

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
BOURBONNAIS, IL

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2018
WITH
INDEPENDENT AUDITORS' REPORT

Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
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Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

Members
Raymond J. Raymond, CPA
Kathleen C. Wilson, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Education of
St George Community Consolidated School District 258
Bourbonnais, IL

Report on the Financial Statements

We have audited the accompanying financial statements of St George Community Consolidated School District 258, Bourbonnais, IL, which comprise the statement of assets and liabilities resulting from cash transactions (cash basis), of each fund as of June 30, 2018, and the related statement of revenue received and expenditures disbursements, statement of revenues received and the statements of expenditures disbursements-budget and actual for each fund, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1, the financial statements are prepared by St George Community Consolidated School District 258, on the basis of the financial reporting provisions of Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Continued

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of St George Community Consolidated School District 258, Bourbonnais, IL, as of June 30, 2018, and the respective changes in financial position.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities resulting from cash transaction (cash basis) of each fund, of St George Community Consolidated School District 258, Bourbonnais, IL, as of June 30, 2018, and their respective revenues received and expenditures disbursed and budgetary results for the year then ended, on the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St George Community Consolidated School District's basic financial statements. The IMRF and TRS schedules of Employers' proportionate share of net pension and schedule of contributions are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the IMRF and TRS schedules of employers' proportionate share of net pension and schedule of contributions are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Assessed valuation, levies, rates, extensions and collections and operating disbursements per student has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of the St George Community Consolidated School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St George Community Consolidated School's internal control over financial reporting and compliance.



Burke, Montague & Associates LLC
Bradley, IL
September 17, 2018

**SI GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
STATEMENT OF ASSETS AND LIABILITIES RESULTING
FROM CASH TRANSACTIONS (CASH BASIS)
AS OF JUNE 30, 2018**

ASSETS	Educational	Operations & Maintenance ^e	Debt Service	IMRF/Soc Security	Site & Constructio ⁿ	Working Cash	Tort	Fire Safety	Trust & Agency	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
Cash & Equivalen	\$ 1,939,971	\$ 272,044	\$ 73	\$ 38,262	\$ 217,556	\$ 42,669	\$ 20,543	\$ 7,357	\$ 28,416	\$ -	\$ -	\$ 2,722,083
Investment in Fixed Assets	-	-	-	-	-	-	-	-	-	6,694,240	-	6,694,240
Amount Available in Debt Service	-	-	-	-	-	-	-	-	-	-	73	73
Amount to be Provided for Retirement of Long Term Debt	-	-	-	-	-	-	-	-	-	-	2,319,927	2,319,927
TOTAL ASSETS	\$ 1,939,971	\$ 272,044	\$ 73	\$ 38,262	\$ 217,556	\$ 42,669	\$ 20,543	\$ 7,357	\$ 28,416	\$ 6,694,240	\$ 2,320,000	\$ 11,736,321
LIABILITIES												
Due to Activity Fund	-	-	-	-	-	-	-	-	28,416	-	-	28,416
Bonds Payable	-	-	-	-	-	-	-	-	-	-	2,320,000	2,320,000
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,416	\$ -	\$ 2,320,000	\$ 2,348,416
FUND BALANCE												
Investment in Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,694,239	\$ -	\$ 6,694,239
Restricted for Debt Service	-	-	73	-	-	-	-	-	-	-	-	73
Restricted for Capital Projects	-	-	-	-	217,556	-	-	-	-	-	-	217,556
Restricted for Special Revenue	-	272,044	-	38,262	-	42,669	20,543	7,357	-	-	-	536,066
Unassigned	1,939,971	-	-	-	-	-	-	-	-	-	-	1,939,971
TOTAL FUND BALANCE	\$ 1,939,971	\$ 272,044	\$ 73	\$ 38,262	\$ 217,556	\$ 42,669	\$ 20,543	\$ 7,357	\$ -	\$ 6,694,239	\$ -	\$ 9,387,905
Total Liabilities & Fund Balances	\$ 1,939,971	\$ 272,044	\$ 73	\$ 38,262	\$ 217,556	\$ 42,669	\$ 20,543	\$ 7,357	\$ 28,416	\$ 6,694,239	\$ 2,320,000	\$ 11,736,321

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

S1 GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE YEAR ENDED JUNE 30, 2018

<u>REVENUES RECEIVED</u>	<u>Educational</u>	<u>Operations & Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF/Soc Security</u>	<u>Site & Construction</u>	<u>Working Cash</u>	<u>Totl</u>	<u>Fire Safety</u>	<u>Total (Memorandum Only)</u>
Local Sources	\$ 1,864,793	\$ 318,039	\$ 493,587	\$ 47,828	\$ 93,113	\$ 17,386	\$ 747	\$ 11,668	\$ 747	\$ 2,847,909
State Sources	1,136,514	285,000	18,200	179,165	10,000	-	-	-	-	1,628,879
Federal Sources	270,458	-	-	-	-	-	-	-	-	270,458
TRS On Behalf	1,173,611	-	-	-	-	-	-	-	-	1,173,611
Total Revenues Received	4,445,376	603,039	511,787	226,993	103,113	17,386	747	11,668	747	5,920,856
<u>EXPENDITURES DISBURSED</u>										
<u>CURRENT:</u>										
<u>Instruction</u>										
Regular	1,198,744	-	-	-	12,296	-	-	-	-	1,211,040
Special Education	418,476	-	-	-	21,182	-	-	-	-	439,658
Remedial	67,279	-	-	-	1,836	-	-	-	-	69,114
Interscholastic	43,711	-	-	-	1,321	-	-	-	-	45,032
Truant	2,614	-	-	-	-	-	-	-	-	2,614
Bilingual	54,830	-	-	-	618	-	-	-	-	55,448
<u>Supporting Services</u>										
Pupils	182,317	-	-	-	1,828	-	-	-	-	184,145
Instructional Staff	29,300	-	-	-	79	-	-	-	-	29,380
General Administration	349,314	-	-	-	8,538	-	-	-	-	357,851
School Administration	252,373	-	-	-	10,635	-	-	-	-	263,009
Business	238,215	688,980	1,500	238,291	46,471	-	-	-	622	1,214,079
Central	104,286	-	-	-	743	-	-	-	-	105,030
<u>Payments to Other Districts</u>	51,384	-	-	-	-	-	-	-	-	51,384
<u>Debt Service</u>										
Principal	-	-	418,000	-	-	-	-	-	-	418,000
Interest	-	-	101,148	-	-	-	-	-	-	101,148
TRS On Behalf	1,173,611	-	-	-	-	-	-	-	-	1,173,611
Total Expenditures Disbursed	4,166,655	688,980	520,648	238,291	105,548	-	-	-	622	5,720,743
Excess (Deficiency) Revenues Received Over (Under) Expenditures Disbursed	278,721	(85,941)	(8,860)	(11,299)	(2,435)	17,386	747	11,668	126	200,113

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SI GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER
 FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
 FOR THE YEAR ENDED JUNE 30, 2018

Continued

	<u>Educational</u>	<u>Operations & Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF/Soc Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Total</u>	<u>Fire Prevention</u>	<u>Total (Memorandum Only)</u>
Net Change in Fund Balance	\$ 278,721	\$ (85,941)	\$ (8,860)	\$ (11,299)	\$ (2,435)	\$ 17,386	\$ 747	\$ 11,668	\$ 126	\$ 200,113
BEGINNING FUND BALANCE	<u>1,661,250</u>	<u>357,985</u>	<u>8,933</u>	<u>166,492</u>	<u>40,697</u>	<u>200,171</u>	<u>41,921</u>	<u>8,875</u>	<u>7,231</u>	<u>2,493,554</u>
ENDING FUND BALANCE	<u>\$ 1,939,971</u>	<u>\$ 272,044</u>	<u>\$ 73</u>	<u>\$ 155,193</u>	<u>\$ 38,262</u>	<u>\$ 217,556</u>	<u>\$ 42,669</u>	<u>\$ 20,543</u>	<u>\$ 7,357</u>	<u>\$ 2,693,667</u>

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
STATEMENT OF REVENUES RECEIVED
(ALL FUNDS)
FOR THE YEAR ENDED JUNE 30, 2018

<u>REVENUES RECEIVED</u>	<u>Educational</u>	<u>Operations & Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>IMRF/Soc Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Total</u>	<u>Fire Prevention</u>	<u>Total (Memorandum Only)</u>
<u>LOCAL</u>										
Designated Tax Levies	\$ 1,723,711	\$ 308,009	\$ 493,547	\$ 47,824	\$ 93,105	\$ -	\$ 747	\$ 11,209	\$ 747	\$ 2,678,901
Replacement Taxes	7,688	-	-	-	-	-	-	-	-	7,688
Interest Income	17,794	24	41	4	9	-	-	1	-	17,872
Food Service	54,743	-	-	-	-	-	-	-	-	54,743
District Activity Income	15,463	-	-	-	-	-	-	-	-	15,463
Textbook Income	33,548	-	-	-	-	-	-	-	-	33,548
Other Local Revenue	11,846	10,005	-	-	-	17,386	-	458	-	39,695
Total Local Revenue Received	1,864,793	318,039	493,588	47,828	93,113	17,386	747	11,668	747	2,847,910
<u>STATE</u>										
Unrestricted Grants in Aid	992,691	285,000	18,200	20,000	10,000	-	-	-	-	1,325,890
Special Education	137,727	-	-	-	-	-	-	-	-	137,727
Bilingual	5,338	-	-	-	-	-	-	-	-	5,338
Other State Revenue	759	-	-	-	-	-	-	-	-	759
Transportation	-	-	-	159,165	-	-	-	-	-	159,165
Total State Revenue Received	1,136,513	285,000	18,200	179,165	10,000	-	-	-	-	1,628,878
<u>FEDERAL</u>										
Food Service	62,435	-	-	-	-	-	-	-	-	62,435
Title I	56,521	-	-	-	-	-	-	-	-	56,521
Reap Grant	47,089	-	-	-	-	-	-	-	-	47,089
Special Education	77,489	-	-	-	-	-	-	-	-	77,489
Other Federal Grants	26,924	-	-	-	-	-	-	-	-	26,924
Total Federal Revenue Received	270,458	-	-	-	-	-	-	-	-	270,458
Total Direct Revenues Received	\$ 3,271,765	\$ 603,039	\$ 511,787	\$ 226,993	\$ 103,113	\$ 17,386	\$ 747	\$ 11,668	\$ 747	\$ 4,747,247

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
EDUCATION FUND
STATEMENT OF
EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
INSTRUCTION:				
Elementary School:				
Salaries	\$ 916,648	\$ 916,648	\$ 894,735	\$ (21,913)
Benefits	215,567	215,567	213,397	(2,170)
Purchased Services	4,025	4,025	3,394	(631)
Supplies	94,000	94,000	46,662	(47,338)
Capital Outlay	25,000	25,000	40,433	15,433
Other	250	250	123	(127)
Total Elementary School	<u>\$1,255,490</u>	<u>\$1,255,490</u>	<u>\$1,198,744</u>	<u>\$ (56,746)</u>
Special Education Programs:				
Salaries	\$ 297,616	\$ 313,416	\$ 303,455	\$ (9,962)
Benefits	75,314	77,134	63,532	(13,602)
Purchased Services	1,000	1,000	(163)	(1,163)
Supplies	3,000	3,000	8,475	5,475
Capital Outlay	2,000	2,000	3,734	1,734
Other	19,000	19,000	0	(19,000)
Tuition	0	0	15,457	15,457
Total Special Education	<u>\$ 397,930</u>	<u>\$ 415,550</u>	<u>\$ 394,489</u>	<u>\$ (21,061)</u>
Special Ed Pre-K Programs:				
Salaries	\$ 31,790	\$ 31,790	\$ 15,629	\$ (16,161)
Benefits	11,350	11,350	2,726	(8,624)
Supplies	5,000	5,000	5,038	38
Capital Outlay	0	0	594	594
Total Pre-K	<u>\$ 48,140</u>	<u>\$ 48,140</u>	<u>\$ 23,987</u>	<u>\$ (24,153)</u>
Remedial Programs:				
Salaries	\$ 53,005	\$ 53,005	\$ 53,446	\$ 441
Benefits	23,670	23,670	13,210	(10,461)
Supplies	5,000	5,000	624	(4,376)
Other	200	200	0	(200)
Total Title I	<u>\$ 81,875</u>	<u>\$ 81,875</u>	<u>\$ 67,279</u>	<u>\$ (14,596)</u>
Bilingual Programs				
Salaries	\$ 43,108	\$ 43,108	\$ 42,644	\$ (464)
Benefits	11,052	11,052	11,281	229
Supplies	2,500	2,500	906	(1,594)
Total Bilingual Programs	<u>\$ 56,660</u>	<u>\$ 56,660</u>	<u>\$ 54,830</u>	<u>\$ (1,830)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
EDUCATION FUND
STATEMENT OF
EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

Continued	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>INSTRUCTION:</u>				
Interscholastic:				
Salaries	\$ 23,458	\$ 23,458	\$ 22,567	\$ (891)
Benefits	2,696	2,696	984	(1,712)
Purchased Services	8,250	8,250	9,331	1,081
Supplies	6,000	6,000	5,753	(247)
Capital Outlay	3,000	3,000	1,653	(1,347)
Other	2,550	2,550	3,422	872
Total Interscholastic	<u>\$ 45,954</u>	<u>\$ 45,954</u>	<u>\$ 43,711</u>	<u>\$ (2,243)</u>
Other Instruction:				
Truant Program	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 2,814</u>	<u>\$ 1,314</u>
Total Other Instruction Programs	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 2,814</u>	<u>\$ 1,314</u>
TOTAL INSTRUCTION	<u>\$1,887,549</u>	<u>\$1,905,169</u>	<u>\$1,785,854</u>	<u>\$ (119,315)</u>
<u>SUPPORT SERVICES</u>				
Salaries	\$ 43,372	\$ 43,372	\$ 43,196	\$ (176)
Benefits	10,748	10,748	11,158	410
Other	250	250	0	(250)
Total Guidance Service	<u>\$ 54,370</u>	<u>\$ 54,370</u>	<u>\$ 54,354</u>	<u>\$ (16)</u>
Speech Services:				
Salaries	\$ 62,853	\$ 62,853	\$ 61,895	\$ (958)
Benefits	7,255	7,255	7,572	317
Purchased Service	2,000	2,000	2,383	383
Supplies	750	750	98	(652)
Total Speech Services	<u>\$ 72,858</u>	<u>\$ 72,858</u>	<u>\$ 71,948</u>	<u>\$ (910)</u>
Other Pupil Services:				
Attendance & Social Work	\$ 500	\$ 500	\$ 926	\$ 426
Testing	9,750	9,750	9,360	(390)
Psychology Services	18,950	18,950	26,316	7,366
Health Services	1,750	1,750	1,097	(653)
Other Services	43,000	43,000	27,597	(15,403)
Total Other Pupil Services	<u>\$ 73,950</u>	<u>\$ 73,950</u>	<u>\$ 65,296</u>	<u>\$ (8,654)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
EDUCATION FUND
STATEMENT OF
EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

Continued	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
SUPPORT SERVICES				
Improvement of Instruction:				
Salaries	\$ 2,100	\$ 2,100	\$ 1,730	\$ (370)
Benefits	500	500	36	(464)
Purchased Services	18,500	18,500	12,142	(6,358)
Supplies	6,000	6,000	2,603	(3,397)
Other	1,000	1,000	1,084	84
Total Improvement of Instruction	<u>\$ 28,100</u>	<u>\$ 28,100</u>	<u>\$ 17,595</u>	<u>\$ (10,505)</u>
Educational Media Services:				
Salaries	\$ 1,479	\$ 1,479	\$ 355	\$ (1,124)
Supplies	4,000	4,000	1,043	(2,958)
Total Educational Media	<u>\$ 5,479</u>	<u>\$ 5,479</u>	<u>\$ 1,397</u>	<u>\$ (4,082)</u>
Board of Education:				
Purchased Services	\$ 4,600	\$ 85,600	\$ 93,890	\$ 8,290
Supplies	71,000	1,000	311	(689)
Capital Outlay	1,000	0	0	0
Other	10,000	10,000	8,309	(1,691)
Total Board of Education	<u>\$ 86,600</u>	<u>\$ 96,600</u>	<u>\$ 102,511</u>	<u>\$ 5,911</u>
Executive Administration:				
Salaries	\$ 187,449	\$ 187,449	\$ 182,175	\$ (5,274)
Benefits	36,003	36,003	32,359	(3,644)
Purchased Services	4,100	4,100	4,004	(96)
Supplies	6,000	6,000	952	(5,048)
Capital Outlay	0	0	1,118	1,118
Other	1,500	1,500	2,563	1,063
Total Executive Administration	<u>\$ 235,052</u>	<u>\$ 235,052</u>	<u>\$ 223,170</u>	<u>\$ (11,882)</u>
Office of the Principal:				
Salaries	\$ 204,233	\$ 204,233	\$ 203,707	\$ (526)
Benefits	46,702	46,702	40,672	(6,030)
Purchased Services	2,500	2,500	1,229	(1,271)
Supplies	3,100	3,100	3,808	708
Capital Outlay	0	0	713	713
Other	3,750	3,750	2,244	(1,506)
Total Office of the Principal	<u>\$ 260,285</u>	<u>\$ 260,285</u>	<u>\$ 252,373</u>	<u>\$ (7,912)</u>
Tort Immunity:				
Workmans Comp	\$ 5,000	\$ 5,000	\$ 23,633	\$ 18,633
Total Tort Immunity	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 23,633</u>	<u>\$ 18,633</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
EDUCATION FUND
STATEMENT OF
EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

Continued	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>SUPPORT SERVICES</u>				
Fiscal Services:				
Salaries	\$ 67,301	\$ 67,301	\$ 67,301	\$ (0)
Benefits	6,097	6,097	6,359	262
Purchased Services	14,250	14,250	13,874	(376)
Supplies	6,000	6,000	5,294	(706)
Other	850	850	569	(281)
Total Fiscal Services	<u>\$ 94,498</u>	<u>\$ 94,498</u>	<u>\$ 93,396</u>	<u>\$ (1,102)</u>
Operation and Maintenance of Plant:				
Purchased Services	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 23,991</u>	<u>\$ (7,009)</u>
Total Operation and Maintenance	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 23,991</u>	<u>\$ (7,009)</u>
Food Services:				
Salaries	\$ 50,891	\$ 50,891	\$ 50,358	\$ (533)
Benefits	6,752	6,752	6,778	26
Purchased Services	5,100	5,100	1,351	(3,749)
Supplies	63,500	63,500	61,591	(1,909)
Other	1,000	1,000	749	(251)
Total Food Services	<u>\$ 127,243</u>	<u>\$ 127,243</u>	<u>\$ 120,828</u>	<u>\$ (6,415)</u>
Central Services:				
Information Services	\$ 6,000	\$ 6,000	\$ 1,092	\$ (4,908)
Staff Services	19,634	19,634	21,372	1,738
Data Processing	87,500	87,500	81,822	(5,678)
Total Central Services	<u>\$ 113,134</u>	<u>\$ 113,134</u>	<u>\$ 104,286</u>	<u>\$ (8,848)</u>
Other Support:				
Community Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 949</u>	<u>\$ 949</u>
TOTAL SUPPORT SERVICES	<u>\$1,187,569</u>	<u>\$1,197,569</u>	<u>\$1,154,857</u>	<u>\$ (42,712)</u>
<u>NON-PROGRAMMED CHARGES</u>				
Tuition-Special Education	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 51,384</u>	<u>\$ 384</u>
TOTAL NON-PROGRAMMED	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 51,384</u>	<u>\$ 384</u>
CONTINGENCY	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 0</u>	<u>\$ (25,000)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$3,151,118</u>	<u>\$3,178,738</u>	<u>\$2,993,044</u>	<u>\$ (185,694)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ 278,721</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
OPERATION AND MAINTENANCE FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
OPERATION & MAINTENANCE OF PLANT				
SALARIES	\$ 106,837	\$ 108,537	\$ 115,505	\$ 6,968
BENEFITS	18,948	18,948	18,937	(11)
PURCHASED SERVICES	96,300	111,300	101,504	(9,796)
SUPPLIES	85,000	85,000	84,412	(588)
PURCHASE CAPITAL ASSETS	396,000	396,000	367,674	(28,326)
OTHER	<u>1,000</u>	<u>1,000</u>	<u>948</u>	<u>(52)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 704,085</u>	<u>\$ 720,785</u>	<u>\$ 688,980</u>	<u>\$ (31,805)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ (85,941)</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
DEBT SERVICE FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
DEBT SERVICES:				
INTEREST	\$ 101,148	\$ 101,148	\$ 101,148	\$ 1
BOND PRINCIPAL RETIRED	418,000	418,000	418,000	0
OTHER FEES	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 520,648</u>	<u>\$ 520,648</u>	<u>\$ 520,648</u>	<u>\$ 1</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ (8,860)</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
TRANSPORTATION FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
PUPIL TRANSPORTATION SERVICE				
SALARIES	\$ 106,343	\$ 108,643	\$ 112,876	\$ 4,233
PURCHASED SERVICES	93,550	103,950	100,193	(3,757)
SUPPLIES	25,500	25,500	25,158	(342)
OTHER	<u>0</u>	<u>0</u>	<u>64</u>	<u>64</u>
 TOTAL EXPENDITURES DISBURSED	 <u>\$ 225,393</u>	 <u>\$ 238,093</u>	 <u>\$ 238,291</u>	 <u>\$ 198</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			 <u>\$ (11,299)</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
IMRF FUND/ SOCIAL SECURITY
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
INSTRUCTION BENEFITS	\$ 39,797	\$ 40,027	\$ 37,253	\$ (2,774)
SUPPORT SERVICES BENEFITS	<u>68,511</u>	<u>68,956</u>	<u>68,295</u>	<u>(661)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 108,308</u>	<u>\$ 108,983</u>	<u>\$ 105,548</u>	<u>\$ (3,435)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ (2,435)</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
SITE AND CONSTRUCTION FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ 17,386</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
TORT FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
LOSS PREVENTION	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 0</u>	<u>\$ (18,000)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 0</u>	<u>\$ (18,000)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ 11,668</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
FIRE SAFETY FUND
STATEMENT OF EXPENDITURES DISBURSED
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
FIRE SAFETY	<u>7,000</u>	<u>7,000</u>	<u>622</u>	<u>(6,378)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 622</u>	<u>\$ (6,378)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ 126</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
ACTIVITY FUND
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AS OF JUNE 30, 2018

ASSETS

CURRENT ASSETS	
CASH	\$ <u>28,416</u>
TOTAL ASSETS	\$ <u><u>28,416</u></u>

LIABILITIES

LIABILITIES	
RESERVED FOR STUDENT ACTIVITY	\$ <u>28,416</u>
TOTAL LIABILITIES	\$ <u><u>28,416</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
 ACTIVITY FUND
 SCHEDULE OF REVENUES RECEIVED
 AND EXPENDITURES DISBURSED
 JUNE 30, 2018

	<u>JULY 1, 2017</u>	<u>RECEIPTS</u>	<u>DISBURSMENTS</u>	<u>JUNE 30, 2018</u>
LIBRARY	\$ 908	\$ 6,594	\$ 6,603	\$ 898
STUDENT COUNCIL	6,027	465	758	5,734
CONVENIENCE	620	62	0	682
YEARBOOK	3,064	2,651	1,772	3,943
FIELD TRIP	(46)	4,751	4,295	410
MUSIC	311	249	0	560
STUDENT STORE	2,113	549	114	2,547
SPIRITWEAR	2,835	2,321	1,993	3,163
CHEERLEADERS	898	0	0	898
TECH	219	0	0	219
BOOSTERS	8,249	3,336	5,804	5,781
CHARITY	0	583	0	583
PRINCIPAL	3,134	46	183	2,997
TOTALS	<u>\$ 28,332</u>	<u>\$ 21,606</u>	<u>\$ 21,522</u>	<u>\$ 28,416</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 1- REPORTING ENTITY, DESCRIPTION OF FUNDS AND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

REPORTING ENTITY

St George Community Consolidated School is governed by the Board of Education and provides education, transportation, cafeteria, building maintenance and general administrative services.

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Statement No.'s 14 and 39 have been considered and there are no agencies or entities which should be presented with the District. Also, the District is not included as a component unit in any other government reporting entity, as defined by GASB pronouncements.

The District is a member of one joint agreement, the Kankakee County Special Education Association. There are (7) school districts in this joint agreement. Each member district has a financial responsibility for annual and special agreements. Financial statements can be obtained from the Special Education Association, Kankakee, IL 60901. The District paid \$96,148 for special education services during the year ended June 30, 2018. \$895 of Special Education line item 100 was paid with revenue code 3001.

The joint agreement has been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationship criteria; and is therefore excluded from the accompanying financial statements.

FINANCIAL STATEMENT PRESENTATION

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and reporting entity with a self-balancing set of accounts. Each fund is accounted for by providing a separate set of balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The District has the following fund types and account groups:

Governmental funds are used to account for the District's general government activities. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent on behalf of others. All funds use the regulatory basis of accounting under guidelines prescribed by the Illinois State Board of Education.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Governmental funds include the following:

General Fund

The general fund is the District's primary operating fund and is accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specific purposes or designed to finance particular functions or activities of the District. The District includes the following special revenue funds:

Operation and Maintenance, accounts for all costs of maintaining, improving or repairing school property;

Transportation Fund accounts for the transportation of pupils;

IMRF Fund accounts for the District's share of IMRF and Social Security;

Site & Construction Fund accounts for the financial resources to be used for the acquisition or construction of, and/or addition to, major capital facilities.

Tort Fund accounts for insurance expenditures paid from the tort levy;

Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the Education Fund, Operations and Maintenance Fund and Transportation Fund; and

Fire Safety Fund accounts for receipt and disbursement of monies used for the acquisition, construction or improvement of capital facilities.

Debt Service Fund

The Bond and Interest fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Fiduciary Funds

The Activity Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations, therefore, they are not included in the governmental financial statements.

Account Groups

The District uses two account groups. The general fixed assets account group is used to account for fixed assets used in governmental funds. The general long-term debt account group is used to account for general long-term debt expected to be financed from governmental funds.

BASIS OF ACCOUNTING

The financial statements are presented on the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, revenues are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses are recognized when paid rather than when incurred or subject to accrual.

CAPITAL ASSETS

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Public domain (infrastructure) general fixed assets are not capitalized. Interest incurred during construction is not capitalized on general fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months as of the date acquired by the District.

INVESTMENTS

Investments are stated at cost or amortized cost, which approximates market.

COMPENSATED ABSENCES

The District does not accrue for compensated absences because the amount cannot be reasonably determined.

PROGRAM REVENUES

Program revenues are generally transactions that are generated directly from the primary activity of the program. Those revenues are primarily fees collected for food services, textbooks and athletic programs.

INTER-FUND ELIMINATIONS

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as "inter-fund receivables/payables." These amounts are eliminated in the governmental columns of the statement of net assets. The district has no inter-fund balances.

NOTE 2-BUDGETARY DATA

The budget is prepared on the regulatory 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 as described by the Illinois Revised Statutes. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the District at the fund level. Any budgetary modifications may only be made by resolution of the Board.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The District follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements:

- 1) A proposed operating budget is submitted to the District Board for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) September 21, 2017, the appropriations were legally enacted through passage of an appropriation ordinance.
- 4) The tax levy ordinance is adopted and filed with the county clerk on or before the last Tuesday in December.
- 5) Formal budgetary integration is employed as a management control device during the fiscal year for all funds. Actual expenditures may not exceed budgetary amounts at the fund level.
- 6) 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.
- 7) The Board of Education amended the budget during the fiscal year ended June 30, 2018 on June 28, 2018.

NOTE 3-BUDGET VIOLATIONS

State of Illinois law provides that a local government shall not incur expenditures in excess of the amount appropriated.

During the fiscal year ended June 30, 2018, the District incurred expenditures which were in excess of amounts appropriated in the transportation fund.

There are no deficit fund balances.

NOTE 4- PROPERTY TAXES

Property taxes attach as enforceable lien on property as of January 1. 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 Board passed the 2016 levy on December 16, 2016, and the 2017 levy on December 10, 2017. Taxes on the 2016 levy were due in two installments on June 1, 2017 and September 1, 2017. The District collected significant distributions from the 2016 levy in July, August and September. Taxes recorded as revenue in these financial statements are from the 2016 and prior levies.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5- CASH AND INVESTMENTS

The District is allowed to invest in securities as authorized by sections 2 & 6 of the Public Funds Investment Act (30 ICS 235/2 and 6); and Section 8-7 of the School Code.

Deposits-Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the District's deposits may not be returned. At June 30, 2018, the carrying amount of the District's deposits; including Trust and Agency funds; was \$2,722,082.61 and the bank balance was \$2,860,742.95. \$250,000.00 of the bank balance was covered by federal depository insurance and \$2,610,742.95 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Interest Rate Risk

Interest rate risk is exposure to fair value losses arising from increasing interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal credit risk policy.

NOTE 6- CONTINGENCIES

During the fiscal years ending June 30, 2018, the District was the recipient of various state and federal grants. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 7-RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; workman's comp claims and natural disasters for which the District carries general liability, workman's comp and property insurance. There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverage in the past three years, and there were no claims pending as of June 30, 2018.

NOTE 8 - COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with the accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board. The overdrafts are covered by investments in each fund.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - LEGAL DEBT MARGIN

The district's legal debt limitation follows:

Total Assessed Valuation	77,388,298
Debt Limit-6.9% of Assessed Value	5,339,793
Less: Bond Indebtedness	<u>2,320,000</u>
Legal Debt Margin	3,019,793
Percentage of Bonded Debt Currently Obligated	<u>43.40%</u>

NOTE 10 - ESTIMATES

The preparation of financial statements in accordance with the regulatory basis requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ.

NOTE 11 - SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through September 17, 2018, the date the financial statements were available to be issued.

NOTE 12-RETIREMENT COMMITMENTS

Illinois Municipal Retirement Fund:

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The 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.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2016 was 6.94 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2017 was \$33,571.

The required contribution for 2017 was determined as part of the December 31, 2014, actuarial valuation using the entry-age normal actuarial cost method. The actuarial assumptions at December 31, 2014, included (a) 7.50% 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 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of employer Regular IMRF plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2014 is being amortized as a level percentage of projected payroll on an open 27 year basis.

Funded Status and Funding Progress. As of December 31, 2017, the most recent actuarial valuation date, the Regular plan was 85.65 percent funded. The actuarial accrued liability for benefits was \$475,103 and the actuarial value of assets was \$406,918, resulting in an unfunded actuarial liability (UAAL) of \$68,185. The covered payroll for calendar year 2016 (annual payroll of active employees covered by the plan) was \$385,000 and the ratio of the UAAL to the covered payroll was 18%.

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.

THREE-YEAR IMRF TREND INFORMATION

ACTUARIAL VALUATION DATE	ANNUAL PENSION COST	% OF APC CONTRIBUTED	NET PENSION OBLIGATION
12/31/17	33,571	100%	-0-
12/31/16	26,719	100%	-0-
12/31/15	30,219	100%	-0-
12/31/14	33,612	100%	-0-

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Illinois Teachers' Retirement System:

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing, multiple-employer, defined benefit, pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS 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, 2017. The report for the year ended June 30, 2018, is expected to be available in late 2018.

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. Active TRS members are required to contribute 9.0% of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. 9.4% was used for the 2017 and 2016 fiscal years. The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

* On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2018, the State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$1,173,611 in pension contributions that the State of Illinois paid directly to TRS.

*2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by state statute. Contributions for the year ended June 30, 2018, were \$9,734, and are deferred because they were paid after the June 30, 2017 measurement date.

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$29,401 were paid from federal and special trust funds that required employer contributions of \$2,970.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

*Early retirement Option. The district is also required to make one-time employer contributions to TRS for members retiring under Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100% of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2018, the district paid \$0 for employer contributions under ERO.

Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees" and are covered under social security.

NOTE 13-OTHER POST EMPLOYMENT BENEFITS

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

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. 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 112 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$18,068, and the District recognized revenue and expenditures of this amount during the year.

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$19,834 to the THIS Fund.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2018 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 14- GENERAL FIXED ASSETS

CHANGES IN GENERAL FIXED ASSETS FOR THE YEAR ENDED JUNE 30, 2018 :

	BEGINNING BALANCE	ADDITIONS	RETIREMENT	ENDING BALANCE
Land - Nondepreciated	\$ 671,408	\$ 0	\$ 0	\$ 671,408
Buildings & Improvements	7,891,964	367,674	0	8,259,637
Other Improvements	13,552	0	0	13,552
Equipment	1,073,965	44,317	0	1,118,282
Transportation Equipment	279,290	0	0	279,290
Total Fixed Assets (Reported)	<u>\$ 9,930,179</u>	<u>\$ 411,990</u>	<u>\$ 0</u>	<u>\$ 10,342,169</u>
Accumulated Depreciation	(3,420,085)	(227,844)	0	(3,647,929)
Total Net Fixed Assets	<u>\$ 6,510,094</u>	<u>\$ 184,146</u>	<u>\$ 0</u>	<u>\$ 6,694,240</u>

NOTE 15 - BONDS PAYABLE

CHANGES IN THE LONG-TERM DEBT ACCOUNT GROUP ARE AS FOLLOWS:

	BEGINNING BALANCE	ISSUED	RETIRED	ENDING BALANCE
2008 Debt Service Certificates	\$ 45,000	\$ 0	\$ 20,000	\$ 25,000
2013 Refunding Bonds	2,580,000	0	385,000	2,195,000
2012 WCF Bonds	113,000	0	13,000	100,000
Total Bonds Payable	<u>\$ 2,738,000</u>	<u>\$ 0</u>	<u>\$ 418,000</u>	<u>\$ 2,320,000</u>

The bonds payable at June 30, 2018, are : (1) \$2,195,000 Refunding Bonds, dated July 1, 2013, due in annual installments of \$350,000 to \$510,000, interest paid semi-annually at 2.5 to 4.5%. Due November 2022.

(2) \$25,000 General Obligation Debt Certificates, dated October 1, 2008, due in annual installments of \$20,000 to \$25,000, interest paid semi-annually at 5.0 to 8.95%. Due December 2019.

(3) \$100,000 Working Cash Funds Bonds, dated July 1, 2012, due in annual installments of \$12,000 to \$60,000, interest paid semi-annually at 6.0 to 3.50%. Due December 2024.

The current portion of bonds payable is \$458,000. The bonds are not rated. The District has no liabilities from arbitrage earnings.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 16- BOND DEBT SERVICE

The District's requirements for bond principal and interest are as follows:

2013 REFUNDING/BUILDING BONDS

<u>NOVEMBER</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 420,000	\$ 82,350	\$ 502,350
2019	465,000	65,700	530,700
2020	510,000	46,200	556,200
2021-2022	800,000	28,800	828,800
TOTALS	<u>\$ 2,195,000</u>	<u>\$ 223,050</u>	<u>\$ 2,418,050</u>

2008 DEBT SERVICE CERTIFICATES

<u>DECEMBER</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 25,000	\$ 625	\$ 25,625
TOTALS	<u>\$ 25,000</u>	<u>\$ 625</u>	<u>\$ 25,625</u>

2012 WORKING CASH FUND BONDS

<u>DECEMBER</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 13,000	\$ 3,273	\$ 16,273
2019	13,000	2,818	15,818
2020	14,000	2,345	16,345
2021-2024	60,000	4,200	64,200
	<u>\$ 100,000</u>	<u>\$ 12,636</u>	<u>\$ 112,636</u>

**ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
IMRF SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2018**

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Illinois Municipal Retirement Fund
Fiscal Year 2017*

	2017	2016	2015	2014
Employer's proportion of net pension liability	\$ (61,067)	\$ 70,896	\$ 30,504	\$ (31,382)
Employer's proportionate share of net pension liability	<u>\$ (61,067)</u>	<u>\$ 70,896</u>	<u>\$ 30,504</u>	<u>\$ (31,382)</u>
TOTAL	<u>437,699</u>	<u>385,000</u>	<u>379,161</u>	<u>420,588</u>
Employer's covered-employee payroll				
Employer's proportionate share of net pension liability as a covered-employee payroll	-13.95%	18.41%	8.05%	-7.46%
Plan fiduciary net position as a percentage of the total pension liability	95.69%	95.69%	95.69%	104.90%

* The amounts presented were determined as a percentage of the prior

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Illinois Municipal Retirement Fund
Fiscal Year 2017

Contractually-required contribution	\$ 33,571	\$ 26,719	\$ 30,219	\$ 34,656
Contributions in relation to the contractually-required contribution	<u>33,571</u>	<u>26,719</u>	<u>30,219</u>	<u>31,260</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,396</u>
Employer's covered-employee payroll	<u>437,699</u>	<u>385,000</u>	<u>379,161</u>	<u>420,588</u>
Contributions as a percentage of covered-employee payroll	7.67%	6.94%	7.97%	8.24%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

Amounts reported in 2017 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and a real return of 4.5%, and a salary increase assumption of 4.4% to 16%. Actuarial Cost Method used was Aggregate Entry Age Normal. Amortization Method used was Level percentage of payroll, closed. Assets valuation used was 5-year smoothed market; 20% corridor. Wage growth 4%.

**ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
TRS SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2018**

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Teachers' Retirement System of the State of Illinois
Fiscal Year 2017*

	2017	2016	2015	2014
Employer's proportion of net pension liability	.0005404644	.0003963674	.0003963674%	.0006265452%
Employer's proportionate share of net pension liability	\$ 412,905	\$ 375,324	\$ 259,661	\$ 381,305
State's proportionate share of net pension liability associated with th	11,925,102	12,436,607	10,794,873	9,501,599
TOTAL	\$ 12,338,007	\$ 12,811,931	\$ 11,054,534	\$ 9,882,904
Employer's covered-employee payroll	1,680,889	1,613,255	1,566,824	1,544,105
Employer's proportionate share of net pension liability as a covered-employee payroll	24.56%	23.27%	16.57%	24.69%
Plan fiduciary net position as a percentage of the total pension liability	43.00%	43.00%	43.00%	43.00%

* The amounts presented were determined as a percentage of the prior fiscal-year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Teachers' Retirement System of the State of Illinois
Fiscal Year 2017

Contractually-required contribution	\$ 151,280	\$ 145,193	\$ 147,281	\$ 156,154
Contributions in relation to the contractually-required contribution	151,280	145,193	147,281	156,154
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	1,680,889	1,613,255	1,566,824	1,661,212
Contributions as a percentage of covered-employee payroll	9.00%	9.00%	9.40%	9.40%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions
Amounts reported in 2017 reflect an investment rate of return of 7.5%, an inflation rate of 3% and a real return of 4.5%, and a salary increase assumption of 5.75%. In 2013, assumptions used were an investment rate of return of 8%, an inflation rate of 3.25% and real return of 4.754%, and salary increases of 6%. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2018

LEVY YEAR

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL ASSESSED VALUATION	<u>77,388,298</u>	<u>75,219,521</u>	<u>73,409,748</u>	<u>73,253,080</u>

TAX RATES

Education Fund	2.3614	2.3068	2.4248	2.4071
Operation & Maintenance	0.3102	0.4122	0.2725	0.2500
Transportation Fund	0.1160	0.0640	0.0996	0.0997
IMRF	0.0529	0.0442	0.0477	0.0480
Social Security	0.0865	0.0804	0.0872	0.0865
Liability Insurance	0.0064	0.0150	0.0163	0.0010
Bonds & Interest	0.6703	0.6605	0.6442	0.6183
Fire Prevention	0.0013	0.0010	0.0013	0.0010
Working Cash	0.0013	0.0010	0.0013	0.0010
TOTALS	<u>3.6063</u>	<u>3.5851</u>	<u>3.5949</u>	<u>3.5126</u>

TAXES EXTENDED

Education Fund	1,827,447	1,735,164	1,780,040	1,763,275
Operation & Maintenance	240,059	310,055	200,042	183,133
Transportation Fund	89,770	48,140	73,116	73,033
IMRF	40,938	33,247	35,016	35,161
Social Security	66,941	60,476	64,013	63,364
Liability Insurance	4,953	11,283	11,966	733
Bonds & Interest	518,734	496,825	472,906	452,924
Fire Prevention	1,006	752	954	733
Working Cash	1,006	752	954	733
TOTALS	<u>2,790,854</u>	<u>2,696,695</u>	<u>2,639,007</u>	<u>2,573,088</u>

TAXES COLLECTED

Levy Year	Total Taxes <u>Extended</u>	Total Taxes <u>Collected</u>	Percentage <u>Collected</u>
2014	2,573,088	2,556,921	99.37
2015	2,639,007	2,674,035	101.33
2016	2,696,695	2,678,900	99.34
2017	2,790,854		

(UNAUDITED)

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
 OPERATING DISBURSEMENTS PER STUDENT
 JUNE 30, 2018

Education Fund	\$ 2,993,044
Operations & Maintenance Fund	688,980
Debt Service Fund	520,648
Transportation Fund	238,291
Municipal Retirement Fund	105,548
Total Disbursements	<u>\$ 4,546,510</u>

Less Receipts or Disbursements not applicable to K-12 programs:

Education Fund:

Truants	\$ 2,814
Pre-K	23,393
Payments to other Districts & Government Units	51,384
Capital Outlay	48,414
Community Service	948

Operation & Maintenance Fund:

Capital Outlay	367,674
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Debt Service Fund:

Principal Retirement	418,000
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Transportation Fund:

Special ED	414
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Total	<u>\$ 913,041</u>
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Net Operating Disbursements	<u>\$ 3,633,470</u>
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Average Daily Attendance	<u>426.55</u>
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Operating Disbursements Per Student	<u>\$ 8,518.27</u>
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Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

Members

Raymond J. Raymond, CPA
Kathleen C. Wilson, CPA

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

Board of Education of St George Community Consolidated School District 258

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St George Community Consolidated School District 258 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise St George Community Consolidated School's basic financial statements, and have issued our report thereon dated September 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St George Community Consolidated School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St George Community Consolidated School District's internal control. Accordingly, we do not express an opinion on the effectiveness of St George Community Consolidated School District's internal control.

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

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

Continued

Compliance and Other Matters

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

Purpose of this Report

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



Burke, Montague & Associates, L.L.C.
Bradley, IL
September 17, 2018