

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
BOURBONNAIS, IL

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2019
WITH
INDEPENDENT AUDITORS' REPORT

Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
TABLE OF CONTENTS
JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	1-2
REGULATORY BASIC FINANCIAL STATEMENTS:	
STATEMENT OF ASSETS AND LIABILITIES RESULTING FROM CASH TRANSACTIONS (CASH BASIS)	3
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)	4-5
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)	6
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-EDUCATION FUND	7-10
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-OPERATION & MAINTENANCE FUND	11
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-DEBT SERVICE FUND	12
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-TRANSPORTATION FUND	13
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-IMRF/SOCIAL SECURITY FUND	14
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-SITE & CONSTRUCTION FUND	15
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-TORT FUND	16
STATEMENT OF EXPENDITURES DISBURSED BUDGET (NON GAAP) TO ACTUAL-FIRE SAFETY FUND	17
FIDUCIARY FUND:	
STATEMENT OF ASSETS AND LIABILITIES-ACTIVITY FUNDS	18
STATEMENT OF REVENUES RECEIVED AND EXPENDITURES DISBURSED-ACTIVITY FUNDS	19
NOTES TO FINANCIAL STATEMENTS	20-30
REQUIRED SUPPLEMENTARY INFORMATION:	
IMRF SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION & CONTRIBUTIONS	31
TRS SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION & CONTRIBUTIONS	32
OTHER SUPPLEMENTARY INFORMATION:	
ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTION	33
OPERATING DISBURSEMENTS PER STUDENT	34
REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	35-36

Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

Raymond J. Raymond, CPA
Member

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, 2019, 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, 2019, 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, 2019, 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 October 3, 2019, 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 L.L.C.
Burke, Montague & Associates LLC
Bradley, IL
October 3, 2019

**ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
STATEMENT OF ASSETS AND LIABILITIES RESULTING
FROM CASH TRANSACTIONS (CASH BASIS)
AS OF JUNE 30, 2019**

<u>ASSETS</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>Tort</u>	<u>Fire Safety</u>	<u>Trust & Agency</u>	<u>General Fixed Assets</u>	<u>General Long Term Debt</u>
Cash & Equivalents	\$ 2,263,667	\$ 147,355	\$ 10	\$ 138,374	\$ 40,586	\$ 260,379	\$ 43,666	\$ 25,457	\$ 4,950	\$ 18,481	\$ -	\$ -
Investment in Fixed Assets	-	-	-	-	-	-	-	-	-	-	6,459,814	-
Amount Available in Debt Service	-	-	-	-	-	-	-	-	-	-	-	10
Amount to be Provided for Retirement of Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	1,861,990
TOTAL ASSETS	\$ 2,263,667	\$ 147,355	\$ 10	\$ 138,374	\$ 40,586	\$ 260,379	\$ 43,666	\$ 25,457	\$ 4,950	\$ 18,481	\$ 6,459,814	\$ 1,862,000
<u>LIABILITIES</u>												
Due to Activity Fund	-	-	-	-	-	-	-	-	-	18,481	-	-
Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	1,862,000
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,481	\$ -	\$ 1,862,000
<u>FUND BALANCE</u>												
Investment in Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,459,814	\$ -
Restricted for Debt Service	-	-	10	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	260,379	-	-	-	-	-	-
Restricted for Special Revenue	-	147,355	-	138,374	40,586	-	43,666	25,457	4,950	-	-	-
Unassigned	2,263,667	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	\$ 2,263,667	\$ 147,355	\$ 10	\$ 138,374	\$ 40,586	\$ 260,379	\$ 43,666	\$ 25,457	\$ 4,950	\$ -	\$ 6,459,814	\$ -
Total Liabilities & Fund Balances	\$ 2,263,667	\$ 147,355	\$ 10	\$ 138,374	\$ 40,586	\$ 260,379	\$ 43,666	\$ 25,457	\$ 4,950	\$ 18,481	\$ 6,459,814	\$ 1,862,000

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ST 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, 2019**

<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>Tort</u>	<u>Fire Safety</u>	<u>Total (Memorandum Only)</u>
Local Sources	\$ 2,079,517	\$ 243,185	\$ 514,567	\$ 90,732	\$ 107,014	\$ 43,672	\$ 997	\$ 4,914	\$ 997	\$ 3,085,595
State Sources	1,197,503	150,088	31,118	134,223	-	-	-	-	-	1,512,932
Federal Sources	267,592	-	-	-	-	-	-	-	-	267,592
TRS On Behalf	1,176,664	-	-	-	-	-	-	-	-	1,176,664
Total Revenues Received	4,721,276	393,273	545,685	224,955	107,014	43,672	997	4,914	997	6,042,783
<u>EXPENDITURES DISBURSED</u>										
<u>CURRENT:</u>										
<u>Instruction</u>										
Regular	1,209,436	-	-	-	14,178	-	-	-	-	1,223,614
Special Education	529,769	-	-	-	20,025	-	-	-	-	549,794
Remedial	72,605	-	-	-	531	-	-	-	-	73,136
Interscholastic	53,221	-	-	-	1,472	-	-	-	-	54,693
Truant	2,872	-	-	-	-	-	-	-	-	2,872
Bilingual	55,930	-	-	-	640	-	-	-	-	56,570
<u>Supporting Services</u>										
Pupils	200,255	-	-	-	1,890	-	-	-	-	202,145
Instructional Staff	32,907	-	-	-	78	-	-	-	-	32,985
General Administration	406,038	-	-	-	9,628	-	-	-	-	415,666
School Administration	260,393	-	-	-	10,593	-	-	-	-	270,986
Business	261,351	517,962	1,500	241,774	44,942	-	-	3,404	-	1,070,933
Central	94,209	-	-	-	713	849	-	-	-	95,771
<u>Payments to Other Districts</u>	41,930	-	-	-	-	-	-	-	-	41,930
<u>Debt Service</u>										
Principal	-	-	458,000	-	-	-	-	-	-	458,000
Interest	-	-	86,248	-	-	-	-	-	-	86,248
TRS On Behalf	1,176,664	-	-	-	-	-	-	-	-	1,176,664
Total Expenditures Disbursed	4,397,580	517,962	545,748	241,774	104,690	849	-	-	3,404	5,812,007
Excess (Deficiency) Revenues Received Over (Under)	323,696	(124,689)	(63)	(16,819)	2,324	42,823	997	4,914	(2,407)	230,776
Expenditures Disbursed										

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST 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, 2019

Continued

	Educational	Operations & Maintenance	Debt Service	Transportation	IMRF/Soc Security	Capital Projects	Working Cash	Total	Fire Prevention	Total (Memorandum Only)
Net Change in Fund Balance	\$ 323,696	\$ (124,689)	\$ (63)	\$ (16,819)	\$ 2,324	\$ 42,823	\$ 997	\$ 4,914	\$ (2,407)	\$ 230,776
BEGINNING 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>
ENDING FUND BALANCE	<u>\$ 2,263,667</u>	<u>\$ 147,355</u>	<u>\$ 10</u>	<u>\$ 138,374</u>	<u>\$ 40,586</u>	<u>\$ 260,379</u>	<u>\$ 43,666</u>	<u>\$ 25,457</u>	<u>\$ 4,950</u>	<u>\$ 2,924,443</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL DISTRICT #258
STATEMENT OF REVENUES RECEIVED
(ALL FUNDS)
FOR THE YEAR ENDED JUNE 30, 2019

<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>
LOCAL										
Designated Tax Levies	\$ 1,812,772	\$ 238,130	\$ 514,567	\$ 89,050	\$ 107,014	\$ -	\$ 997	\$ 4,914	\$ 997	\$ 2,768,441
Replacement Taxes	8,317	-	-	-	-	-	-	-	-	8,317
Tuition	8,171	-	-	-	-	-	-	-	-	8,171
Interest Income	69,690	(1)	1	-	1	-	-	-	-	69,690
Food Service	60,044	-	-	-	-	-	-	-	-	60,044
District Activity Income	17,294	-	-	1,683	-	-	-	-	-	18,977
Textbook Income	35,373	-	-	-	-	-	-	-	-	35,373
Other Local Revenue	67,858	5,055	-	-	-	43,672	-	-	-	116,584
Total Local Revenue Received	2,079,517	243,185	514,568	90,732	107,014	43,672	997	4,914	997	3,085,597
STATE										
Unrestricted Grants in Aid	1,175,587	150,088	31,118	-	-	-	-	-	-	1,356,791
Special Education	21,110	-	-	-	-	-	-	-	-	21,110
Other State Revenue	806	-	-	-	-	-	-	-	-	806
Transportation	-	-	-	134,223	-	-	-	-	-	134,223
Total State Revenue Received	1,197,502	150,088	31,118	134,223	-	-	-	-	-	1,512,930
FEDERAL										
Food Service	53,814	-	-	-	-	-	-	-	-	53,814
Title I	53,083	-	-	-	-	-	-	-	-	53,083
Reap Grant	66,434	-	-	-	-	-	-	-	-	66,434
Special Education	67,714	-	-	-	-	-	-	-	-	67,714
Other Federal Grants	26,547	-	-	-	-	-	-	-	-	26,547
Total Federal Revenue Received	267,592	-	-	-	-	-	-	-	-	267,592
Total Direct Revenues Received	\$ 3,544,612	\$ 393,273	\$ 545,685	\$ 224,955	\$ 107,014	\$ 43,672	\$ 997	\$ 4,914	\$ 997	\$ 4,866,120

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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
INSTRUCTION:				
Elementary School:				
Salaries	\$ 917,929	\$ 917,929	\$ 908,306	\$ (9,623)
Benefits	232,676	232,676	221,621	(11,055)
Purchased Services	4,025	4,025	3,150	(875)
Supplies	114,000	114,000	69,633	(44,367)
Capital Outlay	7,000	7,000	6,680	(320)
Other	250	250	45	(206)
Total Elementary School	<u>\$ 1,275,880</u>	<u>\$ 1,275,880</u>	<u>\$ 1,209,435</u>	<u>\$ (66,445)</u>
Special Education Programs:				
Salaries	\$ 380,584	\$ 380,584	\$ 377,664	\$ (2,920)
Benefits	93,550	93,550	72,697	(20,853)
Purchased Services	7,000	7,000	4,639	(2,361)
Supplies	10,250	10,250	3,944	(6,306)
Capital Outlay	2,000	2,000	3,085	1,085
Other	0	0	180	180
Tuition	36,700	36,700	35,519	(1,181)
Total Special Education	<u>\$ 530,084</u>	<u>\$ 530,084</u>	<u>\$ 497,728</u>	<u>\$ (32,356)</u>
Special Ed Pre-K Programs:				
Salaries	\$ 35,733	\$ 35,733	\$ 23,283	\$ (12,450)
Benefits	10,971	10,971	6,267	(4,704)
Supplies	1,000	1,000	2,491	1,491
Total Pre-K	<u>\$ 47,704</u>	<u>\$ 47,704</u>	<u>\$ 32,041</u>	<u>\$ (15,663)</u>
Remedial Programs:				
Salaries	\$ 51,132	\$ 51,132	\$ 49,923	\$ (1,209)
Benefits	16,145	16,145	13,067	(3,078)
Supplies	10,800	10,800	9,615	(1,185)
Other	200	200	0	(200)
Total Title I	<u>\$ 78,277</u>	<u>\$ 78,277</u>	<u>\$ 72,605</u>	<u>\$ (5,672)</u>
Bilingual Programs				
Salaries	\$ 44,832	\$ 44,832	\$ 44,133	\$ (699)
Benefits	9,021	9,021	11,580	2,559
Supplies	1,000	1,000	217	(783)
Total Bilingual Programs	<u>\$ 54,853</u>	<u>\$ 54,853</u>	<u>\$ 55,930</u>	<u>\$ 1,077</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, 2019

Continued	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>INSTRUCTION:</u>				
Interscholastic:				
Salaries	\$ 31,980	\$ 31,980	\$ 29,411	\$ (2,569)
Benefits	3,482	3,482	1,453	(2,029)
Purchased Services	8,750	8,750	8,860	110
Supplies	6,000	6,000	8,072	2,072
Capital Outlay	2,000	2,000	1,909	(91)
Other	3,450	3,450	3,516	66
Total Interscholastic	<u>\$ 55,662</u>	<u>\$ 55,662</u>	<u>\$ 53,221</u>	<u>\$ (2,441)</u>
Other Instruction:				
Truant Program	\$ 3,000	\$ 3,000	\$ 2,872	\$ (128)
Total Other Instruction Programs	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 2,872</u>	<u>\$ (128)</u>
TOTAL INSTRUCTION	<u>\$2,045,460</u>	<u>\$2,045,460</u>	<u>\$ 1,923,832</u>	<u>\$ (121,628)</u>
<u>SUPPORT SERVICES</u>				
Salaries	\$ 39,167	\$ 39,167	\$ 39,955	\$ 788
Benefits	11,511	11,511	12,119	608
Other	250	250	0	(250)
Total Guidance Service	<u>\$ 50,928</u>	<u>\$ 50,928</u>	<u>\$ 52,074</u>	<u>\$ 1,146</u>
Speech Services:				
Salaries	\$ 65,368	\$ 65,368	\$ 64,242	\$ (1,126)
Benefits	14,214	14,214	13,593	(621)
Purchased Service	3,000	3,000	2,671	(329)
Supplies	1,200	1,200	1,714	514
Total Speech Services	<u>\$ 83,782</u>	<u>\$ 83,782</u>	<u>\$ 82,220</u>	<u>\$ (1,562)</u>
Other Pupil Services:				
Attendance & Social Work	\$ 500	\$ 500	\$ 291	\$ (209)
Testing	10,250	10,250	9,511	(739)
Psychology Services	23,550	28,550	29,697	1,147
Health Services	1,750	1,750	465	(1,285)
Other Services	30,000	40,000	35,508	(4,492)
Total Other Pupil Services	<u>\$ 66,050</u>	<u>\$ 81,050</u>	<u>\$ 75,472</u>	<u>\$ (5,578)</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, 2019

Continued	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>SUPPORT SERVICES</u>				
Improvement of Instruction:				
Salaries	\$ 200	\$ 200	\$ 0	\$ (200)
Purchased Services	22,125	22,125	17,135	(4,990)
Supplies	6,050	6,050	4,574	(1,476)
Total Improvement of Instruction	<u>\$ 28,375</u>	<u>\$ 28,375</u>	<u>\$ 21,709</u>	<u>\$ (6,666)</u>
Educational Media Services:				
Salaries	\$ 1,541	\$ 1,541	\$ 587	\$ (954)
Supplies	4,250	4,250	1,100	(3,150)
Total Educational Media	<u>\$ 5,791</u>	<u>\$ 5,791</u>	<u>\$ 1,687</u>	<u>\$ (4,104)</u>
Board of Education:				
Purchased Services	\$ 99,600	\$ 142,600	\$ 139,978	\$ (2,622)
Supplies	1,000	1,000	566	(434)
Other	10,000	10,000	6,350	(3,650)
Total Board of Education	<u>\$ 110,600</u>	<u>\$ 153,600</u>	<u>\$ 146,894</u>	<u>\$ (6,706)</u>
Executive Administration:				
Salaries	\$ 193,062	\$ 193,062	\$ 196,813	\$ 3,751
Benefits	37,846	37,846	33,195	(4,651)
Purchased Services	4,200	4,200	2,881	(1,319)
Supplies	1,500	1,500	1,134	(366)
Other	3,500	3,500	2,598	(902)
Total Executive Administration	<u>\$ 240,108</u>	<u>\$ 240,108</u>	<u>\$ 236,621</u>	<u>\$ (3,487)</u>
Office of the Principal:				
Salaries	\$ 211,146	\$ 211,146	\$ 212,961	\$ 1,815
Benefits	42,214	42,214	41,941	(273)
Purchased Services	2,500	2,500	1,783	(717)
Supplies	3,100	3,100	2,098	(1,002)
Other	3,750	3,750	1,611	(2,139)
Total Office of the Principal	<u>\$ 262,710</u>	<u>\$ 262,710</u>	<u>\$ 260,394</u>	<u>\$ (2,316)</u>
Tort Immunity:				
Workmans Comp	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 22,523</u>	<u>\$ (2,477)</u>
Total Tort Immunity	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 22,523</u>	<u>\$ (2,477)</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, 2019

Continued	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE OVER (UNDER)
<u>SUPPORT SERVICES</u>				
Fiscal Services:				
Salaries	\$ 69,993	\$ 69,993	\$ 69,993	\$ (0)
Benefits	6,848	6,848	6,450	(398)
Purchased Services	15,500	15,500	13,232	(2,268)
Supplies	6,500	6,500	6,042	(458)
Other	850	850	609	(241)
Total Fiscal Services	<u>\$ 99,691</u>	<u>\$ 99,691</u>	<u>\$ 96,326</u>	<u>\$ (3,365)</u>
Operation and Maintenance of Plant:				
Purchased Services	\$ 34,000	\$ 34,000	\$ 34,100	\$ 100
Total Operation and Maintenance	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>\$ 34,100</u>	<u>\$ 100</u>
Food Services:				
Salaries	\$ 52,662	\$ 52,662	\$ 53,521	\$ 859
Benefits	6,992	6,992	6,997	5
Purchased Services	5,100	5,100	8,928	3,828
Supplies	66,500	66,500	60,755	(5,745)
Other	1,000	1,000	725	(275)
Total Food Services	<u>\$ 132,254</u>	<u>\$ 132,254</u>	<u>\$ 130,926</u>	<u>\$ (1,328)</u>
Central Services:				
Information Services	\$ 13,200	\$ 13,200	\$ 3,427	\$ (9,773)
Staff Services	21,204	21,204	13,094	(8,110)
Data Processing	85,300	85,300	77,687	(7,613)
Total Central Services	<u>\$ 119,704</u>	<u>\$ 119,704</u>	<u>\$ 94,208</u>	<u>\$ (25,496)</u>
Other Support:				
TOTAL SUPPORT SERVICES	<u>\$ 1,258,993</u>	<u>\$ 1,316,993</u>	<u>\$ 1,255,154</u>	<u>\$ (61,839)</u>
<u>NON-PROGRAMMED CHARGES</u>				
Tuition-Special Education	\$ 60,000	\$ 60,000	\$ 41,930	\$ (18,070)
TOTAL NON-PROGRAMMED	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 41,930</u>	<u>\$ (18,070)</u>
CONTINGENCY	\$ 25,000	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES DISBURSED	<u>\$ 3,389,453</u>	<u>\$ 3,422,453</u>	<u>\$ 3,220,916</u>	<u>\$ (201,537)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ 323,696</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, 2019

	<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	\$ 134,288	\$ 147,288	\$ 119,140	\$ (28,148)
BENEFITS	20,766	20,766	18,279	(2,487)
PURCHASED SERVICES	230,800	278,800	277,948	(852)
SUPPLIES	87,500	87,500	101,551	14,051
PURCHASE CAPITAL ASSETS	37,000	3,000	0	(3,000)
OTHER	1,000	1,000	1,044	44
	<u>1,000</u>	<u>1,000</u>	<u>1,044</u>	<u>44</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 511,354</u>	<u>\$ 538,354</u>	<u>\$ 517,962</u>	<u>\$ (20,392)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ (124,689)</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
DEBT SERVICES:				
INTEREST	\$ 86,248	\$ 86,248	\$ 86,248	\$ 0
BOND PRINCIPAL RETIRED	458,000	458,000	458,000	0
OTHER FEES	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 545,748</u>	<u>\$ 545,748</u>	<u>\$ 545,748</u>	<u>\$ 0</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ (63)</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, 2019

	<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	\$ 108,693	\$ 113,693	\$ 113,425	\$ (268)
PURCHASED SERVICES	99,805	99,805	100,972	1,167
SUPPLIES	<u>26,000</u>	<u>26,000</u>	<u>27,377</u>	<u>1,377</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 234,498</u>	<u>\$ 239,498</u>	<u>\$ 241,774</u>	<u>\$ 2,276</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ (16,819)</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
INSTRUCTION BENEFITS	\$ 37,803	\$ 37,803	\$ 36,846	\$ (957)
SUPPORT SERVICES BENEFITS	<u>68,848</u>	<u>68,848</u>	<u>67,844</u>	<u>(1,004)</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 106,651</u>	<u>\$ 106,651</u>	<u>\$ 104,690</u>	<u>\$ (1,961)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ 2,324</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
PURCHASED SERVICES	\$ <u>0</u>	\$ <u>0</u>	\$ <u>849</u>	\$ <u>849</u>
TOTAL EXPENDITURES DISBURSED	\$ <u>0</u>	\$ <u>0</u>	\$ <u>849</u>	\$ <u>849</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ 42,823</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
PURCHASED SERVICES	\$ 10,000	\$ 10,000	\$ 0	\$ (10,000)
TOTAL EXPENDITURES DISBURSED	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED			<u>\$ 4,914</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, 2019

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE OVER (UNDER)</u>
<u>EXPENDITURES DISBURSED</u>				
SUPPORT SERVICES:				
PURCHASED SERVICES	\$ 7,000	\$ 7,000	\$ 3,404	\$ 3,597
SUPPLIES	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 1,000</u>
TOTAL EXPENDITURES DISBURSED	<u>\$ 7,000</u>	<u>\$ 8,000</u>	<u>\$ 3,404</u>	<u>\$ (4,597)</u>
EXCESS (DEFICIENCY) REVENUES RECEIVED OVER (UNDER)				
EXPENDITURES DISBURSED			<u>\$ (2,407)</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, 2019

ASSETS

CURRENT ASSETS	
CASH	\$ <u>18,481</u>
TOTAL ASSETS	<u>\$ 18,481</u>

LIABILITIES

LIABILITIES	
RESERVED FOR STUDENT ACTIVITY	\$ <u>18,481</u>
TOTAL LIABILITIES	<u>\$ 18,481</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, 2019

	<u>JULY 1, 2018</u>	<u>RECEIPTS</u>	<u>DISBURSMENTS</u>	<u>JUNE 30, 2019</u>
LIBRARY	\$ 898	\$ 2,812	\$ 2,811	\$ 899
STUDENT COUNCIL	5,734	2,317	5,533	2,518
CONVENIENCE	682	0	0	682
YEARBOOK	3,943	2,675	5,044	1,574
FIELD TRIP	410	5,451	5,990	(130)
MUSIC	560	37	305	292
STUDENT STORE	2,547	484	189	2,843
SPIRITWEAR	3,163	2,463	5,802	(176)
CHEERLEADERS	898	0	0	898
TECH	219	0	219	0
BOOSTERS	5,781	3,758	4,217	5,322
CHARITY	583	500	320	763
PRINCIPAL	2,997	0	0	2,997
TOTALS	<u>\$ 28,416</u>	<u>\$ 20,496</u>	<u>\$ 30,431</u>	<u>\$ 18,481</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

**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 \$75,937 for special education services during the year ended June 30, 2019.

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, 2019

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.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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 20, 2018, 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, 2019 on June 20, 2019.

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, 2019, the District incurred expenditures which were in excess of amounts appropriated in the operations & maintenance fund, transportation fund and the site and construction.

There are no deficit fund balances.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 2017 levy on December 10, 2017, and the 2018 levy on December 20, 2018. Taxes on the 2017 levy were due in two installments on June 1, 2018 and September 1, 2018. The District collected significant distributions from the 2017 levy in July, August and September. Taxes recorded as revenue in these financial statements are from the 2017 and prior levies.

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, 2019, the carrying amount of the District's deposits; including Trust and Agency funds; was \$2,942,925 and the bank balance was \$3,001,904. \$250,000.00 of the bank balance was covered by federal depository insurance and \$2,751,904 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, 2019, 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, 2019.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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.

NOTE 9 - LEGAL DEBT MARGIN

The district's legal debt limitation follows:

Total Assessed Valuation	79,918,174
Debt Limit-6.9% of Assessed Value	5,514,354
Less: Bond Indebtedness	<u>1,862,000</u>
Legal Debt Margin	3,652,354
Percentage of Bonded Debt Currently Obligated	<u>33.77%</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 October 3, 2019, the date the financial statements were available to be issued.

On July 30, 2019 the District issued \$6,930,000 Series 2019B General Obligation School bonds for the purpose to build and equip classroom additions, to alter repair, renovate and equip th existing school building of the District, including to provide for secure entrances and other security and safety improvements, and repair and replace parking lots an make other improvements. Interest on the bonds ranging from 4.0% to 5.0% is payable in semi-annual installments on May 1 and November 1 starting November 1, 2019. The principal on the bonds are payable annually starting November 1, 2026 in installments ranging from \$120,000 to \$780,000. The bonds mature on July 1, 2039.

On July 30, 2019 the District issued \$973,000 Series 2019A General Obligation Refunding School bonds for the purpose refunding certain outstanding bonds of the District. Principal on the bonds are payable in annual installments ranging from \$2,100 to \$278,700, along with interest at a rate of 3.0%. The bonds mature on November 1, 2026.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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 2018 was 8.46 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 2018 was \$41,126. The required contribution for 2018 was determined as part of the December 31, 2016, actuarial valuation using the entry-age normal actuarial cost method. The actuarial assumptions at December 31, 2016, included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.50% 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, 2016 is being amortized as a level percentage of projected payroll on an open 25 year basis.

Funded Status and Funding Progress. As of December 31, 2018, the most recent actuarial valuation date, the Regular plan was 91.38 percent funded. The actuarial accrued liability for benefits was \$565,528 and the actuarial value of assets was \$516,662, resulting in an unfunded actuarial liability (UAAL) of \$48,766. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$486,129 and the ratio of the UAAL to the covered payroll was 10%.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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
12/31/18	\$41,126	100%	-0-
12/31/17	\$33,571	100%	-0-
12/31/16	\$26,719	100%	-0-

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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the system's administration.

TRS issues a publically available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

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. 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, 2019, 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 \$1,176,664 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, 2019, were \$10,649.

*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.

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$27,837 were paid from federal and special trust funds that required employer contributions of \$2,742.

*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, 2019, 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.

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$16,892 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 2019 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, 2019

NOTE 14- GENERAL FIXED ASSETS

CHANGES IN GENERAL FIXED ASSETS FOR THE YEAR ENDED JUNE 30, 2019 :

	BEGINNING BALANCE	ADDITIONS	RETIREMENT	ENDING BALANCE
Land - Nondepreciated	\$ 671,408	\$ 0	\$ 0	\$ 671,408
Buildings & Improvements	8,259,637	0	0	8,259,637
Other Improvements	13,552	0	0	13,552
Equipment	1,118,282	0	0	1,118,282
Transportation Equipment	279,290	0	0	279,290
Total Fixed Assets (Reported)	<u>\$ 10,342,169</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,342,169</u>
Accumulated Depreciation	<u>(3,647,929)</u>	<u>(234,426)</u>	<u>0</u>	<u>(3,882,355)</u>
Total Net Fixed Assets	<u>\$ 6,694,240</u>	<u>\$ (234,426)</u>	<u>\$ 0</u>	<u>\$ 6,459,814</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	\$ 25,000	\$ 0	\$ 25,000	\$ 0
2013 Refunding Bonds	2,195,000	0	420,000	1,775,000
2012 WCF Bonds	100,000	0	13,000	87,000
Total Bonds Payable	<u>\$ 2,320,000</u>	<u>\$ 0</u>	<u>\$ 458,000</u>	<u>\$ 1,862,000</u>

The bonds payable at June 30, 2019, are : (1) \$1,775,000 Refunding Bonds, dated July 1, 2013, due in annual installments of 420,000 to \$560,000, interest paid semi-annually at 2.5 to 4.5%. Due November 2022.

(2) \$87,000 Working Cash Funds Bonds, dated July 1, 2012, due in annual installments of \$13,000 to \$15,000, interest paid semi-annually at 3.50%. Due December 2024.

The current portion of bonds payable is \$478,000. 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, 2019

NOTE 16- BOND DEBT SERVICE

The District's debt service requirements to maturity for bond principal and interest are as follows:

2013 REFUNDING/BUILDING BONDS

<u>NOVEMBER</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 465,000	\$ 65,700	\$ 530,700
2020	510,000	46,200	556,200
2021-2022	800,000	28,800	828,800
TOTALS	<u>\$ 1,775,000</u>	<u>\$ 140,700</u>	<u>\$ 1,915,700</u>

2012 WORKING CASH FUND BONDS

<u>DECEMBER</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 13,000	\$ 2,818	\$ 15,818
2020	14,000	2,345	16,345
2021-2024	60,000	4,200	64,200
	<u>\$ 87,000</u>	<u>\$ 9,363</u>	<u>\$ 96,363</u>

**ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
IMRF SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2019**

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Illinois Municipal Retirement Fund
Fiscal Year 2017*

	2018	2017	2016	2015
Employer's proportion of net pension liability	\$ 78,393	\$ (61,067)	\$ 70,896	\$ (30,504)
Employer's proportionate share of net pension liability	<u>\$ 78,393</u>	<u>\$ (61,067)</u>	<u>\$ 70,896</u>	<u>\$ (30,504)</u>
TOTAL	486,129	437,699	385,000	379,161
Employer's covered-employee payroll				
Employer's proportionate share of net pension liability as a covered-employee payroll	16.13%	-13.95%	18.41%	-8.05%
Plan fiduciary net position as a percentage of the total pension liability	91.52%	107.65%	91.20%	95.69%

* 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	\$ 41,126	\$ 33,571	\$ 26,719	\$ 30,219
Contributions in relation to the contractually-required contribution	<u>41,126</u>	<u>33,571</u>	<u>26,719</u>	<u>30,219</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Employer's covered-employee payroll	486,129	437,699	385,000	379,161
Contributions as a percentage of covered-employee payroll	8.46%	7.67%	6.94%	7.97%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

Amounts reported in 2018 reflect an investment rate of return of 7.5%, an inflation rate of 2.5% and a real return of 4.5%, and a salary increase assumption of 3.75% to 14.50%. 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 3.5%.

**ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
TRS SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2019**

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

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

	2018	2017	2016	2015
Employer's proportion of net pension liability	.0002346422%	.0005404644%	.0003963674%	.0003963674%
Employer's proportionate share of net pension liability	\$ 182,891	\$ 412,905	\$ 375,324	\$ 259,661
State's proportionate share of net pension liability associated with th	12,528,834	11,925,102	12,436,607	10,794,873
TOTAL	\$ 12,711,725	\$ 12,338,007	\$ 12,811,931	\$ 11,054,534
Employer's covered-employee payroll	1,680,889	1,680,889	1,613,255	1,566,824
Employer's proportionate share of net pension liability as a covered-employee payroll	10.88%	24.56%	23.27%	16.57%
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	\$ 165,252	\$ 151,280	\$ 145,193	\$ 147,281
Contributions in relation to the contractually-required contribution	165,252	151,280	145,193	147,281
Contribution deficiency (excess)	0	0	0	0
Employer's covered-employee payroll	1,836,134	1,680,889	1,613,255	1,566,824
Contributions as a percentage of covered-employee payroll	9.00%	9.00%	9.00%	9.40%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0%, including an inflation rate of 2.5 percent and a real rate of return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.
For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
DISTRICT #258
ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2019

LEVY YEAR

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL ASSESSED VALUATION	<u>79,918,174</u>	<u>77,388,298</u>	<u>75,219,521</u>	<u>73,409,748</u>

TAX RATES

Education Fund	2.3240	2.3614	2.3068	2.4248
Operation & Maintenance	0.3521	0.3102	0.4122	0.2725
Transportation Fund	0.1126	0.1160	0.0640	0.0996
IMRF	0.0513	0.0529	0.0442	0.0477
Social Security	0.0850	0.0865	0.0804	0.0872
Liability Insurance	0.0062	0.0064	0.0150	0.0163
Bonds & Interest	0.6846	0.6703	0.6605	0.6442
Fire Prevention	0.0010	0.0013	0.0010	0.0013
Working Cash	<u>0.0010</u>	<u>0.0013</u>	<u>0.0010</u>	<u>0.0013</u>
TOTALS	<u>3.6178</u>	<u>3.6063</u>	<u>3.5851</u>	<u>3.5949</u>

TAXES EXTENDED

Education Fund	1,857,298	1,827,447	1,735,164	1,780,040
Operation & Maintenance	281,392	240,059	310,055	200,042
Transportation Fund	89,988	89,770	48,140	73,116
IMRF	40,998	40,938	33,247	35,016
Social Security	67,930	66,941	60,476	64,013
Liability Insurance	4,955	4,953	11,283	11,966
Bonds & Interest	547,120	518,734	496,825	472,906
Fire Prevention	799	1,006	752	954
Working Cash	<u>799</u>	<u>1,006</u>	<u>752</u>	<u>954</u>
TOTALS	<u>2,891,280</u>	<u>2,790,854</u>	<u>2,696,695</u>	<u>2,639,007</u>

TAXES COLLECTED

Levy Year	Total Taxes <u>Extended</u>	Total Taxes <u>Collected</u>	Percentage <u>Collected</u>
2015	2,639,007	2,674,036	101.33
2016	2,696,695	2,678,899	99.34
2017	2,790,854	2,768,440	99.20
2018	2,891,280		

(UNAUDITED)

ST GEORGE COMMUNITY CONSOLIDATED SCHOOL
 OPERATING DISBURSEMENTS PER STUDENT
 JUNE 30, 2019

Education Fund	\$ 3,220,916
Operations & Maintenance Fund	517,962
Debt Service Fund	545,748
Transportation Fund	241,774
Municipal Retirement Fund	<u>104,690</u>
Total Disbursements	<u>\$ 4,631,089</u>

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

Education Fund:	
Truants	\$ 2,872
Pre-K	33,148
Payments to other Districts & Government Units	41,930
Capital Outlay	11,674
Community Service	18,024
Operation & Maintenance Fund:	
Debt Service Fund:	
Principal Retirement	458,000
Transportation Fund:	
Total	<u>\$ 565,648</u>

Net Operating Disbursements	<u>\$ 4,065,441</u>
Average Daily Attendance	<u>418.82</u>
Operating Disbursements Per Student	<u>\$ 9,706.89</u>

Burke, Montague & Associates L.L.C.

Certified Public Accountants, Advisors & Auditors

Raymond J. Raymond, CPA
Member

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, 2019, 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 October 3, 2019.

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.

Burke, Montague & Associates, L.L.C.

Bradley, IL

October 3, 2019