

**COAL CITY COMMUNITY
UNIT SCHOOL DISTRICT NO. 1
COAL CITY, ILLINOIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2019**

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

To the Board of Education
Coal City Community Unit School District No. 1
Coal City, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1 as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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 error or fraud.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1 as of June 30, 2019, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coal City Community Unit School District No. 1's basic financial statements. The other information, including notes to other information, on pages 44-64, and the supplemental information on pages 65-73, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards and combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The IMRF, TRS, and THIS data schedules (pages 58-62), and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections (page 73) have 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 them.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Coal City Community Unit School District #1 for the year ended June 30, 2018, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated September 5, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2019, on our consideration of the Coal City Community Unit School District No. 1'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 Coal City Community Unit School District No. 1's internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 4, 2019

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2019

	Governmental Activities	
	2019	2018
<u>Assets</u>		
Cash in bank	\$ 2,446,763	2,818,755
Investments	16,799,548	15,997,490
Capital Assets		
Land	6,186,420	6,186,420
Construction in Progress	259,589	-
Land Improvements	5,863,196	5,863,196
Building	80,423,445	80,090,140
Equipment	3,546,972	3,442,382
Cafeteria Equipment	485,245	478,119
Accumulated Depreciation	(36,887,865)	(34,400,094)
Total Assets	79,123,313	80,476,408
<u>Liabilities</u>		
Withholdings	323,637	401,088
Long-Term Liabilities:		
Due Within One Year	2,155,000	2,245,000
Due in More Than One Year	30,150,000	32,305,000
Total Liabilities	32,628,637	34,951,088
<u>Net Position</u>		
Net Investment in Capital Assets	27,572,002	27,110,163
Restricted	1,146,983	1,075,938
Unrestricted	17,775,691	17,339,219
Total Net Position	\$ 46,494,676	45,525,320

The Notes to Basic Financial Statements are an integral part of this statement.

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2019

Program Activities	Expenditures	Program Receipts			Net Expenditures, Receipts, and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2019	2018
Governmental Activities						
Instruction	\$ 18,317,653	262,118	1,100,739	-	(16,954,796)	(17,024,668)
Support Services	11,322,115	602,424	1,426,263	-	(9,293,428)	(8,971,093)
Community Services	137	-	-	-	(137)	(6,630)
Payments to Other Schools	658,989	-	-	-	(658,989)	(930,271)
On-Behalf Payments	1,541,052	-	1,541,052	-	-	-
Unallocated Interest	1,293,030	-	-	-	(1,293,030)	(3,449,939)
Total Governmental Activities	<u>\$ 33,132,976</u>	<u>864,542</u>	<u>4,068,054</u>	<u>-</u>	<u>(28,200,380)</u>	<u>(30,382,601)</u>
General Revenues						
Taxes:						
Property Taxes				\$	25,594,974	24,738,085
Payment in Lieu of Taxes					20,339	25,968
Replacement Taxes					1,431,435	1,323,177
Grants and Entitlements not Restricted to Specific Programs					1,344,732	1,342,287
Refund of Prior Year Expenditures					175,582	304,963
Site Donations					31,447	43,554
Unrestricted Contributions and Donations					3,670	555
Interest on Investments					481,370	301,553
Miscellaneous					86,187	140,252
Total General Revenues					<u>29,169,736</u>	<u>28,220,394</u>
Premium on Bonds Sold					-	2,436,721
Change in Net Position					969,356	274,514
Net Position Beginning of Year					<u>45,525,320</u>	<u>45,250,806</u>
Net Position End of Year				\$	<u>46,494,676</u>	<u>45,525,320</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Assets, Liabilities and Changes in Fund Balances
Modified Cash Basis- Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		Transportation Fund	Site & Construction Fund	Bond & Interest Fund		2019	2018
<u>Assets</u>							
Cash	\$ 1,963,212	-	636,703	89,136	25,569	2,714,620	3,127,887
Investments	13,176,352	2,500,443	-	-	1,122,753	16,799,548	16,193,148
Total Assets	<u>\$ 15,139,564</u>	<u>2,500,443</u>	<u>636,703</u>	<u>89,136</u>	<u>1,148,322</u>	<u>19,514,168</u>	<u>19,321,035</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Overdraft Payable	\$ -	121,082	-	-	146,775	267,857	504,790
Withholdings	323,637	-	-	-	-	323,637	401,088
Total Liabilities	<u>323,637</u>	<u>121,082</u>	<u>-</u>	<u>-</u>	<u>146,775</u>	<u>591,494</u>	<u>905,878</u>
Fund Balance:							
Restricted	-	-	-	89,136	1,057,847	1,146,983	1,075,938
Committed	1,318,295	-	636,703	-	-	1,954,998	2,079,811
Assigned	-	2,379,361	-	-	-	2,379,361	2,244,200
Unassigned	13,497,632	-	-	-	(56,300)	13,441,332	13,015,208
Total Fund Balances	<u>14,815,927</u>	<u>2,379,361</u>	<u>636,703</u>	<u>89,136</u>	<u>1,001,547</u>	<u>18,922,674</u>	<u>18,415,157</u>
Total Liabilities and Fund Balance	<u>\$ 15,139,564</u>	<u>2,500,443</u>	<u>636,703</u>	<u>89,136</u>	<u>1,148,322</u>		

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities of \$96,764,867 (net of accumulated depreciation of \$36,887,865), are not financial resources and therefore are not reported in the funds.

\$ 59,877,002 61,660,163

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds (32,305,000) (34,550,000)

Net Position of Governmental Activities

\$ 46,494,676 45,525,320

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund Site & Construction Fund	Debt Service Fund Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		Transportation Fund				2019	2018
Revenues Received:							
Local Sources	\$ 22,689,378	1,421,327	31,447	3,537,209	987,848	28,667,209	27,657,333
Flow Through	22,187	-	-	-	-	22,187	26,055
State Sources	1,795,267	817,065	-	-	-	2,612,332	2,832,340
Federal Sources	1,259,402	-	-	-	-	1,259,402	925,464
On Behalf Payments	1,541,052	-	-	-	-	1,541,052	1,496,573
Total Revenues Received	27,307,286	2,238,392	31,447	3,537,209	987,848	34,102,182	32,937,765
Expenditures Disbursed:							
Current:							
Instructional	15,442,494	-	-	-	300,859	15,743,353	15,335,951
Support	8,510,991	2,070,052	69,649	-	671,423	11,322,115	10,944,799
Community Service	137	-	-	-	-	137	6,630
Intergovernmental:							
Payments to Other Schools	658,989	-	-	-	-	658,989	930,271
On Behalf Payments	1,541,052	-	-	-	-	1,541,052	1,496,573
Capital Outlay	427,993	33,179	329,967	-	-	791,139	2,881,993
Debt Service:							
Interest & service charges	-	-	-	1,293,030	-	1,293,030	1,685,511
Principal	-	-	-	2,245,000	-	2,245,000	1,425,000
Total Expenditures Disbursed	26,581,656	2,103,231	399,616	3,538,030	972,282	33,594,815	34,706,728
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	725,630	135,161	(368,169)	(821)	15,566	507,367	(1,768,963)
Other Financing Sources (Uses):							
Bond Proceeds	-	-	-	-	-	-	28,105,000
Bond Premiums	-	-	-	-	-	-	2,436,721
Principal Refunded to Escrow	-	-	-	-	-	-	(29,110,000)
Interest Refunded to Escrow	-	-	-	-	-	-	(1,764,428)
Sales of fixed assets	150	-	-	-	-	150	-
Transfers in (out)	(195,658)	-	195,658	-	-	-	-
Total Other Financing Sources (Uses)	(195,508)	-	195,658	-	-	150	(332,707)
Net Changes in Fund Balances	530,122	135,161	(172,511)	(821)	15,566	507,517	(2,101,670)
Fund Balance, Beginning of Year	14,285,805	2,244,200	809,214	89,957	985,981	18,415,157	20,516,827
Fund Balance, End of Year	\$ 14,815,927	2,379,361	636,703	89,136	1,001,547	18,922,674	18,415,157

The Notes to Basic Financial Statements are an integral part of this statement.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement D
Continued

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$ 507,517	(2,101,670)
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Amount reported for governmental activities in the Statement of Activities are different because:

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal on Debt	2,245,000	1,425,000
Bond Refunding	-	29,110,000
Bond Proceeds	-	(28,105,000)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense:

Capital asset purchases	748,248	3,969,009
Capital asset dispositions, net of accumulated depreciation	-	(1,518,469)
Depreciation expense	(2,531,409)	(2,504,356)

Change in Net Position of Governmental Activities (Statement B)	\$ 969,356	274,514
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The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fiduciary Net Position
 Agency Funds
 June 30, 2019

		June 30,	
		2019	2018
<u>Assets</u>			
Cash		\$ 812,752	815,793
<u>Liabilities</u>			
Due to Student Activity Organizations		\$ 812,752	815,793

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coal City Community Unit School District No. 1, Illinois (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Illinois. It is governed by a seven-member Board of Education (the "Board") elected by registered voters of the District. The financial statements of the District have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below:

Reporting Entity

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements, which serve pupils from numerous districts, should be included within its financial reporting entity. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public services, and special financing relationships. There are no component units as defined above that are included in the District's reporting entity. The District is not included in any other governmental "reporting entity."

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the District as a whole. The statements include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. Basis of Presentation (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements. During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting (Continued)

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

There are two categories of funds utilized by the District: governmental and fiduciary.

Governmental Funds. Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

General Fund - The General Fund, which consists of the Educational Fund, the Operations and Maintenance Fund, and the Working Cash Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Special Education and Lease levies are included in these funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. One special revenue fund is considered to be a major fund:

1. Transportation Fund - The Transportation Fund is used to account for expenditures related to transporting the students of the District. Main sources of revenue include property taxes and transportation state aid.

Capital Project Funds - Capital Project Funds are used to account for the accumulation of financial resources for, and the payment of maintenance/capital additions. The District has one capital project fund that is considered a major fund:

1. Site & Construction Fund - The Site & Construction Fund is used to account for expenditures related to maintenance/improvements of District property.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting (Continued)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs. The District has one debt service fund that is considered a major fund.

1. Bond and Interest - The Bond and Interest Fund is used to account for principal and interest related to long-term debt issued by the District. The fund balance in this fund is restricted for debt service related expenditures.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The District's only fiduciary funds are agency funds which report resources that belong to the student bodies of the District and various scholarship funds.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This means that only balances resulting from previous cash transactions are shown on the Statement of Net Position, with two modifications: capital assets net of related depreciation and long-term liabilities resulting from debt issuances are also included. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenditures) in total net position, with three modifications: capital acquisitions are not reported as expenditures but rather capitalized and shown as assets on the Statement of Net Position, depreciation expense is reported in the Statement of Activities, and long-term debt principal payments are shown as a reduction of long-term liabilities on the Statement of Net Position rather than as a disbursement on the Statement of Activities.

Fund Financial Statements. All governmental funds are accounted for using the current financial resources measurement focus and the cash basis of accounting. This means that only current assets, liabilities and fund balances resulting from previous cash transactions are shown on the Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions. The Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances reports on the sources (i.e. revenues) and uses (i.e. expenditures).

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues are recognized when cash is received. Expenditures are recognized when checks are written. Allocations of cost, such as depreciation, are not recognized in governmental funds. This approach differs from the manner in which the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual funds are also considered cash equivalents.

To improve cash management, the District utilizes a pooled account. Monies for all funds, excluding fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "cash."

Investments

During the fiscal year, investments were limited to certificates of deposit, money market mutual funds, and the Illinois School District Liquid Asset Fund. Investments are stated at cost which approximates market value. Gains or losses on the sale of investments are recognized upon realization. The institutions in which investments are made must be approved by the Board of Education.

E. Capital Assets

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if the actual cost is unavailable. Estimated historical cost was used to value a majority of the assets acquired prior to July 1, 2004. Assets acquired since July 1, 2004, are recorded at cost.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,500. Investments are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Capital Assets (Continued)

Depreciation of exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-39 years
Equipment	3-10 years
Cafeteria Equipment	3-10 years

F. Compensated Absences

Each full-time teacher shall be granted twelve (12) sick leave days per school year without loss of pay. Each full-time teacher who has accumulated one hundred (100) unused sick days at the end of the previous year shall receive fourteen (14) sick days the next school year. Each full-time teacher who has accumulated one hundred fifty (150) unused sick days at the end of the previous year shall receive sixteen (16) days the next school year. Each full-time teacher who has accumulated two hundred (200) unused sick days at the end of the previous year shall receive (25) sick days the next school year.

G. Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of TRS and IMRF and additions to/deductions from the TRS and IMRF fiduciary net position have been determined on the same basis as they are reported by TRS and IMRF.

H. Postemployment Benefits Other than Pensions

The District participates in the Teachers' Health Insurance Security Fund (THIS) plan provided by the State. For purposes of measuring the District's collective OPEB liability, information about the fiduciary net position of the THIS OPEB plan and additions to/deductions from the THIS plan's fiduciary net position have been determined on the same basis as they are reported by the THIS plan.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Net Position

In the government-wide financial statements net position represents the difference between assets and liabilities, and is displayed in three components:

1. Net Position invested in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of these assets. At June 30, 2019, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 96,764,867
Less: Accumulated depreciation	<u>(36,887,865)</u>
Capital assets, net	59,877,002
Less:	
General obligation bonds	<u>(32,305,000)</u>
Net investment in capital assets	<u><u>\$ 27,572,002</u></u>

2. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

J. Insurance Liability

The District's employees are covered by a health insurance policy under which the District's total premium is based on actual claims incurred. As of June 30, 2019, total premiums paid by District employees have exceeded claims incurred by \$204,410. This amount is included in the payroll withholdings liability reported in the Educational and Operations & Maintenance Funds on the accompanying financial statements.

K. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

L. Reclassifications

Certain prior year balances may have been reclassified to conform to the current year presentation.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 2: DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 85, Sections 902 and 906; and Chapter 122, Section 8-7 and is limited by its own local ordinance. The District has adopted a formal written investment and cash management policy. The institution in which investments are made must be approved by the Board of Education.

Deposits

Custodial Credit Risk - is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's custodial credit risk policy is included in a formal written investment and cash management policy.

The District's deposits and certificates of deposits are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution.

At June 30, 2019, the carrying amount of the District's deposits was \$2,446,763, and the bank balance was \$2,918,279. All of the District's deposits in excess of FDIC limits (\$2,418,279) are fully collateralized by securities held with the pledging financial institution.

Investments

Investments consist of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>
Illinois School District Liquid Asset Fund	\$ 16,799,548	16,799,548
	<u>\$ 16,799,548</u>	<u>16,799,548</u>

The Illinois School District Liquid Asset Fund. The Illinois School District Liquid Asset Fund is an external investment pool sponsored by the Illinois Association of School Boards, the Illinois Association of School Administrators and the Illinois Association of School Business Officials. PMA Securities, Inc. administers the fund. A thirteen-member Board of Trustees oversees the actions of the Administrator and decides on general policies. The fund invests in high-quality, short-term debt instruments guaranteed by the full faith and credit of the United States, certain U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by Illinois law. The monies invested in the Illinois School District Liquid Asset Funds are reported at cost which represents market value.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investing activities are managed under the custody of the District Superintendent and Treasurer. Investing is performed in accordance with investment policies adopted by the Board of Education complying with the School Code of Illinois.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 2: DEPOSITS AND INVESTMENTS – (Continued)

Investments – (Continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's procedures provide that to the extent practicable, investments are matched with anticipated cash flows. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

Concentration Risk is the risk that is a result of the Board placing no limit on the amount that can be invested with any single issuer.

NOTE 3: COMMON BANK ACCOUNT

Separate bank and investment accounts are not maintained for all District funds; instead, cash and investments of certain funds is combined in common bank and investment accounts. Individual accounting records are maintained showing the balances attributed to each fund. As of June 30, 2019, the funds participating in the common accounts had the following balances (overdrafts):

Fund	Pooled Checking	Pooled Investments	Total
General Fund:			
Educational Fund	\$ 1,567,869	10,971,202	12,539,071
Operations and Maint. Fund	380,573	1,116,950	1,497,523
Working Cash Fund	14,770	1,088,200	1,102,970
Total General Fund	1,963,212	13,176,352	15,139,564
Bond & Interest Fund	89,136	-	89,136
Transportation Fund	(121,082)	2,500,443	2,379,361
IMRF and Social Security Fund	(138,412)	376,773	238,361
Tort Fund	(8,363)	412,595	404,232
Life Safety Fund	25,569	333,385	358,954
Site and Construction Fund	636,703	-	636,703
Total	\$ 2,446,763	16,799,548	19,246,311

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 4: CAPITAL ASSETS

	July 1, 2018	Additions	Deletions	June 30, 2019
Capital Assets, not being depreciated:				
Land	\$ 6,186,420	-	-	6,186,420
Construction in Progress	-	259,589	-	259,589
Total Capital Assets, not being depreciated	6,186,420	259,589	-	6,446,009
Capital Assets, being depreciated:				
Land Improvements	5,863,196	-	-	5,863,196
Building	80,090,140	333,305	-	80,423,445
Equipment	3,442,382	148,228	(43,638)	3,546,972
Cafeteria Equipment	478,119	7,126	-	485,245
Total Capital Assets, being depreciated	89,873,837	488,659	(43,638)	90,318,858
Total Capital Assets	96,060,257	748,248	(43,638)	96,764,867
Less Accumulated Depreciation:				
Land Improvements	(4,337,185)	(266,750)	-	(4,603,935)
Building	(26,701,356)	(2,091,763)	-	(28,793,119)
Equipment	(2,977,517)	(151,472)	43,638	(3,085,351)
Cafeteria Equipment	(384,036)	(21,424)	-	(405,460)
Total Accumulated Depreciation	(34,400,094)	(2,531,409)	43,638	(36,887,865)
Total Capital Assets being depreciated, net	55,473,743	(2,042,750)	-	53,430,993
Governmental Activities Capital Assets, Net	\$ 61,660,163	(1,783,161)	-	59,877,002

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 2,446,629
Support Service Expenditures	<u>84,780</u>
Total Current Year Depreciation	<u>\$ 2,531,409</u>

The District's significant capital purchases during the fiscal year included:

Intermediate School Renovations	\$ 300,190
Window Projects (CIP)	246,662

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2019:

	Principal Outstanding 7/1/2018	Additions	Reductions	Principal Outstanding 6/30/2019	Amount Due in One Year
General Obligation Bonds:					
2010 4.00% \$3,680,000	\$ 345,000	-	-	345,000	-
2016 3.50-4.00% \$7,105,000	6,100,000	-	-	6,100,000	-
2017 3.50-4.00% \$19,625,000	19,625,000	-	1,500,000	18,125,000	1,595,000
2018 3.50-4.00% \$8,480,000	8,480,000	-	745,000	7,735,000	560,000
Total General Obligation Bonds	<u>\$ 34,550,000</u>	<u>-</u>	<u>2,245,000</u>	<u>32,305,000</u>	<u>2,155,000</u>

All of the District's debt service payments are made from the Bond and Interest Fund.

On September 8, 2010, the District issued \$3,680,000 in general obligation school bonds for the high school addition. In December 2012, the District authorized the provision for partial defeasance of \$3,335,000 of principal and \$708,279 of interest on these bonds prior to maturity. The outstanding 2010 bonds final maturity is February 1, 2030. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the following amortization schedule.

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ -	13,800	13,800
2021	-	13,800	13,800
2022	-	13,800	13,800
2023	-	13,800	13,800
2024	-	13,800	13,800
2025	-	13,800	13,800
2026	-	13,800	13,800
2027	-	13,800	13,800
2028	-	13,800	13,800
2029	-	13,800	13,800
2030	345,000	13,800	358,800
Total	<u>\$ 345,000</u>	<u>151,800</u>	<u>496,800</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1**Notes to Basic Financial Statements
For the Year Ended June 30, 2019**

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

On February 3, 2016, the District issued \$6,000,000 in general obligation working cash bonds for building renovations, plus \$1,105,000 in refunding bonds to partially refund the 2008 general obligation bonds, for a total issuance of \$7,105,000. The bonds' final maturity is February 1, 2036. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ -	227,906	227,906
2021	-	227,906	227,906
2022	-	227,906	227,906
2023	-	227,906	227,906
2024	-	227,906	227,906
2025	-	227,906	227,906
2026	-	227,906	227,906
2027	-	227,906	227,906
2028	-	227,906	227,906
2029	-	227,906	227,906
2030	695,000	227,906	922,906
2031	820,000	200,107	1,020,107
2032	1,205,000	167,306	1,372,306
2033	750,000	126,638	876,638
2034	775,000	101,326	876,326
2035	910,000	74,200	984,200
2036	945,000	37,800	982,800
Total	<u>\$ 6,100,000</u>	<u>3,214,343</u>	<u>9,314,343</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1**Notes to Basic Financial Statements
For the Year Ended June 30, 2019****NOTE 5: LONG-TERM OBLIGATIONS - (Continued)**

On July 27, 2017, the District issued \$19,625,000 in general obligation refunding school bonds to partially refund the 2008 general obligation bonds. The bonds' final maturity is February 1, 2028. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,595,000	782,300	2,377,300
2021	1,675,000	718,500	2,393,500
2022	1,855,000	651,500	2,506,500
2023	1,915,000	577,300	2,492,300
2024	2,015,000	481,550	2,496,550
2025	2,130,000	380,800	2,510,800
2026	2,195,000	274,300	2,469,300
2027	2,305,000	188,450	2,493,450
2028	2,440,000	73,200	2,513,200
Total	<u>\$ 18,125,000</u>	<u>4,127,900</u>	<u>22,252,900</u>

On June 6, 2018, the District issued \$8,480,000 in general obligation refunding school bonds to refund the remaining balance of the 2008 general obligation bonds. The bonds' final maturity is February 1, 2029. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 560,000	317,926	877,926
2021	565,000	295,526	860,526
2022	475,000	272,926	747,926
2023	510,000	253,926	763,926
2024	520,000	238,626	758,626
2025	525,000	217,826	742,826
2026	590,000	196,826	786,826
2027	590,000	173,226	763,226
2028	550,000	149,626	699,626
2029	2,850,000	127,626	2,977,626
Total	<u>\$ 7,735,000</u>	<u>2,116,434</u>	<u>9,979,060</u>

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2018 levy, in the amount of \$23,078,465, increased by the Bond and Interest levy to \$26,049,385 was passed by the Board on December 5, 2018 and will be received in the subsequent fiscal year. The 2017 levy in the amount of \$22,254,676, increased by Bond and Interest levy to \$25,601,420, was received during the current fiscal year. The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. Taxes are remitted to the District in the month following the due dates. The District receives property tax revenues from both Grundy County and Will County.

Under current procedures, the County Treasurer distributes all property taxes received to the District, including amounts paid by taxpayers that have filed objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due to the District.

Specific levies may result in a restricted fund balance within the General Fund:

Special Education. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$312,613 was collected and all was spent, resulting in no restricted fund balance.

Lease. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$235,918 was collected and all was spent, resulting in no restricted fund balance.

NOTE 7: RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information about the Plan

Plan Description

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 publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS – The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective NPL associated with the District, and the employer recognized revenue and expenditures of \$1,368,743 in pension contributions from the state of Illinois.

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 statute. Contributions for the year ended June 30, 2019, were \$80,596.

Federal and Special Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contributions rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

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 \$97,521 were paid from federal and special trust funds that required employer contributions of \$9,606.

Employer Retirement Cost Contributions – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions (Continued)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$47,038 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities

At June 30, 2019, the District has an unreported liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 1,424,088
State's proportionate share of the net pension liability associated with the District	<u>97,556,028</u>
Total	<u>\$ 98,980,116</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was .00183 percent, which was a decrease of .00037 from its proportion measured as of June 30, 2017.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long- Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real Estate	16.0%	5.4%
Real Return	4.0%	1.8%
Absolute Return	14.0%	3.9%
Private Equity	15.0%	10.2%
Total	<u>100%</u>	

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2-member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$1,746,510	1,424,088	1,164,442

TRS Fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All of the District's employees participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries	70
Inactive, non-retired members	40
Active members	95
Total	<u>205</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% 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 District's annual contribution rate and actual District contributions for calendar year 2018 and the fiscal year ended June 30, 2019 are summarized below. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
District required contribution rate for 2018	11.15%
District required contribution rate for 2019	8.16%
District actual contributions for 2018	\$ 301,614
District actual contributions for fiscal year 2019	\$ 273,906

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Net Pension Liability

The District's net pension liability (asset) was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

At December 31, 2018, the District had a net pension asset for the plan, determined as follows:

Total pension liability (asset)	\$ 11,850,998
Plan fiduciary net position	<u>10,037,617</u>
Net pension liability (asset)	<u>\$ 1,813,381</u>

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	<u>1%</u>	2.50%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Single Discount Rate (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

A schedule of changes in the net pension liability and related ratios can be found on Schedule 1 of the Other Information section of this report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total pension liability	\$ 13,289,272	11,850,998	10,664,904
Plan fiduciary net position	10,037,617	10,037,617	10,037,617
Net pension liability (asset)	<u>\$ 3,251,655</u>	<u>1,813,381</u>	<u>627,287</u>

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Teachers' Health Insurance Security Fund

The District participates in the Teachers' Health Insurance Security (THIS) Fund of the State of Illinois. THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the city of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

A. Teachers' Health Insurance Security Fund – (continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

Benefits Provided. THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

Contributions. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2019, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. 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. For the year ended June 30, 2019, the District paid \$127,842 to the THIS Fund, which was 100 percent of the required contribution.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2019, State of Illinois contributions on behalf of the District's employees were \$172,309 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent by year by statute. The Federal Government provides a Medicare Part D subsidy.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

A. *Teachers' Health Insurance Security Fund – (continued)*

OPEB Liabilities

At June 30, 2019, the District had an unreported liability for its proportionate share of the collective net OPEB liability that reflected a reduction for state pension support provided for the District. The OPEB proportionate shares are as follows:

District's proportionate share of the collective net OPEB liability	\$ 14,540,889
State's proportionate share of the collective net OPEB liability associated with the District	<u>19,525,214</u>
Total THIS collective net OPEB liability associated with the District	<u>\$ 34,066,103</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as June 30, 2017, and rolled forward to June 30, 2018. The District's proportionate share of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the contributions of all participating employers and the State during that period. At June 30, 2018, the District's proportion was .004231 percent, which was a decrease of .000099 from its proportion measured as of June 30, 2017.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increases includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

A. Teachers' Health Insurance Security Fund – (continued)

Actuarial assumptions (continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 through June 30, 2014.

The following OPEB-related assumption changes were made since the June 30, 2014, OPEB actuarial valuation date:

- The discount rate was changed from 3.56 percent at June 30, 2017 to 3.62 percent at June 30, 2018;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018;
- The excise tend rate adjustment was updated based on available premium and enrollment information as of June 30, 2018;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2018, and updated premium rates through plan year 2019;
- The morbidity factors, used to adjust per capita claim cost by age and gender, were updated; and
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

Discount Rate

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2018 was 3.62 percent, which was an increase from the June 30, 2017, rate of 3.56 percent. The contributions would be made at the current statutorily-required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

A. Teachers' Health Insurance Security Fund – (continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.62 percent, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.62 percent) or lower (2.62 percent) than the current rate:

	1% Decrease █ (2.62%)	Current Discount Rate (3.62%)	1% Increase █ (4.62%)
District's proportionate share of the collective net OPEB liability	\$ 17,483,655	14,540,889	12,217,682

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00 percent in 2019 decreasing to an ultimate trend rate of 4.86 percent in 2026, for non-Medicare coverage, and 9.00 percent decreasing to an ultimate trend rate of 4.50 percent in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
District's proportionate share of the collective net OPEB liability	\$ 11,790,245	14,540,889	18,246,490

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2019 decreasing to an ultimate trend rate of 3.86 percent in 2026, for non-Medicare coverage, and 8.00 percent in 2019 decreasing to an ultimate trend rate of 3.50 percent in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2019 decreasing to an ultimate trend rate of 5.86 percent in 2026, for non-Medicare coverage, and 10.00 percent in 2019 decreasing to an ultimate trend rate of 5.50 percent in 2028 for Medicare coverage.

OPEB plan fiduciary net position

Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 9: LEGAL DEBT MARGIN

Legal debt margin is the percent of the District's assessed valuation which is subject to debt limitation. The statutory debt limitation for the District is 13.8%. The District's legal debt margin limitation is as follows for the fiscal year ended June 30, 2019:

Assessed Valuation (2018)	<u>\$ 799,807,127</u>
Statutory debt limitation (13.8%)	\$ 110,373,384
Amount of debt applicable to debt limitation	<u>32,305,000</u>
Legal Debt Margin	<u>\$ 78,068,384</u>

NOTE 10: OTHER CONTRACTUAL COMMITMENTS

Teacher's contracts for services rendered during the school year for teachers electing twelve month pay schedules are recorded in the fiscal year when such checks are drawn. The total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2019 amounted to \$1,004,502.

NOTE 11: LEASE COMMITMENTS

During the fiscal year, the District had the following lease agreements:

- American Capital – Chrome Books and carts with annual payments of \$64,974, with final payment due in July 2020. Total payments of \$64,974 were made under this lease during the year ended June 30, 2019.
- Apple Financial Services – 160 Macbooks with annual payments of \$70,048, with final payment due in October 2019. Total payments of \$70,048 were made under this lease during the year ended June 30, 2019.
- American Capital – 100 I Pad Minis with annual payments of \$12,963, with final payment due in December 2020. Total payments of \$12,963 were made under this lease during the year ended June 30, 2019.
- American Capital – Technology equipment with annual payments of \$67,273, with final payment due in July, 2022. An initial payment of \$35,000 was made under this lease during the year ended June 30, 2019.
- Proven IT – 7 Canon Copiers with annual payments of \$30,096, with final payment due in June 2022. Total payments of \$30,096 were made under this lease during the year ended June 30, 2019.
- Trinity 3 Technology – Chromebooks with monthly payments of \$3,306 for 48 months, ending April, 2023. Total payments of \$6,612 were made under this lease during the year ended June 30, 2019.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 11: LEASE COMMITMENTS – (Continued)

- Midwest Bus Sales – 2016 Chevy/Thomas with annual payments of \$6,727, with final payment due in May 2021. Total payments of \$6,727 were made under this lease during the year ended June 30, 2019.
- Midwest Bus Sales – 2017 Chevy/Thomas with annual payments of \$8,421, with final payment due in May 2023. Total payments of \$8,421 were made under this lease during the year ended June 30, 2019.

Future minimum lease payments until expiration are as follows:

June 30, 2020	\$ 160,152
June 30, 2021	147,189
June 30, 2022	140,463
June 30, 2023	<u>103,754</u>
Total	<u>\$ 544,558</u>

The District owns farmland, which it leases to John Trotter Farms. The lease, which began February 28, 2018, states the District will receive 2 bi-annual payments of \$15,005 each year for five years. During the fiscal year ending June 30, 2019, the District received \$30,010 from this agreement.

NOTE 12: TRANSFERS

The District made the following transfers among funds during the year ended June 30, 2019, to cover expenditures related to school renovations:

Fund	Transfer In	Transfer Out
General Fund:		
Educational Fund	\$ -	195,658
Site & Construction Fund	<u>195,658</u>	<u>-</u>
Totals	<u>\$ 195,658</u>	<u>195,658</u>

NOTE 13: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District's risk management activities are recorded in the Tort Fund. No liability has been recorded in the books for future expenses related to risk management. These expenditures are reported as the payments are made.

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 14: GRANTS

The District has received funding from state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the District. In the opinion of the District, any such disallowed claims will not have a material adverse effect on the overall financial position of the District.

NOTE 15: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences between the balances.

	General Fund	Trans. Fund	SS & IMRF Fund	Site & Const. Fund	Tort Fund	Life Safety Fund	Bond & Interest Fund	Total Fund Balance
Restricted for:								
IMRF	\$ -	-	294,661	-	-	-	-	294,661
Tort-related insurance	-	-	-	-	404,232	-	-	404,232
Debt service reserve	-	-	-	-	-	-	89,136	89,136
Life safety	-	-	-	-	-	358,954	-	358,954
Committed to:								
Unpaid teacher contracts	1,004,502	-	-	-	-	-	-	1,004,502
Insurance reserve	313,793	-	-	-	-	-	-	313,793
Construction projects	-	-	-	636,703	-	-	-	636,703
Assigned to:								
Transportation	-	2,379,361	-	-	-	-	-	2,379,361
Unassigned:								
Social Security & Medicare deficit	-	-	(56,300)	-	-	-	-	(56,300)
Working Cash	1,102,970	-	-	-	-	-	-	1,102,970
Building maintenance	1,490,091	-	-	-	-	-	-	1,490,091
Educational Fund	10,904,571	-	-	-	-	-	-	10,904,571
Total fund balance	<u>\$ 14,815,927</u>	<u>2,379,361</u>	<u>238,361</u>	<u>636,703</u>	<u>404,232</u>	<u>358,954</u>	<u>89,136</u>	<u>18,922,674</u>

A. *Nonspendable Fund Balance*

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

B. Restricted Fund Balance

The Restricted Fund Balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

The District has revenue sources received within different funds that also fall into these categories:

1. Special Education
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.
2. State Grants
Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. Expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.
3. Federal Grants
Proceeds from federal grants and the related expenditures have been included in the Educational Fund. Expenditures disbursed from federal grants exceeded revenues received for those specific purposes in the Educational Fund, resulting in no restricted balances.
4. IMRF
Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the IMRF and Social Security Fund. Revenue received exceeded expenditures disbursed for IMRF, resulting in a restricted fund balance at year-end.
5. Tort Immunity
Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Tort Fund. Revenues received exceeded expenditures disbursed, resulting in a restricted fund balance at year-end.

C. Committed Fund Balance

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

C. Committed Fund Balance (Continued)

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

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2019, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2019 amounted to \$1,004,502. This amount is shown as Committed in the Educational Fund. The District also has committed \$313,793 insurance reserve in the Educational Fund. The entire balance of the Site & Construction Fund is committed for future capital projects.

D. Assigned Fund Balance

The Assigned Fund Balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. The District's Transportation Fund balance is assigned for the purpose of purchasing/leasing buses for student transportation.

E. Unassigned Fund Balance

The Unassigned Fund Balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned fund balance amounts are shown in the financial statements as Unassigned fund balances in the Educational, Operations & Maintenance, and Working Cash Funds. Additionally, expenditures disbursed exceeded revenues received from the Social Security tax levy, which has resulted in an unassigned deficit of \$56,300 in the Social Security & IMRF Fund.

F. Expenditures of Fund Balance

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2019

NOTE 16: INTERGOVERNMENTAL AGREEMENTS

During the year ended June 30, 2018, the District Board voted to withdraw from the Grundy County Special Education Cooperative, and the withdrawal was effective for the fiscal year ending June 30, 2019.

The District entered into an agreement with Reed-Custer Community Unit School District No. 255U and Wilmington Community School District No. 209U. The Districts have agreed to jointly purchase certain pieces of equipment for use by the Districts in the day-to-day operations of the schools. The superintendents of the Districts work together on the bidding process and the selection and purchase of the desired equipment. The Districts agree to cooperate with each other in scheduling the use of the equipment after purchase.

NOTE 17: TAX ABATEMENTS

The District has entered into an agreement with Grundy County, Goose Lake Township, Goose Lake Road District, Joliet Junior College, Coal City Public Library District, Coal City Fire Protection District, the Grundy County Treasurer and the Grundy County Supervisor of Assessments to rebate incremental taxes from the existing Economic Development Project Area #1 to CPV Three Rivers, LLC. CPV intends to construct and operate an electric generator facility in the EDPA #1.

Under the agreement, the County will declare an annual surplus, based upon an agreed-upon payment schedule, for 20 years. This surplus will be distributed to the participating taxing bodies on or before September 30, each year. The District's share of the surplus is 64.08%. The County will also rebate CPV annually for the amount by which incremental taxes paid by CPV exceed the agreed-upon surplus payment schedule.

The rebates are anticipated to begin in 2021, and the agreement will run through 2041.

NOTE 18: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 4, 2019, the date the financial statements were available to be issued, other than the bonds described above. No amounts were required to be recorded or disclosed in the financial statements as of June 30, 2019, as a result of events occurring between July 1, 2019 and September 4, 2019.

OTHER INFORMATION

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2019

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 1,567,869	380,573	14,770	1,963,212
Investments	10,971,202	1,116,950	1,088,200	13,176,352
Total Assets	<u>\$ 12,539,071</u>	<u>1,497,523</u>	<u>1,102,970</u>	<u>15,139,564</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Withholdings	\$ 316,205	7,432	-	323,637
Total Liabilities	<u>316,205</u>	<u>7,432</u>	<u>-</u>	<u>323,637</u>
Fund Balance:				
Committed	1,318,295	-	-	1,318,295
Unassigned	10,904,571	1,490,091	1,102,970	13,497,632
Total Fund Balance	<u>12,222,866</u>	<u>1,490,091</u>	<u>1,102,970</u>	<u>14,815,927</u>
Total Liabilities and Fund Balance	<u>\$ 12,539,071</u>	<u>1,497,523</u>	<u>1,102,970</u>	<u>15,139,564</u>

**Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)**

				Total General Fund	
				Year Ended	
	Educational	Operations &	Working	June 30,	
	Fund	Maintenance	Cash	2019	2018
	Fund	Fund	Fund		
Revenues Received:					
Local Revenues	\$ 19,085,206	3,380,203	223,969	22,689,378	21,988,247
Flow Through Revenues	22,187	-	-	22,187	26,055
State Revenues	1,795,267	-	-	1,795,267	1,910,879
Federal Revenues	1,259,402	-	-	1,259,402	925,464
On Behalf Payments	1,541,052	-	-	1,541,052	1,496,573
Total Revenues Received	23,703,114	3,380,203	223,969	27,307,286	26,347,218
Expenditures Disbursed:					
Instruction	15,536,885	-	-	15,536,885	15,134,260
Support Services	5,933,156	2,911,437	-	8,844,593	8,603,825
Payments to Other Schools	470,385	188,604	-	658,989	930,271
Community Service	137	-	-	137	6,162
On Behalf Payments	1,541,052	-	-	1,541,052	1,496,573
Total Expenditures Disbursed	23,481,615	3,100,041	-	26,581,656	26,171,091
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	221,499	280,162	223,969	725,630	176,127
Other Financing Sources (Uses):					
Sales of fixed assets	-	150	-	150	-
Transfers (to) from Other Funds	(195,658)	-	-	(195,658)	(500,000)
Total Other Financing Sources (Uses)	(195,658)	150	-	(195,508)	(500,000)
Net Change in Fund Balance	25,841	280,312	223,969	530,122	(323,873)
Fund Balance, Beginning of Year	12,197,025	1,209,779	879,001	14,285,805	14,609,678
Fund Balance, End of Year	\$ 12,222,866	1,490,091	1,102,970	14,815,927	14,285,805

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30,	
		2019	2018
<u>Educational Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes:			
General	\$ 15,857,377	15,617,842	15,246,276
Leasing	-	235,918	230,674
Special Education	312,689	312,613	305,245
Replacement Taxes	1,200,000	1,373,879	1,267,292
Other Payment in Lieu of Taxes	10,000	20,339	25,968
Tuition:			
Regular	10,000	15,721	13,318
Summer School - Pupils	2,500	3,400	2,885
Summer School - Other	15,000	21,615	25,970
Adults	-	35	-
Interest on Investments	20,000	481,370	260,551
Food Service:			
Pupils - Lunch	495,000	526,869	489,375
Pupils - Other	5,000	3,690	4,175
Sales to Adults	13,000	8,345	10,363
Other	15,000	7,644	18,653
District Activities:			
Admissions - Athletic	48,000	40,758	48,299
Admissions - Other	20,000	31,485	30,799
Fees	5,000	6,956	8,608
Other	-	-	300
Textbook Rentals/Resale	72,000	92,103	79,151
Donations	5,000	3,670	555
Services Provided Other Districts	-	30,000	-
Refund of Prior Year Expenditures	-	144,872	237,676
Driver's Education Fees	25,000	20,045	18,505
Local Fees	61,500	-	-
Other Local Revenues	70,000	86,037	204,091
Total Local Sources	18,262,066	19,085,206	18,528,729
Flow-Through Revenues Received:			
From State Sources	16,000	22,187	26,055
From Federal Sources	100,000	-	-
Total Flow-Through Revenues Received	\$ 116,000	22,187	26,055

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Revenues Received (continued):			
State Programs:			
Evidence based funding	\$ 1,300,000	1,344,732	1,342,287
Special Education:			
Private Facility Tuition	50,000	120,608	104,495
Funding for Children Requiring Special Ed Services	200,000	-	133,389
Personnel	-	-	174,281
Orphanage - Individual	25,000	-	-
Summer School	-	-	385
State Free Lunch & Breakfast	5,000	4,389	3,816
Drivers Education	-	32,542	28,912
Early Childhood Education	190,000	212,681	115,840
Other State Programs	-	80,315	7,474
Total State Programs	1,770,000	1,795,267	1,910,879
Federal Programs:			
National School Lunch Program	250,000	263,182	265,962
Special Milk Program	-	3,181	3,082
School Breakfast Program	-	27,144	30,768
ISBE Commodities	-	30,255	38,859
DoD Fruits & Vegetables	-	22,816	26,329
Title I - Low Income	250,000	316,112	262,567
Federal Special Education:			
Preschool Flow-through	-	7,494	-
I.D.E.A. Flow-through	425,000	377,774	-
I.D.E.A. Flow-through (sub-grant)	-	13,179	194,318
Title IV - Safe and Drug Free Schools	10,000	19,867	4,762
Title II - Teacher Quality	-	482	308
Medicaid Matching - Administrative Outreach	-	36,536	35,287
Medicaid Matching - Fee for Service Program	-	141,288	63,222
McKinney-Vento Supply Closet Grant	-	92	-
Total Federal Programs	935,000	1,259,402	925,464
On Behalf Payments	1,600,000	1,541,052	1,496,573
Total Revenues Received	22,683,066	23,703,114	22,887,700
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	8,093,127	8,114,472	7,986,793
Benefits	1,937,950	1,991,149	1,909,143
Purchased Services	53,600	72,803	85,877
Teaching Supplies	161,817	176,209	414,137
Capital Outlay	45,800	42,168	37,495
Other Objects	500	-	-
Total Regular Programs	10,292,794	10,396,801	10,433,445
Tuition Payments to Charter Schools:			
Purchased Services	\$ 29,500	-	-

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Special Education Programs:			
Salaries	\$ 2,104,505	2,016,777	1,758,249
Benefits	408,500	460,071	374,229
Purchased Services	52,500	59,324	63,309
Supplies	35,000	66,644	35,900
Capital Outlay	10,000	12,032	8,130
Other Objects - Tuition	375,000	328,908	374,394
Total Special Education Programs	2,985,505	2,943,756	2,614,211
Special Education Programs Pre-K:			
Salaries	235,160	239,989	213,226
Benefits	-	58,452	35,703
Supplies & Materials	500	-	187
Total Special Education Programs Pre-K	235,660	298,441	249,116
Remedial Programs:			
Salaries	100,000	81,916	88,343
Purchased Services	2,112	-	1,348
Supplies	60,000	84,295	26,884
Capital Outlay	80,000	54,343	220,582
Total Remedial Programs	242,112	220,554	337,157
Remedial Pre-K:			
Salaries	167,000	188,788	152,735
Benefits	25,000	69,871	29,842
Supplies & Materials	2,000	1,081	-
Capital Outlay	2,000	1,800	-
Total Remedial Pre-K	196,000	261,540	182,577
CTE Programs:			
Salaries	346,100	327,149	315,448
Benefits	66,700	64,048	59,392
Purchased Services	2,000	2,263	2,579
Supplies	15,300	15,539	22,000
Capital Outlay	10,000	7,020	2,508
Total CTE Programs	440,100	416,019	401,927
Interscholastic Programs:			
Salaries	573,744	586,050	555,504
Benefits	146,900	126,815	124,054
Purchased Services	105,200	99,212	90,927
Supplies	57,950	66,705	50,198
Capital Outlay	52,800	33,171	27,576
Other Objects	21,350	28,758	32,864
Total Interscholastic Programs	\$ 957,944	940,711	881,123

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Summer School Programs:			
Salaries	\$ 20,000	44,724	18,851
Benefits	4,000	6,365	3,061
Purchased services	3,500	50	1,282
Supplies	15,000	7,924	11,510
Total Summer School Programs	42,500	59,063	34,704
Total Instructional	15,422,115	15,536,885	15,134,260
Support:			
Attendance & Social Work Services:			
Salaries	294,955	291,939	234,942
Benefits	67,000	69,830	54,931
Supplies	2,025	1,629	1,456
Capital Outlay	-	63	-
Total Attendance & Social Work Services	363,980	363,461	291,329
Guidance Services:			
Salaries	189,400	200,755	218,607
Benefits	63,150	60,169	75,367
Supplies	1,300	-	-
Total Guidance Services	253,850	260,924	293,974
Health Services:			
Salaries	106,000	103,378	101,841
Benefits	22,000	22,912	22,229
Purchased Services	1,000	984	387
Supplies	3,850	2,054	2,202
Capital Outlay	2,000	-	14,471
Total Health Services	134,850	129,328	141,130
Psychological Services:			
Salaries	134,300	134,281	130,202
Benefits	32,250	30,237	29,501
Purchased Services	-	156	-
Total Psychological Services	166,550	164,674	159,703
Speech Pathology & Audiology Services:			
Salaries	237,795	237,281	227,484
Benefits	35,500	35,462	34,679
Supplies	-	-	233
Total Speech Pathology & Audiology Services	\$ 273,295	272,743	262,396

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Other Support Services - Pupils:			
Salaries	\$ 165,000	99,927	-
Benefits	-	22,543	-
Purchased Services	77,500	81,561	73,437
Supplies	13,100	11,266	8,579
Total Other Support Services - Pupils	255,600	215,297	82,016
Improvement of Instruction Services:			
Salaries	210,500	213,065	199,632
Benefits	48,000	59,918	67,821
Purchased Services	160,000	108,671	107,619
Supplies	19,718	990	6,206
Capital Outlay	6,000	-	-
Other Objects	1,200	288	358
Total Improvement of Instruction Services	445,418	382,932	381,636
Educational Media/Tech Services:			
Salaries	366,157	370,905	367,644
Benefits	84,000	73,065	74,309
Purchased Services	546,500	481,018	471,480
Supplies	30,760	29,390	27,865
Capital Outlay	90,500	97,151	84,826
Total Educational Media/Tech Services	1,117,917	1,051,529	1,026,124
Assessment & Testing:			
Purchased Services	25,000	5,739	3,741
Supplies	80,500	60,590	49,900
Capital Outlay	5,000	2,412	-
Total Assessment & Testing	110,500	68,741	53,641
Board of Education Services:			
Salaries	50,000	-	7,323
Purchased Services	433,500	349,587	412,966
Supplies	11,000	8,284	11,702
Capital Outlay	6,000	-	11,251
Other Objects	18,000	24,823	17,440
Total Board of Education Services	518,500	382,694	460,682
Executive Administration Services			
Salaries	236,000	234,662	229,968
Benefits	55,000	58,311	56,855
Purchased Services	3,500	5,132	3,688
Supplies	500	1,124	361
Other Objects	2,500	1,914	2,204
Total Executive Administration Services	\$ 297,500	301,143	293,076

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Principal Services:			
Salaries	\$ 865,200	859,001	829,342
Benefits	231,600	256,256	234,193
Purchased Services	18,800	6,535	7,686
Supplies	23,800	27,079	24,870
Capital Outlay	3,000	2,771	-
Other Objects	3,100	1,875	2,293
Total Principal Services	1,145,500	1,153,517	1,098,384
Other Support Services - School Administration:			
Purchased Services	3,000	2,560	2,560
Total Other Support Services - School Administration	3,000	2,560	2,560
Direction of Business Support Services:			
Salaries	70,000	75,000	54,562
Benefits	15,700	22,903	17,932
Purchased Services	1,500	4,475	1,727
Supplies	1,000	320	2,628
Capital Outlay	1,000	-	-
Other Objects	1,000	1,296	1,273
Total Direction of Business Support Services	90,200	103,994	78,122
Fiscal Services:			
Salaries	151,000	107,520	134,430
Benefits	22,750	20,103	23,253
Purchased Services	5,000	4,025	1,101
Supplies	20,000	23,824	31,445
Capital Outlay	1,000	2,904	5,113
Other Objects	4,500	6,068	5,163
Total Fiscal Services	204,250	164,444	200,505
Operation & Maintenance of Plant Services:			
Supplies	5,000	3,554	3,427
Total Operation & Maintenance of Plant Services	\$ 5,000	3,554	3,427

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Food Services:			
Salaries	\$ 358,500	349,503	315,910
Benefits	46,800	44,189	26,813
Purchased Services	17,950	16,464	10,232
Supplies	400,000	450,617	432,601
Capital Outlay	34,200	49,429	31,773
Other Objects	21,000	-	-
Total Food Services	878,450	910,202	817,329
Information Services:			
Purchased Services	-	1,419	4,823
Total Information Services	-	1,419	4,823
Other Support Services:			
Supplies	3,000	-	3,246
Total Other Support Services	3,000	-	3,246
Total Support	6,267,360	5,933,156	5,654,103
Community Services:			
Salaries	10,000	-	6,115
Supplies	13,200	137	47
Total Community Services	23,200	137	6,162
Payments to Other Schools:			
Assessments:			
Regular Programs	25,000	6,737	15,551
Special Education Programs	-	61,591	23,336
Tuition:			
Special Education Programs	10,000	22,824	354,239
Continuing & Technical Education Programs	350,000	379,233	314,659
Total Payments to Other Schools	385,000	470,385	707,785
On Behalf Payments	1,600,000	1,541,052	1,496,573
Total Expenditures Disbursed	\$ 23,697,675	23,481,615	22,998,883

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Educational Fund (continued):</u>			
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ (1,014,609)	221,499	(111,183)
Other Financing Sources (Uses):			
Transfers to other funds	-	(195,658)	-
Total Other Financing Sources (Uses)	-	(195,658)	-
Net Change in Fund Balance	<u>\$ (1,014,609)</u>	25,841	(111,183)
Fund Balance, Beginning of Year		12,197,025	12,308,208
Fund Balance, End of Year		<u>\$ 12,222,866</u>	<u>12,197,025</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Operations & Maintenance Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,323,873	3,323,064	3,242,774
Rental income	15,000	26,429	23,081
Refund of Prior Year Expenditures	-	30,710	-
Total Revenues Received	3,338,873	3,380,203	3,265,855
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	100,000	78,744	6,794
Total Facilities Acquisition & Construction Services	100,000	78,744	6,794
Operation & Maintenance of Plant Services:			
Salaries	1,112,500	1,117,598	1,126,746
Benefits	210,100	233,324	202,091
Purchased Services	670,450	395,949	578,634
Supplies	822,500	906,854	837,278
Capital Outlay	245,000	178,935	197,044
Other Objects	-	33	1,135
Total Operation & Maintenance of Plant Services	3,060,550	2,832,693	2,942,928
Total Support Services	3,160,550	2,911,437	2,949,722
Payments to Other Districts:			
Payments for CTE Programs	220,000	188,604	222,486
Total Payments to Other Districts	220,000	188,604	222,486
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	3,430,550	3,100,041	3,172,208
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(91,677)	280,162	93,647
Other Financing Sources (Uses):			
Abatement of Working Cash Fund	-	-	500,000
Sales of Fixed Assets	-	150	-
Transfer to Other Funds	-	-	(500,000)
Total Other Financing Sources (Uses)	-	150	-
Net Change in Fund Balance	\$ (91,677)	280,312	93,647
Fund Balance, Beginning of Year		1,209,779	1,116,132
Fund Balance, End of Year		\$ 1,490,091	1,209,779

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

	Original and Final Appropriations	Year Ended June 30, 2019	2018
<u>Working Cash Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 224,023	223,969	152,661
Interest Income	-	-	41,002
Total Revenues Received	224,023	223,969	193,663
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	224,023	223,969	193,663
Other Financing Sources (Uses):			
Abatement of Working Cash Fund	-	-	(500,000)
Total Other Financing Sources (Uses)	-	-	(500,000)
Net Change in Fund Balance	\$ 224,023	223,969	(306,337)
Fund balance, Beginning of Year		879,001	1,185,338
Fund balance, End of Year		\$ 1,102,970	879,001

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRANSPORTATION FUND

Schedule B-1

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019

<u>Assets</u>	
Investments	\$ 2,500,443
Total Assets	<u>\$ 2,500,443</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft Payable	\$ 121,082
Fund Balance:	
Assigned Fund Balance	2,379,361
Total Liabilities and Fund Balance	<u>\$ 2,500,443</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30,	
		2019	2018
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,414,411	1,414,067	1,220,824
Fees from other Districts	5,000	7,260	5,744
Total Local Sources	<u>1,419,411</u>	<u>1,421,327</u>	<u>1,226,568</u>
State Sources:			
Regular/Vocational Transportation	200,000	275,362	334,436
Special Education	400,000	541,703	587,025
Total State Sources	<u>600,000</u>	<u>817,065</u>	<u>921,461</u>
Total Revenues Received	<u>2,019,411</u>	<u>2,238,392</u>	<u>2,148,029</u>
Expenditures Disbursed:			
Pupil Transportation Services:			
Purchased Services	2,135,000	2,067,929	2,036,229
Supplies	12,500	2,123	270
Capital Outlay	50,000	33,179	-
Total Pupil Transportation Services	<u>2,197,500</u>	<u>2,103,231</u>	<u>2,036,499</u>
Provision for Contingencies	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Expenditures Disbursed	<u>2,247,500</u>	<u>2,103,231</u>	<u>2,036,499</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	<u>\$ (228,089)</u>	135,161	111,530
Fund Balance, Beginning of Year		<u>2,244,200</u>	<u>2,132,670</u>
Fund Balance, End of Year		<u>\$ 2,379,361</u>	<u>2,244,200</u>

**COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
SITE & CONSTRUCTION FUND**

Schedule B-3

**Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019**

<u>Assets</u>	
Cash	\$ 636,703
Total Assets	<u>\$ 636,703</u>
<u>Fund Balance</u>	
Committed Fund Balance	\$ 636,703
Total Fund Balance	<u>\$ 636,703</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)**

Schedule B-4

	Original and Final Appropriations	Year Ended June 30, 2018	2018
Revenues Received:			
Local Sources:			
Impact Fees	\$ 30,000	31,447	43,554
Total Revenues Received	<u>30,000</u>	<u>31,447</u>	<u>43,554</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	50,000	69,649	119,012
Capital Outlay:			
Renovations	352,200	329,967	619,830
Grounds Improvements	-	-	1,841,978
Total Expenditures Disbursed	<u>402,200</u>	<u>399,616</u>	<u>2,580,820</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(372,200)</u>	<u>(368,169)</u>	<u>(2,537,266)</u>
Other Financing Sources (Uses):			
Transfers In	-	195,658	500,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>195,658</u>	<u>500,000</u>
Net Change in Fund Balance	<u>\$ (372,200)</u>	<u>(172,511)</u>	<u>(2,037,266)</u>
Fund balance, Beginning of Year		809,214	2,846,480
Fund balance, End of Year		<u>\$ 636,703</u>	<u>809,214</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
BOND AND INTEREST FUND

Schedule B-5

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019

<u>Assets</u>	
Cash in Bank	\$ 89,136
Total Assets	<u>\$ 89,136</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 89,136
Total Fund Balance	<u>\$ 89,136</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

Schedule B-6

	Original and Final Appropriations	Year Ended June 30, 2019	2018
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,538,071	3,537,209	3,401,035
Refund of Prior Year Expenditures	-	-	3,448
Total Revenues Received	<u>3,538,071</u>	<u>3,537,209</u>	<u>3,404,483</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	1,291,130	1,291,130	1,238,491
Principal on Long-Term Debt	2,245,000	2,245,000	1,425,000
Bond Issuance Costs	-	-	445,595
Other	5,000	1,900	1,425
Total Expenditures Disbursed	<u>3,541,130</u>	<u>3,538,030</u>	<u>3,110,511</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(3,059)</u>	<u>(821)</u>	<u>293,972</u>
Other Financing Sources (Uses):			
Bond Proceeds	-	-	28,105,000
Bond Premiums	-	-	2,436,721
Principal Refunded to Escrow	-	-	(29,110,000)
Interest Refunded to Escrow	-	-	(1,764,428)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(332,707)</u>
Net Change in Fund Balance	<u>\$ (3,059)</u>	<u>(821)</u>	<u>(38,735)</u>
Fund Balance, Beginning of Year		89,957	128,692
Fund Balance, End of Year		<u>\$ 89,136</u>	<u>89,957</u>

Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service Cost	\$ 266,703	267,926	282,795	268,527	285,875	-	-	-	-	-
Interest on the Total Pension Liability	805,215	812,544	793,540	755,471	687,092	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	229,212	(90,041)	(115,211)	100,252	67,844	-	-	-	-	-
Assumption Changes	319,009	(359,934)	(38,935)	13,151	422,960	-	-	-	-	-
Benefit Payments and Refunds	(743,989)	(711,220)	(696,489)	(546,300)	(486,563)	-	-	-	-	-
Net Change in Total Pension Liability	876,150	(80,725)	225,700	591,101	977,208	-	-	-	-	-
Total Pension Liability - Beginning	10,974,848	11,055,573	10,829,873	10,238,772	9,261,564	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 11,850,998</u>	<u>10,974,848</u>	<u>11,055,573</u>	<u>10,829,873</u>	<u>10,238,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 301,614	324,629	322,044	328,818	318,304	-	-	-	-	-
Contributions - Employee	121,728	111,349	105,167	108,561	105,243	-	-	-	-	-
Pension Plan Net Investment Income	(649,805)	1,722,264	606,190	44,640	514,079	-	-	-	-	-
Benefit Payments and Refunds	(743,989)	(711,220)	(696,489)	(546,300)	(486,563)	-	-	-	-	-
Other	238,556	(198,799)	151,565	114,630	72,373	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(731,896)	1,248,223	488,477	50,349	523,436	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	10,769,513	9,521,290	9,032,813	8,982,464	8,459,028	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 10,037,617</u>	<u>10,769,513</u>	<u>9,521,290</u>	<u>9,032,813</u>	<u>8,982,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 1,813,381</u>	<u>205,335</u>	<u>1,534,283</u>	<u>1,797,060</u>	<u>1,256,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.70%	98.13%	86.12%	83.41%	87.73%	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 2,705,062	2,455,589	2,337,037	2,412,458	2,317,996	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	67.04%	8.36%	65.65%	74.49%	54.20%	N/A	N/A	N/A	N/A	N/A

*This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available

**Illinois Municipal Retirement Fund
Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2018	\$ 301,614	301,614	-	2,705,062	11.15%
12/31/2017	324,629	324,629	-	2,455,589	13.22%
12/31/2016	322,044	322,044	-	2,337,037	13.78%
12/31/2015	328,818	328,818	-	2,412,458	13.63%
12/31/2014	315,479	318,304	(2,825)	2,317,996	13.73%

Notes to Schedule:

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine 2018 Contribution Rate:

<i>Actuarial Cost Method</i>	Aggregate Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 year selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	3.50%
<i>Price Inflation</i>	2.75%
<i>Salary Increases</i>	3.75% to 14.50% including inflation
<i>Investment Rate of Return</i>	7.50%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Other Information

Teachers' Retirement System of the State of Illinois

Schedule 3

Schedule of District's Share of the Net Pension Liability

	Fiscal Year*				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0018%	0.0022%	0.0019%	0.0024%	0.0022%
District's Proportionate Share of the Net Pension Liability	\$ 1,424,088	1,684,283	1,469,467	1,571,991	1,359,701
State's Proportionate Share of the Net Pension Liability Associated with District	97,556,028	94,802,326	92,681,240	78,896,869	69,542,958
Total	<u>\$ 98,980,116</u>	<u>96,486,609</u>	<u>94,150,707</u>	<u>80,468,860</u>	<u>70,902,659</u>
District's Covered-Employee Payroll	\$ 13,267,494	12,355,210	11,953,384	11,925,986	11,247,232
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	10.73%	13.63%	12.29%	13.18%	12.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.00%	39.30%	36.40%	41.50%	43.00%

* The amounts presented were determined as of the prior fiscal year.

Schedule 4

Schedule of Contributions

	Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 80,596	76,951	71,660	69,330	69,171
Contributions in Relation to the Statutorily-Required Contribution	80,596	76,951	71,660	69,330	69,171
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 13,895,871	13,267,494	12,355,210	11,953,384	11,925,986
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Other Information

Teachers' Health Insurance Security Fund of the State of Illinois

		Schedule 5	
Schedule of District's Share of the Net OPEB Liability			
		Fiscal Year*	
		2018	2017
District's Proportion of the Net OPEB Liability		0.0552%	0.0549%
District's Proportionate Share of the Net OPEB Liability		\$ 14,540,889	14,236,147
State's Proportionate Share of the Net OPEB Liability Associated with District		19,525,214	18,258,407
Total		<u>\$ 34,066,103</u>	<u>32,494,554</u>
District's Covered-Employee Payroll		\$ 13,267,494	12,355,210
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll		109.60%	115.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		-0.07%	-0.23%

* The amounts presented were determined as of the prior fiscal year.

		Schedule 6	
Schedule of Contributions			
		Fiscal Year	
		2019	2018
Statutorily Required Contribution		\$ 127,842	116,754
Contributions in Relation to the Statutorily-Required Contribution		127,842	116,754
Contribution Deficiency (Excess)		<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll		\$ 13,895,871	13,267,494
Contributions as a Percentage of Covered-Employee Payroll		0.92%	0.88%

NOTES TO OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2019

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District's budget for all governmental funds is prepared using the modified cash basis of accounting (Non-GAAP) which is the same basis that is used in fund financial statements. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of the fiscal year. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them. The proposed operating budget is placed on file and a public hearing is held to obtain comments from the community.

Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution. Formal budgetary integration is employed as a management control device at the function/object level during the year.

The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of such fund as set forth in the budget.

The Board of Education may amend the budget by performing the same procedures required of its original adoption.

The District's budget was adopted on September 5, 2018 and was not amended.

NOTE 2: BUDGETARY COMPARISON INFORMATION

The table below includes budgetary comparisons for the District's major funds.

Description	Budget	Actual	Variance	Percent Variance
Educational Expenditures Disbursed	\$ 23,697,675	23,481,615	216,060	0.91%
Operations & Maintenance Expenditures Disbursed	3,430,550	3,100,041	330,509	10.66%
Working Cash Expenditures Disbursed	-	-	-	N/A
Total General Fund	27,128,225	26,581,656	546,569	2.06%
Transportation Expenditures Disbursed	2,247,500	2,103,231	144,269	6.86%
Site & Construction Expenditures Disbursed	402,200	399,616	2,584	0.65%
Bond & Interest Expenditures Disbursed	3,541,130	3,538,030	3,100	0.09%

Notes to Other Information
For the Year Ended June 30, 2019

NOTE 3: CHANGES IN ASSUMPTIONS

For the 2018, 2017, and 2016 measurement years, the assumed investment rate was 7.0 percent, including an inflation rate of 2.5 percent and a real 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.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

SUPPLEMENTAL INFORMATION

Combining Statement of Assets, Liabilities and Fund Balances Arising From Cash Transactions
June 30, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30,	
				2019	2018
<u>Assets</u>					
Cash	\$ 25,569	-	-	25,569	83,646
Investments	333,385	376,773	412,595	1,122,753	1,075,224
Total Assets	<u>\$ 358,954</u>	<u>376,773</u>	<u>412,595</u>	<u>1,148,322</u>	<u>1,158,870</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Overdrafts Payable	\$ -	138,412	8,363	146,775	172,889
Total Liabilities	<u>-</u>	<u>138,412</u>	<u>8,363</u>	<u>146,775</u>	<u>172,889</u>
Fund Balances:					
Unassigned	-	(56,300)	-	(56,300)	-
Restricted	358,954	294,661	404,232	1,057,847	985,981
Total Fund Balances	<u>358,954</u>	<u>238,361</u>	<u>404,232</u>	<u>1,001,547</u>	<u>985,981</u>
Total Liabilities and Fund Balance	<u>\$ 358,954</u>	<u>376,773</u>	<u>412,595</u>	<u>1,148,322</u>	<u>1,158,870</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
NON-MAJOR GOVERNMENTAL FUNDS

Schedule C-2

Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

				Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30,	
				2019	2018
Revenues Received:					
Local Sources:					
Property Taxes	\$ 39,291	667,819	223,182	930,292	938,596
Replacement Tax	-	57,556	-	57,556	55,885
Total Revenues Received	39,291	725,375	223,182	987,848	994,481
Expenditures Disbursed:					
Instructional	-	300,859	-	300,859	277,398
Support	67,368	394,242	209,813	671,423	529,941
Community Services	-	-	-	-	468
Total Expenditures Disbursed	67,368	695,101	209,813	972,282	807,807
Excess (Deficiency) of Revenues Received Over (Under)					
Expenditures Disbursed	(28,077)	30,274	13,369	15,566	186,674
Fund Balance, Beginning of Year	387,031	208,087	390,863	985,981	799,307
Fund Balance, End of Year	\$ 358,954	238,361	404,232	1,001,547	985,981

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
LIFE SAFETY FUND

Schedule C-3

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019

<u>Assets</u>	
Cash in Bank	\$ 25,569
Investments	333,385
Total Assets	<u>\$ 358,954</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 358,954
Total Fund Balance	<u>\$ 358,954</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

Schedule C-4

	Original and Final Appropriations	Year Ended June 30, 2019	2018
Revenues Received:			
Local Sources:			
Property Taxes	\$ 39,302	39,291	76,330
Total Revenues Received	<u>39,302</u>	<u>39,291</u>	<u>76,330</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	20,000	-	-
Capital Outlay	90,000	67,368	-
Total Expenditures Disbursed	<u>110,000</u>	<u>67,368</u>	<u>-</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (70,698)</u>	(28,077)	76,330
Fund Balance, Beginning of Year		<u>387,031</u>	<u>310,701</u>
Fund Balance, End of Year		<u>\$ 358,954</u>	<u>387,031</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
SOCIAL SECURITY AND IMRF FUND

Schedule C-5

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019

<u>Assets</u>	
Investments	\$ 376,773
Total Assets	<u>\$ 376,773</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Overdraft payable	\$ 138,412
Fund Balance	
Unassigned (FICA deficit)	(56,300)
Restricted for IMRF	294,661
Total Fund Balance	<u>238,361</u>
Total Liabilities and Fund Balance	<u>\$ 376,773</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

Schedule C-6

	Original and Final Appropriations	Year Ended June 30, 2019	2018
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 314,339	314,264	297,573
FICA	353,642	353,555	335,778
Replacement Taxes	50,000	57,556	55,885
Total Revenues Received	<u>717,981</u>	<u>725,375</u>	<u>689,236</u>
Expenditures Disbursed:			
Instructional Benefits	297,475	300,859	277,398
Supporting Services Benefits	471,525	394,242	432,755
Community Services Benefits	-	-	468
Total Expenditures Disbursed	<u>769,000</u>	<u>695,101</u>	<u>710,621</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (51,019)</u>	30,274	(21,385)
Fund Balance, Beginning of Year		208,087	229,472
Fund Balance, End of Year		<u>\$ 238,361</u>	<u>208,087</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TORT IMMUNITY AND JUDGMENT FUND

Schedule C-7

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2019

<u>Assets</u>	
Investments	\$ 412,595
Total Assets	<u>\$ 412,595</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Overdrafts payable	<u>\$ 8,363</u>
Fund Balance	
Restricted Fund Balance	<u>404,232</u>
Total Liabilities and Fund Balance	<u>\$ 412,595</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Figures for 2018)

Schedule C-8

	Original and Final Appropriations	Year Ended June 30,	
		2019	2018
Revenues Received:			
Local Sources:			
Property taxes	\$ 223,237	223,182	228,915
Total Revenues Received	<u>223,237</u>	<u>223,182</u>	<u>228,915</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Insurance Payments	110,000	96,392	90,079
Risk Management and Claims Services Payments	101,000	108,588	-
Educational Services Related to Loss Prevention	41,000	4,833	7,107
Total Expenditures Disbursed	<u>252,000</u>	<u>209,813</u>	<u>97,186</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (28,763)</u>	13,369	131,729
Fund Balance, Beginning of Year		<u>390,863</u>	<u>259,134</u>
Fund Balance, End of Year		<u>\$ 404,232</u>	<u>390,863</u>

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	June 30, 2018	Additions	Deductions	June 30, 2019
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ (234)	-	-	(234)
Alumni	6,415	2,719	2,980	6,154
Art Club	780	447	673	554
Athletics	4,710	67,143	70,249	1,604
Band	178	1,930	1,963	145
Baseball	1,574	9,379	7,173	3,780
Boys Basketball Cheerleading	(1,610)	1,610	-	-
Bass Fishing	1,919	659	-	2,578
Boys Basketball	590	4,029	3,049	1,570
Boys Soccer	950	35	354	631
Boys Tennis	-	1,271	1,150	121
Cassani Scholarship	-	1,000	-	1,000
Cheer Football	3,049	-	3,049	-
Class of 1987	-	500	500	-
Class of 2019	1,252	1	-	1,253
Class of 2020	827	50,618	46,951	4,494
Class of 2021	842	-	-	842
Class of 2022	-	266	85	181
Coaler Cheerleading	-	12,367	11,819	548
Coaler Creations	2,153	4,906	6,563	496
Coalers with Character	-	10,269	10,420	(151)
Color Guard	703	1,990	2,024	669
Community Foundation Scholarship	500	-	500	-
Costume Rental	8,593	26,085	25,966	8,712
Don Pfiefer Scholarship	3,245	-	500	2,745
Drama Club	6,891	70,585	70,935	6,541
FCCLA	473	-	-	473
FIBLA	6,128	11,073	13,440	3,761
Flint Hill Scholarship	1,500	-	1,500	-
Flower Fund	-	1,145	790	355
Football	9,905	11,119	5,720	15,304
Footnotes	-	20,125	16,904	3,221
Foreign Language	1	-	1	-
Freeman Trotter Scholarship	1,400	500	1,000	900
General Activity	2,211	18,842	17,954	3,099
Girl's Basketball	656	2,482	2,236	902
Girl's Soccer	4,294	1,022	638	4,678
Girl's Tennis	-	2,380	1,412	968
Golf	1,267	3,357	2,870	1,754
HS Play	161	1,124	1,138	147
Kessler/Wheeler Scholarship	2,500	-	1,500	1,000
Kim Ferarri Scholarship	3,700	527	500	3,727
Library	150	21	155	16
Link Leaders	274	560	697	137
Madrigals	1,619	1,572	2,904	287
Math	1,385	895	102	2,178
Memorial	-	25	25	-
Megan Bugg - Theatre Series	7,835	-	-	7,835
Musical	7,183	4,881	10,826	1,238
NHS	1,169	811	234	1,746
Path	17	100	90	27

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
AGENCY FUNDS

Schedule D
(Continued)

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	June 30, 2018	Additions	Deductions	June 30, 2019
Student Activity Funds:				
High School Activity Funds: (continued)				
PBS	\$ 1,219	502	232	1,489
Pepsi	195	3,025	3,220	-
Poms - Fall	3,269	15,394	16,134	2,529
Ronald & Patricia Stopka Scholarship	-	500	-	500
Ruth Allen Scholarship	10,000	-	500	9,500
SADD	1,053	-	-	1,053
Science Club	210	271	134	347
Social Committee	58	-	20	38
Scholastic Bowl	565	580	886	259
Softball	1,941	1,973	1,795	2,119
Spanish Honor Society	-	1,307	342	965
Speech	2,356	2,445	2,385	2,416
Student Council	12,532	7,442	3,920	16,054
Teachers Petty Cash	1,126	-	-	1,126
Tennis	171	-	171	-
Track	1,200	189	-	1,389
Transactions	-	2,349	1,122	1,227
Varsity Club	1,249	-	-	1,249
Vending Machine	-	670	363	307
VFW Scholarship	4,000	-	4,000	-
Volleyball Club	780	2,114	1,450	1,444
Wellness	935	3,839	3,922	852
Wrestling	2,016	1,229	356	2,889
Yearbook	393	11,481	11,264	610
Total High School Activity Funds	142,418	405,680	401,755	146,343
Middle School Activity Funds:				
6th Grade Student Fund	1,105	-	337	768
8th Grade Dance	419	1,082	1,076	425
Art Club	80	-	21	59
Athletics	13,314	21,404	20,241	14,477
Band	187	742	694	235
Chorus	812	1,991	2,527	276
Garden Club	2,963	-	1,446	1,517
General Activity	9,271	23,198	24,964	7,505
Library	430	4,110	4,519	21
Musical	4,840	970	2,472	3,338
PBS	732	1,870	707	1,895
Pepsi Fund	129	2,231	1,436	924
Picture & Yearbook	7,482	1,087	220	8,349
Pops	11,813	4,740	16,553	-
Shop for Free	73	-	1	72
Speech	1,700	-	126	1,574
Student Council	687	5,769	6,020	436
Student Enrichment	571	59	88	542
Total Middle School Activity Funds	\$ 56,608	69,253	83,448	42,413

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
AGENCY FUNDS

Schedule D
(Continued)

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	June 30, 2018	Additions	Deductions	June 30, 2019
Student Activity Funds:				
Intermediate School Activity Funds:				
Art Fund	\$ 221	200	-	421
General Activity	1,123	13,974	14,209	888
Library Fund	9,572	6,218	5,852	9,937
Pepsi-Flower Fund	66	194	23	238
School Store Fund	1,229	18	68	1,179
Student Council	1,802	7,438	7,939	1,301
Yearbook	9,177	2,336	3,032	8,481
Total Intermediate School Activity Funds	23,190	30,378	31,123	22,445
Elementary School Activity Funds:				
General Activity	5,496	11,579	11,679	5,396
After School Exercise	7	-	7	-
Art Club	-	9,833	7,481	2,352
Library Fund	1,330	9,251	9,768	813
Music Program	575	885	1,351	109
Pepsi-Cola Fund	425	610	592	443
School Store	417	2,708	2,494	631
Special Education	1,958	1,342	2,195	1,105
Yearbook & Picture Fund	591	397	283	705
Total Elementary School Activity Funds	10,799	36,605	35,850	11,554
Early Childhood Center Activity Funds:				
General Activity	13,861	19,036	20,600	12,297
Music Program	230	-	-	230
Pepsi-Cola Fund	642	116	392	366
PSO	2,415	1,200	-	3,615
Library	1,824	8,957	9,924	857
Flower Fund	677	20	170	527
Yearbook & Picture Fund	2,841	2,325	-	5,166
Total Early Childhood Center Activity Funds	22,490	31,654	31,086	23,058
Athletic Boosters	38,708	97,803	98,412	38,099
Prom Fest	4,480	22,967	18,866	8,581
Total Student Activity Funds	298,693	694,340	700,540	292,493
Memorial Activity Funds:				
High School Memorial	2,634	27	1,121	1,540
Kaplan Scholarship Fund	343,039	13,149	13,321	342,867
Freeman Trotter Scholarship Fund	1,656	34	-	1,690
Rashke Memorial	7,317	103	1,000	6,420
VFW Scholarship	2,039	44	-	2,083
Anderson Memorial Fund	160,415	5,244	-	165,659
Total Memorial Activity Funds	517,100	18,601	15,442	520,259
Total Activity Accounts	\$ 815,793	712,941	715,982	812,752

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	Tax Year				
	2014	2015	2016	2017	2018
Assessed Valuations	<u>\$ 788,495,436</u>	<u>767,166,241</u>	<u>776,330,866</u>	<u>786,052,900</u>	<u>799,807,127</u>
Tax Rates:					
Educational	1.9634	1.9788	1.9874	1.9874	1.9708
Building	0.4021	0.4246	0.4227	0.4229	0.4250
Bond & Interest	0.3888	0.4332	0.4433	0.4501	0.4372
Transportation	0.1372	0.1449	0.1591	0.1799	0.1821
IMRF	0.0377	0.0385	0.0388	0.0400	0.0405
Working Cash	0.0196	0.0050	0.0199	0.0285	0.0304
Tort Immunity	0.0010	0.0300	0.0298	0.0284	0.0304
Special Education	0.0392	0.0400	0.0398	0.0398	0.0400
Social Security	0.0426	0.0435	0.0438	0.0450	0.0455
Lease PBC	0.0429	0.0365	0.0300	0.0300	0.0500
Fire Prevention/Safety	0.0490	0.0150	0.0100	0.0050	0.0051
Totals	<u>3.1236</u>	<u>3.1898</u>	<u>3.2246</u>	<u>3.2569</u>	<u>3.2569</u>
Tax Extensions:					
Educational	\$ 15,481,477	15,180,379	15,428,955	15,621,919	15,762,898
Building	3,170,619	3,257,081	3,281,628	3,323,932	3,399,049
Bond & Interest	3,065,513	3,323,134	3,441,785	3,538,134	3,496,948
Transportation	1,081,895	1,111,701	1,235,453	1,414,437	1,456,702
IMRF	297,578	295,206	301,139	314,346	323,685
Working Cash	154,624	38,358	154,490	224,027	242,823
Tort Immunity	7,806	230,073	231,657	223,241	242,823
Special Education	309,169	306,713	308,902	312,695	319,926
Social Security	336,214	333,564	339,800	353,648	364,155
Lease PBC	338,186	279,862	233,210	235,739	399,906
Fire Prevention/Safety	386,442	115,075	77,245	39,303	40,470
Totals	<u>\$ 24,629,523</u>	<u>24,471,145</u>	<u>25,034,264</u>	<u>25,601,420</u>	<u>26,049,385</u>
Tax Collections	<u>\$ 24,649,060</u>	<u>24,783,873</u>	<u>24,736,364</u>	<u>25,594,974</u>	<u>-</u>

OTHER REQUIRED REPORTING



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CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Education
Coal City Community Unit School District No. 1
Coal City, Illinois

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 the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Coal City Community Unit School District No. 1's basic financial statements, and have issued our report thereon dated September 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coal City Community Unit School District No. 1'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 Coal City Community Unit School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1'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.

We noted certain matters that we reported to management of Coal City Community Unit School District No. 1, Illinois in a separate letter dated September 4, 2019.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coal City Community Unit School District No. 1'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.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 4, 2019

SINGLE AUDIT SECTION



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**Independent Auditors' Report on Compliance
for Each Major Program and On Internal
Control over Compliance Required by the Uniform Guidance**

To the Board of Education
Coal City Community Unit
School District No. 1
Coal City, Illinois

Report on Compliance for Each Major Federal Program

We have audited Coal City Community Unit School District No. 1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coal City Community Unit School District No. 1's major federal programs for the year ended June 30, 2019. Coal City Community Unit School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Coal City Community Unit School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coal City Community Unit School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Coal City Community Unit School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, Coal City Community Unit School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Coal City Community Unit School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Coal City Community Unit School District No. 1's internal control over compliance with the types requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control over compliance.

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

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

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 4, 2019

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
Child Nutrition Cluster		
<i>United States Department of Agriculture:</i>		
Passed-through Illinois State Board of Education:		
National School Lunch Program:	10.555	
National School Lunch Program 2018 - 4210-2018		\$ 46,305
National School Lunch Program 2019 - 4210-2019		216,787
Lanter Commodities		30,255
DoD Fruits & Vegetables		22,816
Total National School Lunch Program		316,163
Special Milk Program for Children:	10.556	
Special Milk Program - 2018 - 4215-2018		415
Special Milk Program - 2019 - 4215-2019		2,766
Total Special Milk Program		3,181
National School Breakfast Program:	10.553	
National School Breakfast Program - 2018 - 4220-2018		4,284
National School Breakfast Program - 2019 - 4220-2019		22,859
Total Special Milk Program		27,143
Total Passed Through Illinois State Board of Education		346,487
Total United States Department of Agriculture		346,487
Total Child Nutrition Cluster		346,487
Special Education Cluster		
<i>United States Department of Education:</i>		
Passed-through Illinois State Board of Education:		
IDEA - Special Education Grants		
IDEA Flow-through - 2019 - 4620-2019	84.027*	431,883
Special Education Preschool Grants		
IDEA Preschool Flow-through - 2019 - 4600-2019	84.173*	9,147
Total Passed Through Illinois State Board of Education		441,030
Total United States Department of Education		441,030
Total Special Education Cluster		441,030

*Denotes major program

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
Other Programs:		
<i>United States Department of Education:</i>		
Passed-through Illinois State Board of Education:		
Improving Teacher Quality State Grants	84.367	482
Title II - 2019 - 4932-2019		482
Total Improving Teacher Quality State Grants		482
Title I Grants to Local Educational Agencies	84.010	236,464
Title I - 2019 - 4300-2019		236,464
Total Title I Grants to Local Educational Agencies		236,464
Title IVA Grants Drug and Alcohol	84.424	16,218
Title IVA - 2019 - 4400-2019		16,218
Total Passed Through Illinois State Board of Education		253,164
Passed-through Will County ROE		
McKinney-Vento Supply Closet Grant	84.196	92
Total Passed Through Will County ROE		92
<i>Total United States Department of Education</i>		<i>253,256</i>
<i>United States Department of Health & Human Services:</i>		
Passed-through Illinois Department of Healthcare & Family Services:		
Medical Assistance Program	93.778	37,894
Total Passed Through Grundy County Special Education Cooperative		37,894
<i>Total United States Department of Health & Human Services</i>		<i>37,894</i>
Total Other Programs		291,150
Total Expenditures of Federal Awards		\$ 1,078,667

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

NOTE A: BASIS OF PRESENTATION AND ACCOUNTING

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Coal City Community Unit School District No. 1, and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic Financial Statements.

Basis of Accounting

Under the modified cash basis of accounting, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash.

NOTE B: INDIRECT FACILITIES & ADMINISTRATION COSTS

Coal City Community Unit School District No. 1 did not elect to use the 10% de minimis cost rate.

NOTE C: SUB RECIPIENTS

Coal City Community Unit School District No. 1, Illinois did not provide federal awards to sub recipients.

NOTE D: NON-CASH AWARDS

The amount of commodities reported on the schedule (\$53,071) is the value of commodities distributed by the Lanter Delivery System during the current year and priced as prescribed by the U.S. Department of Agriculture (CFDA 10.555).

NOTE E: OTHER DISCLOSURES

Amount of federal insurance, loans, and loan guarantees in effect during the year - None.

Federal Grants requiring matching expenditures - Yes.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2019

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditors' Report expresses an unmodified opinion on the financial statements of Coal City Community Unit School District No. 1.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Coal City Community Unit School District No. 1 were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Auditors' Report on Compliance for the major federal award programs for Coal City Community Unit School District No. 1 expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Coal City Community Unit School District No. 1 are reported in Part C of this schedule.
7. The program tested as the major program was the IDEA Special Education Cluster - CFDA #84.027 and #84.173.
8. Total federal expenditures for the year ended June 30, 2019 were \$1,078,668, and 40.89% of that total was tested as major programs.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. Coal City Community Unit School District No. 1 was not determined to be a low-risk auditee.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.