

**COAL CITY COMMUNITY
UNIT SCHOOL DISTRICT NO. 1
COAL CITY, ILLINOIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2017**



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, 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, 2017, 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 41-60, and the supplemental information on pages 61-69, 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 and TRS pension data schedules (pages 56-58), and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections (page 69) 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, 2016, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated September 7, 2016, 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 6, 2017, 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 6, 2017

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2017

	Primary Government	
	Governmental Activities	
	2017	2016
<u>Assets</u>		
Cash in bank	\$ 2,274,336	8,061,763
Investments	19,244,740	17,925,316
Capital Assets		
Land	6,186,420	6,186,420
Construction in Progress	1,518,469	91,870
Land Improvements	5,863,196	5,587,104
Building	76,332,655	73,083,345
Equipment	3,252,059	3,116,105
Cafeteria Equipment	469,455	438,276
Accumulated Depreciation	(31,908,275)	(29,541,821)
Total Assets	<u>\$ 83,233,055</u>	<u>84,948,378</u>
<u>Liabilities</u>		
Withholdings	\$ 1,002,249	852,427
Long-Term Liabilities:		
Due Within One Year	1,425,000	1,250,000
Due in More Than One Year	35,555,000	36,980,000
Total Liabilities	<u>37,982,249</u>	<u>39,082,427</u>
<u>Net Position</u>		
Net Investment in Capital Assets	24,733,979	20,731,299
Restricted	927,999	684,303
Unrestricted	19,588,828	24,450,349
Total Net Position	<u>\$ 45,250,806</u>	<u>45,865,951</u>

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, 2017

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	
					2017	2016
Governmental Activities						
Instruction	\$ 14,646,774	218,642	925,463	-	(13,502,669)	(12,293,666)
Support Services	13,457,930	549,808	977,785	-	(11,930,337)	(13,154,352)
Community Services	16,431	-	-	-	(16,431)	(16,156)
Payments to Other Schools	890,691	-	-	-	(890,691)	(1,094,242)
On-Behalf Payments	4,900,076	-	4,900,076	-	-	-
Unallocated Interest	2,074,527	-	-	-	(2,074,527)	(2,140,007)
Total Governmental Activities	\$ 35,986,429	768,450	6,803,324	-	(28,414,655)	(28,698,423)
General Revenues						
Taxes:						
Property Taxes					\$ 24,783,991	24,649,060
Payment in Lieu of Taxes					-	9,983
Replacement Taxes					1,581,329	1,423,551
Grants and Entitlements not Restricted to Specific Programs					723,733	676,910
Refund of Prior Year Expenditures					144,283	361,399
Site Donations					41,013	43,898
Unrestricted Contributions and Donations					-	59,661
Interest on Investments					133,728	68,496
Premium on Bonds Sold					-	68,557
Miscellaneous					391,433	1,767,188
Total General Revenues					27,799,510	29,128,703
Change in Net Position					(615,145)	430,280
Net Position Beginning of Year					45,865,951	45,435,671
Net Position End of Year					\$ 45,250,806	45,865,951

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, 2017

		Special Revenue Fund	Capital Projects Fund	Debt Service Fund		Total Governmental Funds	
	General Fund	Transportation Fund	Site & Construction Fund	Bond & Interest Fund	Nonmajor Governmental Funds	2017	2016
<u>Assets</u>							
Cash	\$ 5,034,768	-	-	123,573	72,016	5,230,357	8,115,106
Investments	10,577,159	2,837,040	4,879,898	5,119	945,524	19,244,740	17,925,316
Total Assets	<u>\$ 15,611,927</u>	<u>2,837,040</u>	<u>4,879,898</u>	<u>128,692</u>	<u>1,017,540</u>	<u>24,475,097</u>	<u>26,040,422</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Overdraft Payable	\$ -	704,370	2,033,418	-	218,233	2,956,021	53,343
Withholdings	1,002,249	-	-	-	-	1,002,249	851,912
IMRF Payable	-	-	-	-	-	-	515
Total Liabilities	<u>1,002,249</u>	<u>704,370</u>	<u>2,033,418</u>	<u>-</u>	<u>218,233</u>	<u>3,958,270</u>	<u>905,770</u>
Fund Balance:							
Restricted	-	-	-	128,692	799,307	927,999	684,303
Committed	1,201,557	-	2,846,480	-	-	4,048,037	8,817,251
Assigned	-	2,132,670	-	-	-	2,132,670	2,413,697
Unassigned	13,408,121	-	-	-	-	13,408,121	13,219,401
Total Fund Balances	<u>14,609,678</u>	<u>2,132,670</u>	<u>2,846,480</u>	<u>128,692</u>	<u>799,307</u>	<u>20,516,827</u>	<u>25,134,652</u>
Total Liabilities and Fund Balance	<u>\$ 15,611,927</u>	<u>2,837,040</u>	<u>4,879,898</u>	<u>128,692</u>	<u>1,017,540</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 \$93,622,254 (net of accumulated depreciation of \$31,908,275),
are not financial resources and therefore are not reported in the funds.

\$ 61,713,979 58,961,299

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

(36,980,000) (38,230,000)

Net Position of Governmental Activities

\$ 45,250,806 45,865,951

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, 2017

	General Fund	Special Revenue Fund Transportation Fund	Capital Projects Fund Site & Construction Fund	Debt Service Fund Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds 2017 2016	
Revenues Received:							
Local Sources	\$ 22,080,945	1,131,509	134,348	3,365,591	1,039,904	27,752,297	29,094,775
Flow Through	14,633	-	-	-	-	14,633	18,633
State Sources	1,244,198	480,511	-	-	-	1,724,709	2,058,232
Federal Sources	979,569	-	-	-	-	979,569	776,483
On Behalf Payments	4,900,076	-	-	-	-	4,900,076	4,438,291
Total Revenues Received	29,219,421	1,612,020	134,348	3,365,591	1,039,904	35,371,284	36,386,414
Expenditures Disbursed:							
Current:							
Instructional	14,137,778	-	-	-	267,873	14,405,651	13,329,660
Support	8,200,335	1,893,047	201,999	-	568,251	10,863,632	10,914,828
Community Service	15,283	-	-	-	1,148	16,431	16,156
Intergovernmental:							
Payments to Other Schools	890,691	-	-	-	-	890,691	1,094,242
On Behalf Payments	4,900,076	-	-	-	-	4,900,076	4,438,291
Capital Outlay	421,064	-	5,167,037	-	-	5,588,101	6,342,950
Debt Service:							
Interest & service charges	-	-	-	2,074,527	-	2,074,527	2,140,007
Principal	-	-	-	1,250,000	-	1,250,000	2,100,000
Total Expenditures Disbursed	28,565,227	1,893,047	5,369,036	3,324,527	837,272	39,989,109	40,376,134
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	654,194	(281,027)	(5,234,688)	41,064	202,632	(4,617,825)	(3,989,720)
Other Financing Sources (Uses) -							
Principal on Bonds Sold	-	-	-	-	-	-	7,105,000
Premium on Bonds Sold	-	-	-	-	-	-	68,557
Transfers in (out)	(800,000)	-	800,000	-	-	-	-
Total Other Financing Sources (Uses)	(800,000)	-	800,000	-	-	-	7,173,557
Net Changes in Fund Balances	(145,806)	(281,027)	(4,434,688)	41,064	202,632	(4,617,825)	3,183,837
Fund Balance, Beginning of Year	14,755,484	2,413,697	7,281,168	87,628	596,675	25,134,652	21,950,815
Fund Balance, End of Year	\$ 14,609,678	2,132,670	2,846,480	128,692	799,307	20,516,827	25,134,652

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, 2017

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$ (4,617,825)	3,183,837
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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:

General Obligation Bonds - Proceeds	-	(7,105,000)
General Obligation Bonds - Principal Paid	1,250,000	2,100,000

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	5,217,758	4,470,075
Capital asset dispositions, net of accumulated depreciation	(96,694)	(9,918)
Depreciation expense	<u>(2,368,384)</u>	<u>(2,208,714)</u>
Change in Net Position of Governmental Activities (Statement B)	<u>\$ (615,145)</u>	<u>430,280</u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2017

	Student Activity Funds	June 30, 2017	2016
<u>Assets</u>			
Cash	\$ 778,728	778,728	733,054
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 778,728	778,728	733,054

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, 2017

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."

The joint agreement (Grundy County Special Education Cooperative) has been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and is therefore excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreement. See Note 15 for further detail.

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, 2017

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, 2017

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

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, 2017

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 five hundred dollars. 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

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. 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, 2017, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 93,622,254
Less: Accumulated depreciation	<u>(31,908,275)</u>
Capital assets, net	61,713,979
Less:	
General obligation bonds	<u>(36,980,000)</u>
Net investment in capital assets	<u><u>\$ 24,733,979</u></u>

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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

H. Net Position – (Continued)

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."

I. 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, 2017, total premiums paid by District employees have exceeded claims incurred by \$1,002,249. This amount is included in the payroll withholdings liability reported in the Educational and Operations & Maintenance Funds on the accompanying financial statements.

J. 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.

K. Reclassifications

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

NOTE 2: CASH 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 their 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, 2017, the carrying amount of the District's deposits was \$2,274,336 and the bank balance was \$2,996,706. All of the District's deposits in excess of \$250,000 are fully collateralized by securities held with the pledging financial institution.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 2: CASH AND INVESTMENTS -(Continued)

Investments

Investments consist of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>
Illinois School District Liquid Asset Fund	\$ 19,244,740	19,244,740
	<u>\$ 19,244,740</u>	<u>19,244,740</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.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

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, 2017, the funds participating in the common accounts had the following balances (overdrafts):

Fund	Pooled Checking	Pooled Investments	Total
General Fund:			
Educational Fund	\$ 4,686,663	8,618,402	13,305,065
Operations and Maint. Fund	318,964	802,560	1,121,524
Working Cash Fund	29,141	1,156,197	1,185,338
Total General Fund	5,034,768	10,577,159	15,611,927
Bond & Interest Fund	123,573	5,119	128,692
Transportation Fund	(704,370)	2,837,040	2,132,670
IMRF and Social Security Fund	(192,301)	421,773	229,472
Tort Fund	(25,932)	285,066	259,134
Life Safety Fund	72,016	238,685	310,701
Site and Construction Fund	(2,033,418)	4,879,898	2,846,480
Total	\$ 2,274,336	19,244,740	21,519,076

NOTE 4: CAPITAL ASSETS

	July 1, 2016	Additions	Deletions	June 30, 2017
Capital Assets, not being depreciated:				
Land	\$ 6,186,420	-	-	6,186,420
Construction in Progress	91,870	1,518,469	(91,870)	1,518,469
Total Capital Assets, not being depreciated	6,278,290	1,518,469	(91,870)	7,704,889
Capital Assets, being depreciated:				
Land Improvements	5,587,104	276,092	-	5,863,196
Building	73,083,345	3,249,310	-	76,332,655
Equipment	3,116,105	142,708	(6,754)	3,252,059
Cafeteria Equipment	438,276	31,179	-	469,455
Total Capital Assets, being depreciated	82,224,830	3,699,289	(6,754)	85,917,365
Total Capital Assets	88,503,120	5,217,758	(98,624)	93,622,254
Less Accumulated Depreciation:				
Land Improvements	(3,802,615)	(267,465)	-	(4,070,079)
Building	(22,695,694)	(1,930,565)	-	(24,626,258)
Equipment	(2,699,934)	(150,746)	1,930	(2,848,750)
Cafeteria Equipment	(343,578)	(19,610)	-	(363,188)
Total Accumulated Depreciation	(29,541,821)	(2,368,386)	1,930	(31,908,275)
Total Capital Assets being depreciated, net	52,683,009	1,330,903	(4,824)	54,009,090
Governmental Activities Capital Assets, Net	\$ 58,961,299	2,849,372	(96,694)	61,713,979

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 4: CAPITAL ASSETS - (Continued)

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 2,277,938
Support Service Expenditures	<u>90,448</u>
Total Current Year Depreciation	<u>\$ 2,368,386</u>

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

Athletic Stadium Fencing	\$ 269,887
Mechanical Renovations (All Schools)	3,139,379
Admin Building (Construction in Progress)	1,309,548
Stadium Upgrades (Construction in Progress)	208,921

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2017:

	Principal Outstanding 7/1/2016	Additions	Reductions	Principal Outstanding 6/30/2017	Amount Due in One Year
General Obligation Bonds:					
2008 5.875% \$32,880,000	\$ 30,780,000	-	1,250,000	29,530,000	420,000
2010 4.00% \$3,680,000	345,000	-	-	345,000	-
2016 3.50-4.00% \$7,105,000	<u>7,105,000</u>	<u>-</u>	<u>-</u>	<u>7,105,000</u>	<u>1,005,000</u>
Total General Obligation Bonds	<u>\$ 38,230,000</u>	<u>-</u>	<u>1,250,000</u>	<u>36,980,000</u>	<u>1,425,000</u>

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

On November 1, 2008, the District issued \$32,880,000 in general obligation school bonds for the high school addition. On February 3, 2016, \$980,000 of the outstanding bonds was refunded by the 2016 G.O. Bonds. The 2008 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
2018	\$ 420,000	1,734,888	2,154,888
2019	1,550,000	1,710,213	3,260,213
2020	1,720,000	1,619,150	3,339,150
2021	1,905,000	1,518,100	3,423,100
2022	2,100,000	1,406,181	3,506,181
2023	2,315,000	1,282,806	3,597,806
2024	2,545,000	1,146,800	3,691,800
2025	2,795,000	997,281	3,792,281
2026	3,060,000	833,075	3,893,075
2027	3,350,000	653,300	4,003,300
2028	3,665,000	456,488	4,121,488
2029	4,105,000	120,584	4,225,584
Total	<u>\$ 29,530,000</u>	<u>13,478,866</u>	<u>43,008,866</u>

On July 27, 2017, the District issued \$19,625,000 in general obligation refunding school bonds and contributed \$788,302 in order to refund \$20,445,000 of the 2008 General Obligation Bonds. This refunding will be reported in the subsequent fiscal year.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

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
2018	\$ -	13,800	13,800
2019	-	13,800	13,800
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>179,400</u>	<u>524,400</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

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
2018	\$ 1,005,000	268,106	1,273,106
2019	-	227,906	227,906
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>\$ 7,105,000</u>	<u>3,710,355</u>	<u>10,815,355</u>

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2016 levy, in the amount of \$21,651,604, increased by the Bond and Interest levy to \$25,034,264 was passed by the Board on December 7, 2016 and will be received in the subsequent fiscal year. The 2015 levy in the amount of \$21,729,752 increased by Bond and Interest levy to \$24,471,145 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 6: PROPERTY TAXES – (CONTINUED)

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.

One specific levy may result in restricted fund balances 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 \$310,631 was collected and all was spent, resulting in no restricted fund balance.

NOTE 7: RETIREMENT FUND COMMITMENT

A. *Teachers Retirement System of the State of Illinois*

General Information about the Plan

Plan Description

The employer 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/forms-and-publications> or by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I 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.

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Benefits Provided (Continued)

Tier II 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 II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I 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 II 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.

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, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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 employer. For the year ended June 30, 2017, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$4,761,698 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, 2017, were \$71,660.

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions (Continued)

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

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$43,425 were paid from federal and special trust funds that required employer contributions of \$16,736.

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 employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also 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. 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, 2017, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Pension Liabilities

At June 30, 2017, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,469,467
State's proportionate share of the net pension liability associated with the employer	<u>92,681,240</u>
Total	<u>\$ 94,150,707</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2016, the employer's proportion was .0019 percent, which was a decrease of 22.4% from its proportion measured as of June 30, 2015.

Actuarial Assumptions

The total pension liability in the June 30, 2016 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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

A. *Teachers Retirement System of the State of Illinois (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 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real Estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
Total	100%	

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Discount Rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. 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, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 1,797,218	1,469,467	1,201,782

TRS Fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

B. THIS Fund Contributions

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

- On behalf contributions THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$138,378, and the employer recognized revenue and expenditures of this amount during the year.

- Employer contributions to THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the employer paid \$103,784 to the THIS Fund, which was 100 percent of the required contribution.

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

C. 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, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

C. 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, 2016, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	62
Inactive, Non-retired members	33
Active Members	<u>73</u>
Total	<u><u>168</u></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 2016 and the fiscal year ended June 30, 2017 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 2016	13.78%
District required contribution rate for 2017	13.22%
District actual contributions for 2016	\$ 322,044
District actual contributions for fiscal year 2017	\$ 331,428

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

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

Net Pension Liability

The District's net pension liability (asset) was measured as of December 31, 2016. 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, 2016, the District had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 11,055,573
Plan Fiduciary Net Position	9,521,290
Net Pension Liability (Asset)	<u>\$ 1,534,283</u>

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- 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-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.

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

C. 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	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	N/A
Cash Equivalents	<u>1%</u>	N/A
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% 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).

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 7: RETIREMENT FUND COMMITMENTS – (Continued)

C. 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

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 7.50%, 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 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 12,463,042	11,055,573	9,897,809
Plan Fiduciary Net Position	9,521,290	9,521,290	9,521,290
Net Pension Liability (Asset)	<u>\$ 2,941,752</u>	<u>1,534,283</u>	<u>376,519</u>

NOTE 8: 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, 2017:

Assessed Valuation (2016)	<u>\$ 776,330,866</u>
Statutory debt limitation (13.8%)	\$ 107,133,660
Amount of debt applicable to debt limitation	<u>36,980,000</u>
Legal Debt Margin	<u>\$ 70,153,660</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 9: 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, 2017 amounted to \$887,764.

NOTE 10: LEASE COMMITMENTS

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

- Martin Whalen – 7 copy machines with monthly payments of \$4,510, with the final payment due in June of 2018. Total payments of \$54,120 were made under this lease during the year ended June 30, 2017.
- American Capital – Chrome Books with annual payments of \$40,489, with final payment due in July 2017. Total payments of \$40,489 were made under this lease during the year ended June 30, 2017.
- 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, 2017.
- 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, 2017.

Future minimum lease payments until expiration are as follows:

June 30, 2018	\$ 124,168
June 30, 2019	135,022
June 30, 2020	<u>64,974</u>
Total	<u>\$ 324,164</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 11: TRANSFERS

The District made the following transfers among funds during the year ended June 30, 2017, to cover expenditures related to school renovations:

Fund	Transfer In	Transfer Out
General Fund:		
Educational	\$ -	500,000
Operations & Maintenance	-	300,000
Total General Fund	-	800,000
Site & Construction	800,000	-
Totals	\$ 800,000	800,000

NOTE 12: 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.

NOTE 13: 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 14: 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:								
Social Security/ Medicare	\$ -	-	128,106	-	-	-	-	128,106
IMRF	-	-	101,366	-	-	-	-	101,366
Tort related insurance	-	-	-	-	259,134	-	-	259,134
Debt Service Reserve	-	-	-	-	-	-	128,692	128,692
Life Safety	-	-	-	-	-	310,701	-	310,701
Committed To:								
Unpaid Teacher Contracts	887,764	-	-	-	-	-	-	887,764
Insurance Reserve	313,793	-	-	-	-	-	-	313,793
Construction Projects	-	-	-	2,846,480	-	-	-	2,846,480
Assigned To:								
Transportation	-	2,132,670	-	-	-	-	-	2,132,670
Unassigned:								
Working Cash	1,185,338	-	-	-	-	-	-	1,185,338
Building Maintenance	1,116,132	-	-	-	-	-	-	1,116,132
Educational Fund	11,106,651	-	-	-	-	-	-	11,106,651
	<u>\$ 14,609,678</u>	<u>2,132,670</u>	<u>229,472</u>	<u>2,846,480</u>	<u>259,134</u>	<u>310,701</u>	<u>128,692</u>	<u>20,516,827</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.

B. *Restricted Fund Balance*

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 14: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

B. Restricted Fund Balance (Continued)

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. At June 30, 2017, 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. At June 30, 2017, expenditures disbursed from federal grants exceeded revenues received for those specific purposes in the Educational Fund, resulting in no restricted balances.
4. Social Security/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 Social Security and IMRF, resulting in restricted balances of \$128,106 and \$101,366 respectively.
5. Tort Immunity
Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Tort Fund. A total of \$233,013 was collected and \$114,352 was spent, resulting in a restricted fund balance of \$259,134.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2017

NOTE 14: 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, 2017, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2017 amounted to \$887,764. 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 (\$2,846,480) 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 has a fund balance of \$2,132,670 which 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 and Maintenance, and Working Cash Funds.

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, 2017

NOTE 15: INTERGOVERNMENTAL AGREEMENTS

The Grundy County Special Education Cooperative is a jointly governed organization that was formed for the purpose of providing special education for children in the twelve member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. During the fiscal year, the District paid \$300,895 to the Cooperative. During fiscal year 2017, the District received a refund of \$211,785 from the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450. During the year ended June 30, 2017, the District Board voted to withdraw from the Cooperative. The withdrawal will be 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 16: TAX ABATEMENTS

The District has entered into an agreement with Grundy County, Gooselake Township, Gooselake 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 17: SUBSEQUENT EVENTS

In May 2017, the District's Board authorized the issuance of up to \$22 million in G.O. Refunding bonds, Series 2017. The bonds were issued on July 27, 2017.

Management evaluated subsequent events through September 6, 2017, 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, 2017, as a result of events occurring between July 1, 2017 and September 6, 2017.

OTHER INFORMATION

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2017

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 4,686,663	318,964	29,141	5,034,768
Investments	8,618,402	802,560	1,156,197	10,577,159
Total Assets	<u>\$ 13,305,065</u>	<u>1,121,524</u>	<u>1,185,338</u>	<u>15,611,927</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Withholdings	\$ 996,857	5,392	-	1,002,249
Total Liabilities	<u>996,857</u>	<u>5,392</u>	<u>-</u>	<u>1,002,249</u>
Fund Balance:				
Committed	1,201,557	-	-	1,201,557
Unassigned	11,106,651	1,116,132	1,185,338	13,408,121
Total Fund Balance	<u>12,308,208</u>	<u>1,116,132</u>	<u>1,185,338</u>	<u>14,609,678</u>
Total Liabilities and Fund Balance	<u>\$ 13,305,065</u>	<u>1,121,524</u>	<u>1,185,338</u>	<u>15,611,927</u>

**Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)**

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total General Fund Year Ended June 30,	
				2017	2016
Revenues Received:					
Local Revenues	\$ 18,681,030	3,327,473	72,442	22,080,945	22,630,967
Flow Through Revenues	14,633	-	-	14,633	18,633
State Revenues	1,244,198	-	-	1,244,198	1,389,557
Federal Revenues	979,569	-	-	979,569	850,240
On Behalf Payments	4,900,076	-	-	4,900,076	4,438,291
Total Revenues Received	25,819,506	3,327,473	72,442	29,219,421	29,327,688
Expenditures Disbursed:					
Instruction	14,191,761	-	-	14,191,761	13,171,391
Support Services	5,730,900	2,836,516	-	8,567,416	8,537,425
Payments to Other Schools	672,033	218,658	-	890,691	1,094,242
Community Service	15,283	-	-	15,283	15,009
On Behalf Payments	4,900,076	-	-	4,900,076	4,438,291
Total Expenditures Disbursed	25,510,053	3,055,174	-	28,565,227	27,256,358
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	309,453	272,299	72,442	654,194	2,071,330
Other Financing Sources (Uses):					
Principal on Bonds Sold	-	-	-	-	6,000,000
Transfers (to) from Other Funds	(500,000)	(300,000)	-	(800,000)	(10,288,227)
Total Other Financing Sources (Uses)	(500,000)	(300,000)	-	(800,000)	(4,288,227)
Net Change in Fund Balance	(190,547)	(27,701)	72,442	(145,806)	(2,216,897)
Fund Balance, Beginning of Year	12,498,755	1,143,833	1,112,896	14,755,484	16,972,381
Fund Balance, End of Year	\$ 12,308,208	1,116,132	1,185,338	14,609,678	14,755,484

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30,	
		2017	2016
<u>Educational:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 15,460,270	15,657,960	15,832,277
Special Education Taxes	306,672	310,631	309,412
Replacement Taxes	1,400,000	1,527,787	1,370,655
Payment in Lieu of Taxes	9,000	-	9,983
Tuition	22,000	39,444	35,915
Interest on Investments	20,000	99,181	66,812
Food Service	493,000	500,791	509,367
District Activities	69,000	87,786	69,791
Textbook Rentals/Resale	53,000	76,062	71,432
Donations	5,000	-	59,661
Refund of Prior Year Expenditures	-	144,283	359,221
Driver's Education Fees	30,000	15,350	-
Local Fees	75,000	-	14,475
Other Local Revenues	35,000	221,755	97,327
Total Local Sources	17,977,942	18,681,030	18,806,328
Flow-Through Revenues Received:			
Career Development	16,000	14,633	18,633
Total Flow-Through Revenues Received	16,000	14,633	18,633
State Programs:			
General State Aid	600,000	723,733	676,610
Other State Aid	-	-	300
Special Education:			
Private Facility Tuition	50,000	37,403	52,380
Extraordinary	200,000	199,252	259,594
Personnel	300,000	255,221	321,999
Orphanage - Individual	60,000	7,869	44,441
Summer School	-	-	415
State Free Lunch & Breakfast	5,000	1,326	1,915
Board Certification	-	-	1,500
Drivers Education	-	19,394	29,173
State Library Grant	-	-	1,230
Total State Programs	\$ 1,215,000	1,244,198	1,389,557

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Revenues Received (continued):			
Federal Programs:			
National School Lunch Program	\$ 250,000	268,661	271,193
Special Milk Program	-	1,747	1,172
School Breakfast Program	-	30,057	21,422
Title I - Low Income	140,000	121,132	148,265
IDEA Flow Through Sub Grant	200,000	211,785	195,918
Title II - Teacher Quality	40,000	73,407	2,917
ARRA McKinney Vento Homeless	-	325	-
ISBE Commodities	-	55,474	43,759
DoD Fruits & Vegetables	-	12,655	9,544
Medicaid Outreach	65,000	48,423	23,951
Federal E-Rate	-	76,972	73,757
Medicaid Fee for Service	-	78,931	58,342
Total Federal Programs	695,000	979,569	850,240
On Behalf Payments	4,607,000	4,900,076	4,438,291
Total Revenues Received	24,510,942	25,819,506	25,503,049
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	7,609,601	7,822,460	7,409,589
Benefits	1,914,650	1,762,359	1,738,702
Purchased Services	53,600	82,044	79,770
Teaching Supplies	362,715	338,757	374,653
Capital Outlay	19,500	9,716	3,183
Other Objects	500	-	75
Total Regular Programs	9,960,566	10,015,336	9,605,972
Tuition Payments to Charter Schools:			
Purchased Services	29,500	-	-
Special Education Programs:			
Salaries	1,604,400	1,938,843	1,580,432
Benefits	239,500	379,923	308,388
Purchased Services	27,500	74,558	40,512
Supplies	34,700	32,887	34,701
Capital Outlay	10,000	11,114	10,292
Other Objects - Tuition	150,000	216,560	137,717
Total Special Education Programs	\$ 2,066,100	2,653,885	2,112,042

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Remedial Programs:			
Salaries	\$ 90,000	106,277	78,221
Benefits	-	24	2
Purchased Services	-	2,250	3,710
Supplies	20,000	44,702	94,373
Capital Outlay	-	2,289	-
Total Remedial Programs	110,000	155,542	176,306
CTE Programs:			
Salaries	306,625	316,583	293,281
Benefits	66,700	69,935	67,856
Purchased Services	2,000	797	37
Supplies	22,333	24,901	13,476
Capital Outlay	5,000	6,916	-
Other Objects	-	-	203
Total CTE Programs	402,658	419,132	374,853
Interscholastic Programs:			
Salaries	501,806	544,612	512,728
Benefits	134,200	121,708	117,082
Purchased Services	86,500	93,121	81,141
Supplies	83,200	102,614	62,666
Capital Outlay	36,300	26,237	69,241
Other Objects	20,550	28,574	23,887
Total Interscholastic Programs	862,556	916,866	866,745
Summer School Programs:			
Salaries	20,000	19,380	15,829
Benefits	4,000	2,712	1,992
Purchased services	3,500	360	2,899
Supplies	15,000	8,548	4,722
Total Summer School Programs	42,500	31,000	25,442
Gifted Programs:			
Salaries	-	-	8,852
Benefits	-	-	1,179
Total Gifted Programs	-	-	10,031
Total Instructional	\$ 13,473,880	14,191,761	13,171,391

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support:			
Attendance & Social Work Services:			
Salaries	\$ 227,945	238,456	219,172
Benefits	49,725	61,034	59,674
Purchased Services	-	-	28
Supplies	1,750	1,260	1,111
Total Attendance & Social Work Services	279,420	300,750	279,985
Guidance Services:			
Salaries	204,207	219,326	202,529
Benefits	48,150	65,672	58,945
Supplies	1,300	747	1,290
Other Objects	-	-	195
Total Guidance Services	253,657	285,745	262,959
Health Services:			
Salaries	91,500	104,036	89,727
Benefits	6,100	21,579	6,100
Purchased Services	1,000	514	639
Supplies	3,940	3,112	3,170
Capital Outlay	4,000	-	724
Total Health Services	106,540	129,241	100,360
Psychological Services:			
Salaries	124,765	128,863	117,432
Benefits	32,250	29,138	29,564
Supplies	-	-	1
Total Psychological Services	157,015	158,001	146,997
Speech Pathology & Audiology Services:			
Salaries	181,940	187,985	173,491
Benefits	25,500	28,724	27,739
Total Speech Pathology & Audiology Services	207,440	216,709	201,230
Other Support Services - Pupils:			
Purchased Services	77,700	71,047	67,260
Supplies	7,900	5,426	13,113
Total Other Support Services - Pupils	\$ 85,600	76,473	80,373

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Educational (continued):			
Expenditures Disbursed (continued):			
Support (continued):			
Improvement of Instruction Services:			
Salaries	\$ 234,565	244,373	215,073
Benefits	48,000	63,400	68,078
Purchased Services	154,500	102,150	54,619
Supplies	3,500	1,350	2,654
Capital Outlay	3,000	-	-
Other Objects	1,200	288	264
Total Improvement of Instruction Services	444,765	411,561	340,688
Educational Media/Tech Services:			
Salaries	323,910	338,643	322,371
Benefits	62,400	68,332	70,408
Purchased Services	562,500	442,878	477,270
Supplies	34,760	30,440	40,298
Capital Outlay	100,500	102,903	116,615
Total Educational Media/Tech Services	1,084,070	983,196	1,026,962
Assessment & Testing:			
Purchased Services	2,600	14,567	2,162
Supplies	50,500	46,810	34,775
Capital Outlay	5,000	-	-
Total Assessment & Testing	58,100	61,377	36,937
Board of Education Services:			
Salaries	50,000	-	-
Benefits	5,000	65,080	63,844
Purchased Services	333,500	460,401	365,820
Supplies	11,000	14,645	3,323
Capital Outlay	101,000	47,581	-
Other Objects	18,000	15,696	14,643
Total Board of Education Services	518,500	603,403	447,630
Superintendent Services:			
Salaries	236,100	238,068	237,700
Benefits	45,000	44,501	44,332
Purchased Services	2,500	2,178	2,545
Supplies	500	463	212
Other Objects	2,500	1,855	1,502
Total Superintendent Services	\$ 286,600	287,065	286,291

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Principal Services:			
Salaries	\$ 835,900	823,232	826,537
Benefits	226,600	214,945	239,504
Purchased Services	9,450	7,147	7,331
Supplies	27,600	28,572	27,058
Capital Outlay	-	853	-
Other Objects	2,900	1,369	2,009
Total Principal Services	1,102,450	1,076,118	1,102,439
Other Support Services - School Administration:			
Purchased Services	3,000	3,200	2,880
Total Other Support Services - School Administration	3,000	3,200	2,880
Direction of Business Support Services:			
Salaries	60,405	52,231	51,932
Benefits	15,700	15,877	18,047
Purchased Services	1,500	2,669	715
Supplies	1,000	2,643	1,542
Capital Outlay	1,000	843	-
Other Objects	1,000	2,070	522
Total Direction of Business Support Services	80,605	76,333	72,758
Fiscal Services:			
Salaries	81,000	115,768	85,938
Benefits	13,750	19,893	14,317
Purchased Services	5,000	11,620	2,237
Supplies	17,000	24,446	13,746
Capital Outlay	1,000	5,513	4,868
Other Objects	4,500	3,585	3,166
Total Fiscal Services	122,250	180,825	124,272
Operation & Maintenance of Plant Services:			
Supplies	5,000	2,313	2,855
Total Operation & Maintenance of Plant Services	\$ 5,000	2,313	2,855

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Food Services:			
Salaries	\$ 298,500	337,701	298,409
Benefits	46,800	27,088	31,163
Purchased Services	17,950	4,483	13,247
Supplies	399,000	443,923	455,346
Capital Outlay	60,000	39,556	3,582
Other Objects	15,000	18,966	16,425
Total Food Services	837,250	871,717	818,172
Information Services:			
Purchased Services	-	5,370	4,611
Total Information Services	-	5,370	4,611
Total Support	5,632,262	5,729,397	5,338,399
Student Services:			
Supplies	-	1,503	-
Total Student Services:	-	1,503	-
Community Services:			
Salaries	15,000	15,000	15,000
Supplies	200	283	9
Total Community Services	15,200	15,283	15,009
Payments to Other Schools:			
Assessments			
Regular Programs	25,000	17,802	38,288
Special Education Programs	170,000	118,530	158,795
Tuition			
Special Education Programs	310,000	268,985	284,118
Continuing & Technical Education Programs	350,000	266,716	431,007
Total Payments to Other Schools	855,000	672,033	912,208
On Behalf Payments	4,607,000	4,900,076	4,438,291
Total Expenditures Disbursed	\$ 24,583,342	25,510,053	23,875,298

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Educational (continued):</u>			
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ (72,400)	309,453	1,627,751
Other Financing Sources (Uses):			
Transfers to other funds	(500,000)	(500,000)	(3,538,227)
Total Other Financing Sources (Uses)	(500,000)	(500,000)	(3,538,227)
Net Change in Fund Balance	<u>\$ (572,400)</u>	(190,547)	(1,910,476)
Fund Balance, Beginning of Year		12,498,755	14,409,231
Fund Balance, End of Year		<u>\$ 12,308,208</u>	<u>12,498,755</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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Operations & Maintenance:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,257,096	3,298,694	3,173,110
Rental income	10,000	28,779	6,883
Other Revenues	10,000	-	486,224
Total Revenues Received	3,277,096	3,327,473	3,666,217
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	100,000	171,835	150,231
Total Facilities Acquisition & Construction Services	100,000	171,835	150,231
Operation & Maintenance of Plant Services:			
Salaries	1,133,311	1,098,504	1,045,110
Benefits	201,800	200,482	191,225
Purchased Services	447,750	366,578	560,529
Supplies	867,500	827,907	700,425
Capital Outlay	178,000	169,832	551,476
Other Objects	-	1,378	30
Total Operation & Maintenance of Plant Services	2,828,361	2,664,681	3,048,795
Total Support Services	2,928,361	2,836,516	3,199,026
Payments to Other Districts:			
Payments for CTE Programs	180,000	218,658	182,034
Total Payments to Other Districts	180,000	218,658	182,034
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	3,158,361	3,055,174	3,381,060
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	118,735	272,299	285,157
Other Financing Sources (Uses):			
Transfer from Other Funds	-	-	5,038,227
Transfer to Other Funds	(300,000)	(300,000)	(5,788,227)
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(750,000)
Net Change in Fund Balance	\$ (181,265)	(27,701)	(464,843)
Fund Balance, Beginning of Year		1,143,833	1,608,676
Fund Balance, End of Year		\$ 1,116,132	1,143,833

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, 2017
(With Comparative Figures for 2016)

	Original and Final Appropriations	Year Ended June 30, 2017	2016
<u>Working Cash:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 38,334	38,849	154,747
Interest Income	-	33,593	856
Other Income	-	-	2,819
Total Revenues Received	38,334	72,442	158,422
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	38,334	72,442	158,422
Other Financing Sources (Uses):			
Principal on Bonds Sold	-	-	6,000,000
Abolishment of Working Cash Fund	-	-	(6,000,000)
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	\$ 38,334	72,442	158,422
Fund balance, Beginning of Year		1,112,896	954,474
Fund balance, End of Year		\$ 1,185,338	1,112,896

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, 2017

<u>Assets</u>	
Investments	\$ 2,837,040
Total Assets	<u>\$ 2,837,040</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft Payable	\$ 704,370
Total Liabilities	<u>704,370</u>
Fund Balance:	
Assigned Fund Balance	<u>2,132,670</u>
Total Liabilities and Fund Balance	<u>\$ 2,837,040</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,111,689	1,125,904	1,082,745
Fees from other Districts	25,000	5,605	3,675
Refund of Prior Year Expenditures	-	-	2,178
Other Local Sources	-	-	10,202
Total Local Sources	<u>1,136,689</u>	<u>1,131,509</u>	<u>1,098,800</u>
State Sources:			
Regular/Vocational Transportation	200,000	143,109	184,444
Special Education	500,000	337,402	484,231
Total State Sources	<u>700,000</u>	<u>480,511</u>	<u>668,675</u>
Total Revenues Received	<u>1,836,689</u>	<u>1,612,020</u>	<u>1,767,475</u>
Expenditures Disbursed:			
Pupil Transportation Services:			
Purchased Services	2,050,000	1,885,951	1,876,997
Supplies	14,500	7,096	9,909
Capital Outlay	25,000	-	-
Total Pupil Transportation Services	<u>2,089,500</u>	<u>1,893,047</u>	<u>1,886,906</u>
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	<u>2,139,500</u>	<u>1,893,047</u>	<u>1,886,906</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	(302,811)	(281,027)	(119,431)
Other Financing Sources (Uses):			
Transfer to Other Funds	-	-	(1,500,000)
Net Change in Fund Balance	<u>\$ (302,811)</u>	<u>(281,027)</u>	<u>(1,619,431)</u>
Fund Balance, Beginning of Year		2,413,697	4,033,128
Fund Balance, End of Year		<u>\$ 2,132,670</u>	<u>2,413,697</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, 2017

<u>Assets</u>	
Investments	\$ 4,879,898
Total Assets	<u>\$ 4,879,898</u>
<u>Liabilities Fund Balance</u>	
Liabilities payable	
Overdrafts payable	\$ 2,033,418
Fund Balance	
Committed Fund Balance	<u>2,846,480</u>
Total Liabilities and Fund Balance	<u>\$ 4,879,898</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule B-4

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Impact Fees	\$ -	41,013	43,898
Interest on Investments	-	954	828
Other Revenues	-	92,381	1,096,859
Total Revenues Received	<u>-</u>	<u>134,348</u>	<u>1,141,585</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	195,000	201,999	592,839
Capital Outlay:			
Renovations	6,540,000	4,630,241	4,026,972
Grounds Improvements	-	536,796	1,161,055
Total Expenditures Disbursed	<u>6,735,000</u>	<u>5,369,036</u>	<u>5,780,866</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(6,735,000)</u>	<u>(5,234,688)</u>	<u>(4,639,281)</u>
Other Financing Sources (Uses):			
Transfers In	800,000	800,000	11,788,227
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>11,788,227</u>
Net Change in Fund Balance	<u>\$ (5,935,000)</u>	<u>(4,434,688)</u>	<u>7,148,946</u>
Fund balance, Beginning of Year		<u>7,281,168</u>	<u>132,222</u>
Fund balance, End of Year		<u>\$ 2,846,480</u>	<u>7,281,168</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, 2017

<u>Assets</u>	
Cash in Bank	\$ 123,573
Investments	5,119
Total Assets	<u>\$ 128,692</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 128,692
Total Fund Balance	<u>\$ 128,692</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule B-6

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,323,102	3,365,591	3,067,922
Total Revenues Received	<u>3,323,102</u>	<u>3,365,591</u>	<u>3,067,922</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	1,250,000	2,073,102	2,046,040
Principal on Long-Term Debt	2,073,102	1,250,000	2,100,000
Other	2,500	1,425	93,967
Total Expenditures Disbursed	<u>3,325,602</u>	<u>3,324,527</u>	<u>4,240,007</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(2,500)</u>	<u>41,064</u>	<u>(1,172,085)</u>
Other Financing Sources (Uses):			
Principal on Bonds Sold	-	-	1,105,000
Premium on Bonds Sold	-	-	68,557
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,173,557</u>
Net Change in Fund Balance	<u>\$ (2,500)</u>	41,064	1,472
Fund Balance, Beginning of Year		87,628	86,156
Fund Balance, End of Year		<u>\$ 128,692</u>	<u>87,628</u>

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

Calendar Year Ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability									
Service Cost	\$ 282,795	268,527	285,875	-	-	-	-	-	-
Interest on the Total Pension Liability	793,540	755,471	687,092	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(115,211)	100,252	67,844	-	-	-	-	-	-
Assumption Changes	(38,935)	13,151	422,960	-	-	-	-	-	-
Benefit Payments and Refunds	(696,489)	(546,300)	(486,563)	-	-	-	-	-	-
Net Change in Total Pension Liability	225,700	591,101	977,208	-	-	-	-	-	-
Total Pension Liability - Beginning	10,829,873	10,238,772	9,261,564	-	-	-	-	-	-
Total Pension Liability - Ending	<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>	<u>-</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 322,044	328,818	318,304	-	-	-	-	-	-
Contributions - Employee	105,167	108,561	105,243	-	-	-	-	-	-
Net Investment Income	606,190	44,640	514,079	-	-	-	-	-	-
Benefit Payments and Refunds	(696,489)	(546,300)	(486,563)	-	-	-	-	-	-
Other	151,565	114,630	72,373	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	488,477	50,349	523,436	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	9,032,813	8,982,464	8,459,028	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<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>	<u>-</u>
Net Pension Liability (Asset)	<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>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.12%	83.41%	87.73%	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 2,337,037	2,412,458	2,317,996	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	65.65%	74.49%	54.20%	N/A	N/A	N/A	N/A	N/A	N/A

**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
12/31/2016 *	\$ 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%

*Estimated based on contribution rate of 13.78% and covered valuation payroll of \$2,337,037.

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 2016 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): 27-year closed period until remaining period reaches 15 years (then 15-year rolling 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 22 years for most employers (two employers were financed over 31 years).
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	3.50%
<i>Price Inflation</i>	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
<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 2011 valuation pursuant to an experience study of the period 2008-2010.
<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.

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		
	2016*	2015*	2014*
District's Proportion of the Net Pension Liability	0.0019%	0.0024%	0.0022%
District's Proportionate Share of the Net Pension Liability	\$ 1,469,467	1,571,991	1,359,701
State's Proportionate Share of the Net Pension Liability Associated with District	92,681,240	78,896,869	69,542,958
Total	<u>\$ 94,150,707</u>	<u>80,468,860</u>	<u>70,902,659</u>
District's Covered-Employee Payroll	\$ 11,953,384	11,925,986	11,247,232
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	12.29%	13.18%	12.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.40%	41.50%	43.00%

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

Schedule 4

Schedule of Contributions

	Fiscal Year		
	2017	2016	2015
Statutorily Required Contribution	\$ 88,396	71,748	86,674
Contributions in Relation to the Statutorily Required Contribution	88,396	71,748	86,674
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 12,355,210	11,953,384	11,925,986
Contributions as a Percentage of Covered-Employee Payroll	0.72%	0.60%	0.73%

NOTES TO OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2017

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 7, 2016 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	24,583,342	25,510,053	(926,711)	-3.77%
Operations & Maintenance Expenditures Disbursed	3,158,361	3,055,174	103,187	3.38%
Working Cash Expenditures Disbursed	-	-	-	N/A
Transportation Expenditures Disbursed	2,139,500	1,893,047	246,453	13.02%
Site & Construction Expenditures Disbursed	6,735,000	5,369,033	1,365,967	25.44%
Bond & Interest Expenditures Disbursed	3,325,602	3,324,527	1,075	0.03%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2017

NOTE 3: CHANGES IN ASSUMPTIONS

For the 2016 measurement year, 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.

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, 2017

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30,	
				2017	2016
<u>Assets</u>					
Cash	\$ 72,016	-	-	72,016	108,479
Investments	238,685	421,773	285,066	945,524	619,327
Total Assets	<u>\$ 310,701</u>	<u>421,773</u>	<u>285,066</u>	<u>1,017,540</u>	<u>727,806</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Overdrafts Payable	\$ -	192,301	25,932	218,233	877
Total Liabilities	<u>-</u>	<u>192,301</u>	<u>25,932</u>	<u>218,233</u>	<u>877</u>
Fund Balances:					
Restricted	310,701	229,472	259,134	799,307	726,929
Total Fund Balances	<u>310,701</u>	<u>229,472</u>	<u>259,134</u>	<u>799,307</u>	<u>726,929</u>
Total Liabilities and Fund Balance	<u>\$ 310,701</u>	<u>421,773</u>	<u>285,066</u>	<u>1,017,540</u>	<u>727,806</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, 2017
(With Comparative Figures for 2016)

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds June 30,	
				2017	2016
Revenues Received:					
Local Sources:					
Property Taxes	\$ 116,545	636,804	233,013	986,362	1,028,847
Replacement Tax	-	53,542	-	53,542	52,896
Total Revenues Received	116,545	690,346	233,013	1,039,904	1,081,743
Expenditures Disbursed:					
Instructional	-	267,873	-	267,873	240,985
Support	-	453,899	114,352	568,251	969,865
Community Services	-	1,148	-	1,148	1,147
Total Expenditures Disbursed	-	722,920	114,352	837,272	1,211,997
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	116,545	(32,574)	118,661	202,632	(130,254)
Fund Balance, Beginning of Year	194,156	262,046	140,473	596,675	726,929
Fund Balance, End of Year	\$ 310,701	229,472	259,134	799,307	596,675

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, 2017

<u>Assets</u>	
Cash in Bank	\$ 72,016
Investments	238,685
Total Assets	<u>\$ 310,701</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 310,701
Total Fund Balance	<u>\$ 310,701</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule C-4

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Property Taxes	\$ 115,002	116,545	386,745
Total Revenues Received	<u>115,002</u>	<u>116,545</u>	<u>386,745</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	50,000	-	40,956
Capital Outlay	-	-	394,942
Total Expenditures Disbursed	<u>50,000</u>	<u>-</u>	<u>435,898</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 65,002</u>	116,545	(49,153)
Fund Balance, Beginning of Year		<u>194,156</u>	<u>243,309</u>
Fund Balance, End of Year		<u>\$ 310,701</u>	<u>194,156</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, 2017

<u>Assets</u>	
Investments	\$ 421,773
Total Assets	<u>\$ 421,773</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft payable	\$ 192,301
Total Liabilities	<u>192,301</u>
Fund Balance	
Restricted for FICA	128,106
Restricted for IMRF	<u>101,366</u>
Total Fund Balance	<u>229,472</u>
Total Liabilities and Fund Balance	<u>\$ 421,773</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule C-6

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 295,172	298,978	297,812
FICA	333,506	337,826	336,479
Replacement Taxes	50,000	53,542	52,896
Total Revenues Received	<u>678,678</u>	<u>690,346</u>	<u>687,187</u>
Expenditures Disbursed:			
Instructional Benefits	251,150	267,873	240,985
Supporting Services Benefits	475,550	453,899	435,591
Community Services Benefits	1,300	1,148	1,147
Total Expenditures Disbursed	<u>728,000</u>	<u>722,920</u>	<u>677,723</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (49,322)</u>	(32,574)	9,464
Fund Balance, Beginning of Year		<u>262,046</u>	<u>252,582</u>
Fund Balance, End of Year		<u>\$ 229,472</u>	<u>262,046</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, 2017

<u>Assets</u>	
Investments	\$ 285,066
Total Assets	<u>\$ 285,066</u>
<u>Liabilities and Fund Balance</u>	
Liabilities payable	\$ 25,932
Restricted Fund Balance	<u>259,134</u>
Total Fund Balance	<u>\$ 285,066</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Figures for 2016)

Schedule C-8

	Original and Final Appropriations	Year Ended June 30, 2017	2016
Revenues Received:			
Local Sources:			
Property taxes	\$ 230,004	233,013	7,811
Total Revenues Received	<u>230,004</u>	<u>233,013</u>	<u>7,811</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Insurance Payments	125,000	100,205	87,677
Educational Services Related to Loss Prevention	<u>56,000</u>	<u>14,147</u>	<u>10,699</u>
Total Expenditures Disbursed	<u>181,000</u>	<u>114,352</u>	<u>98,376</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 49,004</u>	118,661	(90,565)
Fund Balance, Beginning of Year		<u>140,473</u>	<u>231,038</u>
Fund Balance, End of Year		<u>\$ 259,134</u>	<u>140,473</u>

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, 2017

	June 30, 2016	Additions	Deductions	June 30, 2017
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ (234)	-	-	(234)
Alumni	3,028	5,147	5,318	2,857
Art Club	938	421	690	669
Athletics	5,216	51,196	49,968	6,444
Band	1,166	5,369	2,325	4,210
Baseball	4,091	4,341	8,429	3
Boys Basketball Cheerleading	160	6,300	6,370	90
Bass Fishing	3,082	1,137	2,131	2,088
Boys Basketball	970	2,431	2,424	977
Boys Soccer	1,454	500	916	1,038
Cassani Scholarship	-	1,000	-	1,000
Cheer Football	-	5,652	3,644	2,008
Class of 2014	2,229	-	2,229	-
Class of 2015	2,561	-	2,561	-
Class of 2016	3,451	-	2,172	1,279
Class of 2017	3,625	-	-	3,625
Class of 2018	575	55,946	52,890	3,631
Class of 2019	777	-	-	777
Class of 2020	-	647	-	647
Coaler Creations	2,013	2,518	2,241	2,290
Color Guard	-	1,015	813	202
Community Foundation Scholarship	500	-	-	500
Costume Rental	-	27,714	21,884	5,830
Don Pfiefer Scholarship	-	3,245	-	3,245
Drama Club	3,051	-	-	3,051
FCCLA	28	5,614	5,124	518
FIBLA	1,082	26,084	25,027	2,139
Football	4,266	3,976	4,326	3,916
Foreign Language	1	-	-	1
Freeman Trotter Scholarship	-	1,150	-	1,150
General Activity	971	15,385	14,968	1,388
Girl's Basketball	326	70	-	396
Girl's Soccer	5,068	907	1,228	4,747
Golf	-	2,197	-	2,197
HS Play	-	2,656	2,618	38
Library	137	203	148	192
Link Leaders	512	630	868	274
Madrigals	2,194	675	1,440	1,429
Math	883	950	1,519	314
Musical	6,935	8,406	15,099	242
NHS	494	840	654	680
Path	195	-	18	177
PBS	386	500	229	657
Pepsi	1,024	-	414	610
Poms - Fall	443	17,237	16,931	749

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, 2017

	June 30, 2016	Additions	Deductions	June 30, 2017
Student Activity Funds:				
High School Activity Funds: (continued)				
Ruth Allen Scholarship	\$ 10,000	-	-	10,000
SADD	926	153	24	1,055
Science Club	8	166	121	53
Social Committee	-	540	434	106
Scholastic Bowl	(42)	1,120	1,013	65
Show Choir	1,276	21,300	22,576	-
Softball	2,106	1,131	635	2,602
Speech	2,525	2,170	2,124	2,571
Student Council	14,472	9,048	7,036	16,484
Teachers Petty Cash	1,126	-	-	1,126
Tennis	527	600	627	500
Theatre Series	4,184	14,646	13,484	5,346
Track	49	2,127	2,176	-
Varsity Club	1,546	-	280	1,266
VFW Scholarship	4,000	-	-	4,000
Volleyball Club	1,349	609	1,958	-
Wellness	459	1,448	1,388	519
Wrestling	2,600	1,583	3,297	886
Wrestling Cheerleading	131	-	-	131
Yearbook	208	23,072	20,378	2,902
Total High School Activity Funds	111,043	341,772	335,167	117,648
Intermediate School Activity Funds:				
Art Fund	221	-	-	221
General Activity	1,384	5,991	6,460	915
Library Fund	7,635	9,333	6,722	10,245
Pepsi-Flower Fund	422	370	784	9
School Store Fund	1,604	449	754	1,299
Student Council	1,137	10,156	10,319	974
Yearbook	7,378	3,049	2,000	8,427
Total Intermediate School Activity Funds	19,781	29,348	27,039	22,090
Middle School Activity Funds:				
6th Grade Student Fund	1,105	-	-	1,105
8th Grade Dance	550	1,776	1,448	878
Athletics	4,740	28,630	26,603	6,767
Band	46	1,718	1,763	1
Chorus	577	2,864	1,777	1,664
Garden Club	2,593	296	142	2,747
General Activity	7,132	11,367	9,997	8,502
Library	931	4,236	3,809	1,358
Musical	5,644	1,735	2,661	4,718
Shop for Free	628	250	78	800
PBS	613	1,652	1,845	420
Pepsi Fund	620	3,105	2,702	1,023
Picture & Yearbook	7,124	5,750	4,411	8,463
Pops	8,721	1,534	704	9,551
Speech	316	4,235	2,721	1,830
Student Council	2,211	6,595	7,182	1,624
Student Enrichment	713	120	361	472
Total Middle School Activity Funds	\$ 44,264	75,863	68,204	51,923

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, 2017

	June 30, 2016	Additions	Deductions	June 30, 2017
Student Activity Funds:				
Elementary School Activity Funds:				
General Activity	\$ 2,173	11,091	9,967	3,297
After School Exercise	7	-	-	7
Library Fund	1,417	10,084	10,253	1,248
Music Program	473	854	817	510
Pepsi-Cola Fund	26	741	518	249
School Store	375	2,148	2,736	(213)
Special Education	2,376	480	774	2,082
Yearbook & Picture Fund	(88)	1,365	330	947
Total Elementary School Activity Funds	6,759	26,763	25,395	8,127
Early Childhood Center Activity Funds:				
General Activity	12,958	21,028	19,950	14,036
Music Program	230	-	-	230
Pepsi-Cola Fund	577	934	1,158	353
PSO	2,415	-	-	2,415
Library	1,276	9,928	8,939	2,265
Flower Fund	14	510	25	499
Youth Baseball Camp	1	-	1	-
Yearbook & Picture Fund	2,816	1,596	4,105	307
Total Early Childhood Center Activity Funds	20,287	33,996	34,178	20,105
Athletic Boosters	21,324	64,757	50,623	35,458
Prom Fest	6,704	20,807	20,807	6,704
Total Student Activity Funds	230,162	593,306	561,413	262,055
Memorial Activity Funds:				
High School Memorial	2,707	26	-	2,733
Kaplan Scholarship Fund	327,661	28,220	13,773	342,108
Freeman Trotter Scholarship Fund	2,632	1,640	2,636	1,636
Rashke Memorial	8,286	16	500	7,802
VFW Scholarship	2,003	1,511	1,500	2,014
Anderson Memorial Fund	159,603	777	-	160,380
Total Memorial Activity Funds	502,892	32,190	18,409	516,673
Total Activity Accounts	\$ 733,054	625,496	579,822	778,728

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

	Tax Year				
	2012	2013	2014	2015	2016
Assessed Valuations	\$ 848,122,680	785,182,825	788,495,436	767,166,241	776,330,866
Tax Rates:					
Educational	1.9750	1.9750	1.9634	1.9788	1.9874
Building	0.4209	0.4209	0.4021	0.4246	0.4227
Bond & Interest	0.3418	0.3777	0.3888	0.4332	0.4433
Transportation	0.1989	0.1985	0.1372	0.1449	0.1591
IMRF	0.0376	0.0380	0.0377	0.0385	0.0388
Working Cash	0.0201	0.0200	0.0196	0.0050	0.0199
Tort Immunity	0.0010	0.0010	0.0010	0.0300	0.0298
Special Education	0.0400	0.0400	0.0392	0.0400	0.0398
Social Security	0.0426	0.0430	0.0426	0.0435	0.0438
Lease PBC	0.0500	0.0137	0.0429	0.0365	0.0300
Fire Prevention/Safety	0.0020	0.0020	0.0490	0.0150	0.0100
Totals	3.1299	3.1298	3.1236	3.1898	3.2246
Tax Extensions:					
Educational	\$ 16,750,677	15,508,146	15,481,477	15,180,379	15,428,955
Building	3,569,579	3,304,677	3,170,619	3,257,081	3,281,628
Bond & Interest	2,898,714	2,965,557	3,065,513	3,323,134	3,441,785
Transportation	1,687,086	1,558,588	1,081,895	1,111,701	1,235,453
IMRF	318,725	298,369	297,578	295,206	301,139
Working Cash	170,049	157,037	154,624	38,358	154,490
Tort Immunity	8,566	7,930	7,806	230,073	231,657
Special Education	339,249	314,073	309,169	306,713	308,902
Social Security	361,215	337,629	336,214	333,564	339,800
Lease PBC	424,061	107,256	338,186	279,862	233,210
Fire Prevention/Safety	17,047	15,782	386,442	115,075	77,245
Totals	\$ 26,544,968	24,575,044	24,629,523	24,471,145	25,034,264
Tax Collections	\$ 26,565,561	24,570,186	24,649,060	24,783,873	-

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, 2017, 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 6, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 6, 2017.

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 6, 2017

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, 2017. 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, 2017.

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 6, 2017

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
Child Nutrition Cluster-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 2017 - 4210-2017		\$ 218,641
National School Lunch Program 2016 - 4210-2016		50,020
Lanter Commodities		55,474
DoD Fruits & Vegetables		12,655
Total National School Lunch Program		336,790
Special Milk Program for Children*:	10.556	
Special Milk Program - 2017 - 4215-2017		1,497
Special Milk Program - 2016 - 4215-2016		250
Total Special Milk Program		1,747
National School Breakfast Program*:	10.553	
National School Breakfast Program - 2017 - 4220-2017		25,668
National School Breakfast Program - 2017 - 4220-2016		4,389
Total Special Milk Program		30,057
Total Passed Through Illinois State Board of Education		368,594
<i>Total United States Department of Agriculture</i>		368,594
Total Child Nutrition Cluster-Cluster		368,594
Other Programs:		
<i>United States Department of Education:</i>		
Passed-through Illinois State Board of Education:		
Improving Teacher Quality State Grants	84.367	
Title II - 2016 - 4932-2016		36,425
Total Improving Teacher Quality State Grants		36,425
Title I Grants to Local Educational Agencies	84.010	
Title I - 2017 - 4300-2017		153,432
Total Title I Grants to Local Educational Agencies		153,432
Total Passed Through Illinois State Board of Education		189,857
Passed-through Grundy County Special Education Cooperative:		
IDEA Flow-through	84.027	201,246
Total Passed Through Grundy County Special Education Cooperative		201,246
<i>Total United States Department of Education</i>		391,103
<i>United States Department of Health & Human Services:</i>		
Passed-through Illinois Department of Healthcare & Family Services:		
Medical Assistance Program	93.778	43,908
Total Passed Through Grundy County Special Education Cooperative		43,908
<i>Total United States Department of Health & Human Services</i>		43,908
Total Other Programs		435,011
Total Expenditures of Federal Awards		\$ 803,605

*Denotes major program

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2017

NOTE A: BASIS OF PRESENTATION AND ACCOUNTING

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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 account, 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 (\$68,129) 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, 2017

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 and no 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 programs tested as major programs include the IDEA Special Education Program-CFDA #84.027 and the Title I grant to local education agencies program - CFDA #84.010.
8. Total federal expenditures for the year ended June 30, 2017 were \$803,605, and 44.14% 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, 2017**

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, 2017**

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

None.

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2017**

2016-01: Significant Audit Adjustment(s)

Condition:

During the course of our audit, we identified significant misstatement(s) requiring audit adjustments to be posted. These adjustments related to debt refunding, transfers, and other transactions improperly classified in the general ledger.

Current Status:

No significant audit adjustments were required for the year ended June 30, 2017. This finding has been removed.