,086	115,086
2027	105,000	10,220	115,220
2028	105,000	5,124	110,124
Total	<u>26,685,000</u>	<u>8,831,648</u>	<u>35,516,648</u>

Under Section 5/19-1 of the Illinois School Code, the District is allowed to incur qualifying debt up to 13.8% of its latest equalized assessed value. As of June 30, 2009, the District's legal debt limit was \$54,350,877. Qualifying outstanding debt as of June 30, 2009 totaled \$26,685,000, leaving a debt margin of \$27,665,877.

Note #9 Tax Anticipation Warrants

There were \$0 in outstanding tax anticipation warrants beginning July 1, 2008. During the current year the District issued and paid off a \$1,000,000 tax anticipation warrant. The outstanding tax anticipation warrants were \$0 at June 30, 2009.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #10 Interfund Loans and Transfers

There were no interfund loans during the year ended June 30, 2009. The District made the following transfers during the year ended June 30, 2009:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Working Cash	-	2,540,312
Education	2,001,633	-
Debt Services	35,000	-
Operations & Maintenance	538,679	35,000

The transfers were made to abolish the Working Cash fund and to cover principal payments on debt certificate.

Note #11 Common Bank Accounts

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Note #12 Expenditures in Excess of Budget

Individual fund expenditures exceeded appropriations in the following funds:

	<u>Expenditures</u>	<u>Budget</u>	<u>Variance</u>
Operations & Maintenance	3,238,278	1,836,300	(1,401,978)
Debt Services	3,398,387	3,332,000	(66,387)
IMRF	618,841	555,000	(63,841)
Tort	74,241	63,000	(11,241)

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

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Note #13 Deficit Fund Balances

As of June 30, 2009, the District did not have a deficit fund balance in any fund.

Note #14 Self-Insurance Plan

All employees of the District are covered under the State of Illinois Unemployment Insurance Act.

Note #15 Contingencies

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

Note #16 Pending Litigation

At June 30, 2009, management or counsel representing the District know of no pending litigation or claims, asserted or unasserted, which if asserted and paid would have a materially adverse effect on the financial position of the District.

Note #17 Compensated Absences - Vacation and Sick Leave

Non-certified employees of the District are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. The District's policy is to recognize the costs of compensated absences when actually paid to employees in accordance with the cash basis.

Note #18 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. During the year ended June 30, 2009, there were no significant reductions in coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/08	3,913,147	4,774,056	860,909	81.97%	3,100,880	27.76%
12/31/07	4,080,747	4,102,237	21,490	99.48%	2,628,597	0.82%
12/31/06	3,584,924	3,645,540	60,616	98.34%	2,299,995	2.64%



PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
DETAILED SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 2009

Schedule 1

Year Ending June 30	Series 2000A		Series 2000C		Series 2000D	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	10,000	16,570	50,000	29,723	-	61,510
2011	10,000	16,040	130,000	24,502	-	61,510
2012	10,000	15,500	105,000	17,688	-	61,510
2013	10,000	14,960	110,000	11,700	-	61,510
2014	20,000	14,148	85,000	6,441	55,000	60,039
2015	20,000	13,057	75,000	2,063	60,000	56,948
2016	25,000	11,814	-	-	165,000	50,831
2017	30,000	10,280	-	-	185,000	41,247
2018	30,000	8,592	-	-	205,000	30,420
2019	35,000	6,747	-	-	230,000	18,183
2020	100,000	2,875	-	-	205,000	5,842
<b>Total</b>	<b>300,000</b>	<b>130,583</b>	<b>555,000</b>	<b>92,117</b>	<b>1,105,000</b>	<b>509,550</b>

Year Ending June 30	Series 2002A		Series 2002B		Series 2005	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	-	407,298	-	7,819	-	129,870
2011	-	271,532	-	7,819	-	129,870
2012	100,000	269,408	75,000	6,272	-	129,870
2013	110,000	265,014	90,000	2,868	145,000	126,970
2014	205,000	257,620	25,000	506	230,000	119,470
2015	215,000	247,120	-	-	290,000	109,070
2016	335,000	233,370	-	-	340,000	97,150
2017	465,000	213,370	-	-	410,000	83,445
2018	295,000	194,370	-	-	465,000	67,025
2019	310,000	179,246	-	-	540,000	47,795
2020	480,000	160,455	-	-	935,000	18,700
2021	1,510,000	114,307	-	-	-	-
2022	1,650,000	39,600	-	-	-	-
<b>Total</b>	<b>5,675,000</b>	<b>2,852,710</b>	<b>190,000</b>	<b>25,284</b>	<b>3,355,000</b>	<b>1,059,235</b>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
DETAILED SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 2009

Schedule 1  
(continued)

Year Ending June 30	Series 2005B		Series 2006C		Series 2007B	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	-	192,562	-	98,440	-	78,105
2011	-	192,562	-	98,440	170,000	73,515
2012	-	192,562	-	98,440	180,000	64,065
2013	465,000	182,681	-	98,440	195,000	53,940
2014	520,000	161,100	-	98,440	205,000	43,037
2015	575,000	136,463	65,000	96,701	215,000	31,488
2016	635,000	109,238	15,000	94,561	230,000	19,250
2017	700,000	79,200	40,000	93,090	235,000	6,463
2018	770,000	46,125	190,000	86,938	-	-
2019	640,000	14,402	565,000	66,742	-	-
2020	-	-	660,000	33,973	-	-
2021	-	-	305,000	8,158	-	-
Total	<u>4,305,000</u>	<u>1,306,895</u>	<u>1,840,000</u>	<u>972,363</u>	<u>1,430,000</u>	<u>369,863</u>

Year Ending June 30	Series 2007C		Series 2008A		Series 2008B	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	500,000	8,750	1,750,000	81,375	580,000	170,383
2011	-	-	65,000	11,375	-	116,913
2012	-	-	-	-	-	116,913
2013	-	-	-	-	-	116,912
2014	-	-	-	-	395,000	109,506
2015	-	-	-	-	1,000,000	83,350
2016	-	-	-	-	1,615,000	32,300
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
Total	<u>500,000</u>	<u>8,750</u>	<u>1,815,000</u>	<u>92,750</u>	<u>3,590,000</u>	<u>746,277</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
DETAILED SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 2009

Schedule 1  
(continued)

Year Ending <u>June 30</u>	<u>Series 2008</u>	
	<u>Principal</u>	<u>Interest</u>
2010	42,000	70,080
2011	49,000	68,036
2012	49,000	65,831
2013	56,000	63,266
2014	56,000	60,541
2015	63,000	57,816
2016	63,000	54,900
2017	70,000	51,684
2018	70,000	48,277
2019	77,000	44,871
2020	77,000	41,236
2021	86,000	37,376
2022	86,000	33,191
2023	93,000	29,005
2024	93,000	24,546
2025	100,000	19,954
2026	100,000	15,086
2027	105,000	10,220
2028	105,000	5,124
Total	<u>1,440,000</u>	<u>801,040</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
SCHEDULE OF TAXES EXTENDED AND COLLECTED  
JUNE 30, 2009

	<u>Educational Levy</u>	<u>Special Education Levy</u>	<u>Lease Levy</u>	<u>Tort Immunity Levy</u>
<u>2007 Levy</u>				
Assessed Valuation	370,976,741			
Tax Rate per \$100	<u>1.6939</u>	<u>0.0181</u>	<u>0.0241</u>	<u>0.0180</u>
Taxes Extended	6,282,789	67,134	89,389	66,763
Taxes Collected	<u>6,304,740</u>	<u>75,617</u>	<u>88,444</u>	<u>71,789</u>
 <u>2008 Levy</u>				
Assessed Valuation	393,846,937			
Tax Rate per \$100	<u>1.710</u>	<u>0.018</u>	<u>0.024</u>	<u>0.018</u>
Taxes Extended	<u>6,731,873</u>	<u>72,060</u>	<u>96,079</u>	<u>71,666</u>
Advance Taxes Received				
Prior to June 30, 2009	<u>3,289,192</u>	<u>35,477</u>	<u>46,880</u>	<u>34,843</u>
Taxes Receivable	<u>3,442,681</u>	<u>36,583</u>	<u>49,199</u>	<u>36,823</u>

Schedule 2

<u>Operations &amp; Maintenance Levy</u>	<u>Bond and Interest Levy</u>	<u>Trans- portation Levy</u>	<u>Municipal Retirement Levy</u>	<u>Social Security Levy</u>	<u>Working Cash Levy</u>	<u>Total All Levies</u>
<u>0.2911</u>	<u>0.9241</u>	<u>0.1154</u>	<u>0.0424</u>	<u>0.0366</u>	<u>0.0254</u>	<u>3.1891</u>
1,079,710	3,427,549	428,026	157,265	135,752	94,210	<u>11,828,587</u>
<u>1,078,414</u>	<u>3,361,724</u>	<u>426,050</u>	<u>154,805</u>	<u>131,024</u>	<u>95,286</u>	<u>11,787,893</u>
<u>0.294</u>	<u>1.006</u>	<u>0.117</u>	<u>0.043</u>	<u>0.037</u>	<u>0.026</u>	<u>3.2927</u>
<u>1,157,287</u>	<u>3,962,103</u>	<u>459,135</u>	<u>168,533</u>	<u>145,694</u>	<u>101,199</u>	<u>12,965,629</u>
<u>565,726</u>	<u>1,936,011</u>	<u>224,263</u>	<u>82,357</u>	<u>70,953</u>	<u>49,414</u>	<u>6,335,116</u>
<u>591,561</u>	<u>2,026,092</u>	<u>234,872</u>	<u>86,176</u>	<u>74,741</u>	<u>51,785</u>	<u>6,630,513</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
SCHEDULE OF LEGAL DEBT MARGIN  
JUNE 30, 2009

Schedule 3

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Assessed Valuation as of January 1, 2008	393,846,937
Debt Limitation Percentage	13.8%
Debt Limitation	<u>54,350,877</u>
Total Bonded Indebtedness Subject to Debt Limitation Provisions	26,685,000
Other Indebtedness Subject to Debt Limitation Provisions	<u>-</u>
Total Indebtedness Subject to Debt Limitation Provisions	<u>26,685,000</u>
Legal Debt Margin	<u><u>27,665,877</u></u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES  
TRUST AND AGENCY FUND  
JUNE 30, 2009

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Schedule 4

	<u>TRUST AND AGENCY</u>
<u>ASSETS</u>	
Cash	<u>205,331</u>
<u>LIABILITIES</u>	
Due to Organizations	205,331
Fund Balance - Unreserved	<u>-</u>
Total Liabilities and Fund Equity	<u>205,331</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED AND  
EXPENDITURES DISBURSED  
TRUST AND AGENCY FUND  
JUNE 30, 2009

Schedule 5

STUDENT ACTIVITY ACCOUNTS:	Cash Balance June 30, 2008	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance June 30, 2009
Class of 2012	-	1,002	542	461
Class of 2011	649	8,435	5,150	3,933
Class of 2010	2,983	13,196	14,760	1,419
Class of 2009	348	1,776	1,677	448
Class of 2008	500	-	-	500
Class of 2007	500	-	-	500
Class of 2006	501	-	-	501
Class of 2005	2,017	-	-	2,017
IHSA Music Contest	131	-	-	131
Prom	8,769	-	-	8,769
Connor Shaw Pop	402	819	402	819
Connor Shaw Newspaper	534	-	534	-
Foreign Language	135	15,906	15,177	865
FFA	7,264	16,924	17,372	6,816
FFA/FCCLA Concessions	136	-	-	136
HS Golf	242	336	-	578
Boys Regional Baseball	(1,157)	1,157	-	-
Skills USA	603	8,523	8,075	1,052
HS American Studies Class	91	-	91	-
HS Bowling	338	5,799	5,799	339
HS Boys Baseball	2,760	3,560	4,580	1,740
HS Boys Basketball Team	5,155	4,848	8,845	1,158
HS Boys Basketball Summer	-	7,560	5,115	2,445
HS General Athletic	1,886	25,972	21,929	5,930
Industrial Tech Resale	3,149	7,132	6,718	3,563
HS PE Department	94	-	94	-
HS Track	2,012	5,465	6,995	481
HS BB Cheerleaders	421	10,638	10,439	619
HS Girls BB team	2,659	4,400	6,336	723
HS Girls Sectional Basketbal	480	-	480	-
HS Girls Reg Tournament	3,246	340	3,586	-
HS Girls Volleyball Team	2,878	2,699	3,964	1,613



PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED AND  
EXPENDITURES DISBURSED  
TRUST AND AGENCY FUND  
JUNE 30, 2009

Schedule 5  
(continued)

STUDENT ACTIVITY ACCOUNTS:	Cash Balance June 30, 2008	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance June 30, 2009
HS Girls Softball	928	2,793	3,142	578
HS Reg Wrestlers Tourname:	2,263	-	2,263	-
HS Student Council	3,501	24,880	25,782	2,599
Boys Regional Basketball	1,086	-	1,086	-
Poms Summer Camp	24	580	604	-
HS Dance Team	8,838	22,024	26,566	4,295
Lettermen	1,185	5,066	3,497	2,755
HS Yearbook	5,159	17,548	21,692	1,014
HS Band	421	3,162	3,477	106
HS Choir	1,873	63	1,088	848
HS Show Choir	728	254	184	797
National Honor Society	684	3,153	3,296	541
Newspaper	156	1,535	948	743
HS Football	7,130	13,785	15,945	4,970
PHS Pop Fund	5,109	8,690	6,978	6,821
Performing Arts	5,636	10,967	15,116	1,488
Connor Shaw Drama	85	480	185	380
Special Ed	235	-	235	-
Thespians	212	1,999	1,993	218
Football Playoffs	1,107	-	1,107	-
HS Wrestlers	2,010	3,998	3,078	2,929
Scholastic Bowl	432	210	263	379
JH Pop Fund	16	2,267	-	2,283
HS Excel Edge ACT Test	45	-	45	-
JH Athletic Activities	(402)	10,200	9,252	545
JH Activities Account	4,491	37,114	34,392	7,214
JH Cheerleaders	708	-	-	708
JH Band	1,089	309	256	1,142
JH Chorus	1,654	-	-	1,654
JH English	3	-	-	3
JH Science	1,016	894	1,910	-
JH Student Council	77	900	900	77

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED AND  
EXPENDITURES DISBURSED  
TRUST AND AGENCY FUND  
JUNE 30, 2009

Schedule 5  
(continued)

STUDENT ACTIVITY ACCOUNTS:	Cash Balance June 30, 2008	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance June 30, 2009
JH Video	9,706	7,646	14,188	3,164
JH Kan/Will	-	1,370	1,370	-
HS Volleyball Summer Camp	-	-	-	-
HS Recycling 3	19	50	-	69
Peotone Elementary	8,221	3,658	6,460	5,419
Peotone Elem Yearbook	-	-	-	-
Peotone Elem Sunshine	100	-	-	100
Peotone Elem PTO Media	1	-	-	1
Peotone Elem POP	187	2,810	2,934	63
Green Garden Elementary	-	4,497	3,333	1,164
Green Garden Faculty Fund	367	1,508	1,279	597
Green Garden Sunshine	485	25	510	-
Wilton Center Elem Faculty	508	2,021	676	1,853
Wilton Center Elem School	45	499	402	142
General Fund	5,061	25,860	23,249	7,671
Interest	7,040	2,829	1,464	8,406
Gym Suits	1,354	9,763	6,748	4,368
Career Center	1,233	-	1,233	-
Student Insurance	1,307	-	1,307	-
Booster Club	31,044	40,111	48,673	22,482
High School Staff	1,102	1,094	901	1,295
Lambert Fund	250	-	-	250
B Starkey Football Memor	1,274	-	-	1,274
Cheer Summer Camp	82	3,240	3,322	-
HS Tad	799	750	834	715
Interstate 8 Conference	497	-	-	497
Office Supplies B/O	(1,068)	1,068	-	-
Computer P/R Fund	1,538	1,714	2,299	953
Computer Fund	(692)	692	-	-
WC/GG Library	153	163	226	90
WYSE	204	-	-	204
HS AP & Proctor	608	4,717	4,385	940

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U  
WILL COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED AND  
EXPENDITURES DISBURSED  
TRUST AND AGENCY FUND  
JUNE 30, 2009

Schedule 5  
(continued)

STUDENT ACTIVITY ACCOUNTS:	Cash Balance June 30, 2008	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance June 30, 2009
JH Ecology Club	316	-	-	316
Soccer Summer Camp	10	3,680	3,690	-
JH Art/Jones	101	-	-	101
High School Library	539	125	-	664
HS Volleyball Regional	(1,092)	1,092	-	-
HS Boys Soccer	(702)	5,005	600	3,703
HS Baseball Summer Camp	-	660	660	-
Peotone Elem Library	133	82	83	132
HS Girls BKB Summer Cmp	600	2,830	3,302	128
Student ID Account	7,417	3,912	970	10,359
JH IESA State Series	343	778	961	160
Junior High Library	4,470	7,707	7,915	4,261
FFA/Skills Concessions	399	14,307	12,821	1,885
HS Football Summer Camp	2,295	2,610	3,555	1,350
Conner Shaw Center	7,529	12,837	17,944	2,421
HS Science Club	55	-	-	55
JH Play Activity	2,074	1,146	1,226	1,994
Junior High Track	583	2,393	2,464	512
HS Parking Permits	9,261	11,596	-	20,857
Smiles	25	9,215	7,378	1,862
HS Girls Soccer	1,703	2,170	3,664	209
	<u>214,706</u>	<u>517,588</u>	<u>526,963</u>	<u>205,331</u>

Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control  
Over Compliance in Accordance with OMB Circular A-133

To the Board of Education  
Peotone Community Unit School  
District 207U  
Peotone, Illinois

Compliance

We have audited the compliance of Peotone Community Unit School District 207U with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Peotone Community Unit School District 207U's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Peotone Community Unit School District 207U's management. Our responsibility is to express an opinion on Peotone Community Unit School District 207U's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Government, 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 Peotone Community Unit School District 207U's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Peotone Community Unit School District 207U's compliance with those requirements.

To the Board of Education  
Peotone Community Unit  
School District 207U

In our opinion, Peotone Community Unit School District 207U complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

#### Internal Control Over Compliance

The management of Peotone Community Unit School District 207U is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Peotone Community Unit School District 207U's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance; accordingly, no such opinion is expressed.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

To the Board of Education  
Peotone Community Unit  
School District 207U

Schedule of Expenditures of Federal Awards

We have audited the individual financial statements of the Peotone Community Unit School District 207U as of and for the year ended June 30, 2009, and have issued our report thereon dated September 8, 2009. Our audit opinion was adverse because the school district's policy is to prepare its financial statements to comply with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Our audit was performed 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 OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements taken as a whole.

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

*Gassensmith & Associates, Ltd.*

Gassensmith & Associates, Ltd.  
Certified Public Accountants

Joliet, Illinois  
September 8, 2009

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	ISBE Project No. /Federal Project No.	Federal Expenditures	Total by CFDA Number	Major Programs
<u>U.S. Department of Health and Human Services</u>					
Passed through Illinois Healthcare & Family Services					
Medicaid program administration	93.778	2009-4900	107,400	\$ 107,400	
<u>U.S. Department of Human Services</u>					
Passed through IL Department of Human services					
STEP	84.126A	940C8001548 940CK.001548	7,270 10,909	\$ 18,179	
<u>U.S. Department of Agriculture</u>					
Passed through Illinois State Board of Education					
National School Lunch Program	10.555	2008-4210 2009-4210	10,586 64,767	75,353	
Special Milk Program	10.556	2008-4215 2009-4215	1,872 9,879	11,751	
Child Nutrition Commodity	10.550	2009-4250	372	372	
Non-cash Commodities	10.550		17,042	17,042	
<u>U.S. Department of Defense</u>					
Passed through Illinois State Board of Education					
Fresh Fruits and Vegetables	10.550		3,848	3,848	
<u>U.S. Department of Education</u>					
Passed through Illinois State Board of Education					
Special Education - IDEA	84.027A	2008-4625	5,276	5,276	
Special Education -IDEA-Flow Through/ Low Incidence	84.027A	2009-4620	252,369	252,369	X
Title I - Low Income	84.010A	2009-4300	112,578	112,578	
Title II - Teacher Quality	84.367A	2009-4932	39,001	39,001	
Title IV - Safe & Drug Free Sch - Formula	84.186A	2009-4400	4,443	4,443	
ARRA-General State Aid	84.394	2009-4850	750,989	750,989	X
Total Federal Award Expenditures				<u>\$ 1,398,601</u>	

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Notes to Schedule of Expenditures of Federal Awards  
June 30, 2009

Note 1: Accounting Basis

The schedule of expenditures of federal awards includes the federal grant activity of the Peotone Community Unit School District 207U, Illinois and is presented on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash.



PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Summary of Findings and Questionable Costs

June 30, 2009

(a) SUMMARY OF AUDIT RESULTS

1. We have audited the financial statements of Peotone Community Unit School District 207U as of and for the year ended June 30, 2009. The District's policy is to prepare its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. The auditor's report expresses an unqualified opinion on the financial statements prepared in accordance with a comprehensive basis of accounting other than generally accepted accounting principles.
2. No reportable conditions relating to the audit of the combined financial statements are reported in the Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of Peotone Community Unit School District 207U were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The Auditor's Report on Compliance of the major federal award programs for Peotone Community Unit School District 207U expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Peotone Community Unit School District 207U are reported in Part C of this Schedule.
7. The programs tested as major programs include Special Education - IDEA - Flow Through/Low Incidence (CDFR 84.027) and ARRA-General State Aid Program (CFDA 84.394).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Peotone Community Unit School District 207U was not determined to be a low-risk auditee.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Summary of Findings and Questionable Costs

June 30, 2009

(b) FINDINGS - FINANCIAL STATEMENTS AUDIT

Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles.

(c) FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS  
AUDIT

None.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Summary Schedule of Prior Audit Findings

June 30, 2009

There are no prior audit findings that affected federally funded programs.

