

**COAL CITY COMMUNITY
UNIT SCHOOL DISTRICT NO. 1**

COAL CITY, IL

ANNUAL FINANCIAL REPORT

JUNE 30, 2016



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1 as of and for the year ended June 30, 2016, 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, 2016, 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 42-61, and the supplemental information on pages 62-70, 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 57-59), and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections (page 70) 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 the June 30, 2015 financial statements. The summarized comparative information presented in the accompanying financial statements is consistent, in all material respects, with the audited financial statements from which it has been derived. Such information is presented for comparison purposes only.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2016, 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

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2016

	Primary Government	
	Governmental Activities	
	2016	2015
<u>Assets</u>		
Cash in bank	\$ 8,061,763	5,190,919
Investments	17,925,316	17,400,007
Capital Assets		
Land	6,186,420	6,186,420
Construction in Progress	91,870	-
Land Improvements	5,587,104	5,481,314
Building	73,083,345	69,078,685
Equipment	3,116,105	4,902,347
Cafeteria Equipment	438,276	665,661
Accumulated Depreciation	(29,541,821)	(29,604,571)
Total Assets	\$ 84,948,378	79,300,782
<u>Liabilities</u>		
Withholdings	\$ 852,427	640,111
Long-Term Liabilities:		
Due Within One Year	1,250,000	1,120,000
Due in More Than One Year	36,980,000	32,105,000
Total Liabilities	39,082,427	33,865,111
<u>Net Position</u>		
Net Investment in Capital Assets	20,731,299	23,484,856
Restricted	684,303	813,085
Unrestricted	24,450,349	21,137,730
Total Net Position	\$ 45,865,951	45,435,671

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, 2016

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	
					2016	2015
Governmental Activities						
Instruction	\$ 13,527,406	177,138	1,056,602	-	(12,293,666)	(12,435,297)
Support Services	14,808,589	553,034	1,101,203	-	(13,154,352)	(11,436,968)
Community Services	16,156	-	-	-	(16,156)	(16,170)
Payments to Other Schools	1,094,242	-	-	-	(1,094,242)	(990,771)
On-Behalf Payments	4,438,291	-	4,438,291	-	-	-
Unallocated Interest	2,140,007	-	-	-	(2,140,007)	(1,991,824)
Total Governmental Activities	\$ 36,024,691	730,172	6,596,096	-	(28,698,423)	(26,871,030)
General Revenues						
Taxes:						
Property Taxes					\$ 24,649,060	24,570,364
Payment in Lieu of Taxes					9,983	9,256
Replacement Taxes					1,423,551	1,546,291
Grants and Entitlements not Restricted to Specific Programs					676,910	631,344
Refund of Prior Year Expenditures					361,399	182,789
Site Donations					43,898	53,092
Unrestricted Contributions and Donations					59,661	-
Interest on Investments					68,496	48,789
Premium on Bonds Sold					68,557	-
Miscellaneous					1,767,188	175,860
Total General Revenues					29,128,703	27,217,785
Change in Net Position					430,280	346,755
Net Position Beginning of Year					45,435,671	45,088,916
Net Position End of Year					\$ 45,865,951	45,435,671

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, 2016

	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	
						2016	2015
<u>Assets</u>							
Cash	\$ 7,220,866	-	748,749	82,628	62,863	8,115,106	5,648,199
Investments	8,386,530	2,467,040	6,532,419	5,000	534,327	17,925,316	17,400,007
Total Assets	\$ 15,607,396	2,467,040	7,281,168	87,628	597,190	26,040,422	23,048,206
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Overdraft Payable	\$ -	53,343	-	-	-	53,343	457,280
Withholdings	851,912	-	-	-	-	851,912	639,234
IMRF Payable	-	-	-	-	515	515	877
Total Liabilities	851,912	53,343	-	-	515	905,770	1,097,391
Fund Balance:							
Restricted	-	-	-	87,628	596,675	684,303	813,085
Committed	1,536,083	-	7,281,168	-	-	8,817,251	1,660,859
Assigned	-	2,413,697	-	-	-	2,413,697	4,033,128
Unassigned	13,219,401	-	-	-	-	13,219,401	15,443,743
Total Fund Balances	14,755,484	2,413,697	7,281,168	87,628	596,675	25,134,652	21,950,815
Total Liabilities and Fund Balance	\$ 15,607,396	2,467,040	7,281,168	87,628	597,190		

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 \$88,503,120 (net of accumulated depreciation of \$29,541,821), are not financial resources and therefore are not reported in the funds.

\$ 58,961,299 56,709,856

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

(38,230,000) (33,225,000)

Net Position of Governmental Activities

\$ 45,865,951 45,435,671

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, 2016

	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 2016	2015
Revenues Received:							
Local Sources	\$ 22,704,725	1,098,800	1,141,585	3,067,922	1,081,743	29,094,775	27,320,596
Flow Through	18,633	-	-	-	-	18,633	16,939
State Sources	1,389,557	668,675	-	-	-	2,058,232	1,792,581
Federal Sources	776,483	-	-	-	-	776,483	895,585
On Behalf Payments	4,438,291	-	-	-	-	4,438,291	4,057,220
Total Revenues Received	29,327,689	1,767,475	1,141,585	3,067,922	1,081,743	36,386,414	34,082,921
Expenditures Disbursed:							
Current:							
Instructional	13,088,675	-	-	-	240,985	13,329,660	13,523,533
Support	7,860,160	1,886,906	592,839	-	574,923	10,914,828	10,598,456
Community Service	15,009	-	-	-	1,147	16,156	16,170
Intergovernmental:							
Payments to Other Schools	1,094,242	-	-	-	-	1,094,242	990,771
On Behalf Payments	4,438,291	-	-	-	-	4,438,291	4,057,220
Capital Outlay	759,981	-	5,188,027	-	394,942	6,342,950	1,005,627
Debt Service:							
Interest & service charges	-	-	-	2,140,007	-	2,140,007	1,991,824
Principal	-	-	-	2,100,000	-	2,100,000	975,000
Total Expenditures Disbursed	27,256,358	1,886,906	5,780,866	4,240,007	1,211,997	40,376,134	33,158,601
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	2,071,331	(119,431)	(4,639,281)	(1,172,085)	(130,254)	(3,989,720)	924,320
Other Financing Sources (Uses) -							
Principal on Bonds Sold	6,000,000	-	-	1,105,000	-	7,105,000	-
Premium on Bonds Sold	-	-	-	68,557	-	68,557	-
Transfers in (out)	(10,288,227)	(1,500,000)	11,788,227	-	-	-	-
Total Other Financing Sources (Uses)	(4,288,227)	(1,500,000)	11,788,227	1,173,557	-	7,173,557	-
Net Changes in Fund Balances	(2,216,896)	(1,619,431)	7,148,946	1,472	(130,254)	3,183,837	924,320
Fund Balance, Beginning of Year	16,972,380	4,033,128	132,222	86,156	726,929	21,950,815	21,026,495
Fund Balance, End of Year	\$ 14,755,484	2,413,697	7,281,168	87,628	596,675	25,134,652	21,950,815

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement D
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$ 3,183,837	924,320
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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	2,100,000	975,000

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	4,470,075	509,371
Capital asset dispositions, net of accumulated depreciation	(9,918)	-
Depreciation expense	(2,208,714)	(2,061,936)

Change in Net Position of Governmental Activities (Statement B)	\$ 430,280	346,755
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The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2016

	Student Activity Funds	June 30, 2016	2015
<u>Assets</u>			
Cash	\$ 733,090	733,090	742,961
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 733,090	733,090	742,961

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, 2016

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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 levy is 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, 2016

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. It is:

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).

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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, 2016

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

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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

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, 2016, total premiums paid by District employees have exceeded claims incurred by \$780,643. 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, 2016, the carrying amount of the District's deposits was \$8,061,763 and the bank balance was \$8,285,324. 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, 2016

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	\$ 17,925,316	17,925,316
	<u>\$ 17,925,316</u>	<u>17,925,316</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, 2016

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, 2016, the funds participating in the common accounts had the following balances (overdrafts):

Fund	Pooled Checking	Pooled Investments	Total
General Fund:			
Educational Fund	\$ 7,371,820	5,974,930	13,346,750
Operations and Maint. Fund	(159,246)	1,306,996	1,147,750
Working Cash Fund	8,292	1,104,604	1,112,896
Total General Fund	7,220,866	8,386,530	15,607,396
Bond & Interest Fund	82,628	5,000	87,628
Transportation Fund	(53,343)	2,467,040	2,413,697
IMRF and Social Security Fund	49,788	212,773	262,561
Tort Fund	3,407	137,066	140,473
Life Safety Fund	9,668	184,488	194,156
Site and Construction Fund	748,749	6,532,419	7,281,168
Total	\$ 8,061,763	17,925,316	25,987,079

NOTE 4: CAPITAL ASSETS

	July 1, 2015	Additions	Deletions	June 30, 2016
Capital Assets, not being depreciated:				
Land	\$ 6,186,420	-	-	6,186,420
Construction in Progress	-	91,870	-	91,870
Total Capital Assets, not being depreciated	6,186,420	91,870	-	6,278,290
Capital Assets, being depreciated:				
Land Improvements	5,481,314	105,790	-	5,587,104
Building	69,078,685	4,004,660	-	73,083,345
Equipment	4,902,347	239,276	2,025,518	3,116,105
Cafeteria Equipment	665,661	28,479	255,864	438,276
Total Capital Assets, being depreciated	80,128,007	4,378,205	2,281,382	82,224,830
Total Capital Assets	86,314,427	4,470,075	2,281,382	88,503,120
Less Accumulated Depreciation:				
Land Improvements	3,553,452	249,163	-	3,802,615
Building	20,926,487	1,769,209	-	22,695,696
Equipment	4,540,348	175,186	2,015,600	2,699,934
Cafeteria Equipment	584,284	15,156	255,864	343,576
Total Accumulated Depreciation	29,604,571	2,208,714	2,271,464	29,541,821
Total Capital Assets being depreciated, net	50,523,436	2,169,491	9,918	52,683,009
Governmental Activities Capital Assets, Net	\$ 56,709,856	2,261,361	9,918	58,961,299

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS-(Continued)

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 2,103,602
Support Service Expenditures	<u>105,112</u>
Total Current Year Depreciation	<u>\$ 2,208,714</u>

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

Elementary School Roof	\$ 1,447,827
Intermediate School Roof	2,101,811
High School Auxiliary Gym Floor	96,400
Electrical Renovations	159,503
Plumbing Renovations	120,221
Bleachers	81,390
Storage Building	78,898

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2016:

	Principal Outstanding 7/1/2015	Additions	Reductions	Principal Outstanding 6/30/2016	Amount Due in One Year
General Obligation Bonds:					
2008 5.875% \$32,880,000	\$ 32,880,000	-	2,100,000	30,780,000	1,250,000
2010 4.00% \$3,680,000	345,000	-	-	345,000	-
2016 3.50-4.00% \$7,105,000	-	7,105,000	-	7,105,000	-
Total General Obligation Bonds	<u>\$ 33,225,000</u>	<u>7,105,000</u>	<u>2,100,000</u>	<u>38,230,000</u>	<u>1,250,000</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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
2017	\$ 1,250,000	1,808,325	3,058,325
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>\$ 30,780,000</u>	<u>15,287,191</u>	<u>46,067,191</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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
2017	\$ -	13,800	13,800
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>193,200</u>	<u>538,200</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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
2017	\$ -	250,978	250,978
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>3,961,333</u>	<u>11,066,333</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2015 levy, in the amount of \$21,729,752, increased by the Bond and Interest levy to \$24,471,145 was passed by the Board on December 2, 2015 and will be received in the subsequent fiscal year. The 2014 levy in the amount of \$24,629,523 was received during the current fiscal year. The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. Taxes are remitted to the District in the month following the due dates. The District receives property tax revenues from both Grundy County and Will County.

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

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 \$309,412 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 District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

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.

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. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Contributions (Continued)

On Behalf Contributions to TRS – The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$4,310,390 in pension contributions from the State of Illinois. *(The prior year amount presented for comparative purposes was restated due to a change in calculation method.)*

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, 2016 were \$69,330.

Federal and Special Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that 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, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$6,707 were paid from federal and special trust funds that required employer contributions of \$2,419.

Employer Retirement Cost Contributions – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District made no payments to TRS for ERO contributions.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Contributions (Continued)

The District 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, 2016, the District paid \$635 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in the excess of the normal annual allotment.

Pension Liabilities

At June 30, 2016, the District has an unreported liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

	<u>June 30, 2016</u>
District's proportionate share of the net pension liability	\$ 1,571,991
State's proportionate share of the net pension liability associated with the District	78,896,869
Total	<u>\$ 80,468,860</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the District's proportion was 0.0023996168 percent, which was an increase (decrease) of 7.4 percent from its proportion measured as of June 30, 2014.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.50 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.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U.S. Large Cap	18%	7.53%
Global Equity (excluding U.S.)	18%	7.88%
Aggregate Bonds	16%	1.57%
U.S. TIPS	2%	2.82%
NCREIF	11%	5.11%
Opportunistic Real Estate	4%	9.09%
ARS	8%	2.57%
Risk Parity	8%	4.87%
Diversified Inflation Strategy	1%	3.26%
Private Equity	14%	12.33%
Total	100%	

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 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, 2015 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 costs 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Discount Rate

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were 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 District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.47 percent) or 1-percentage point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
District's proportionate share of the net pension liability	\$ 1,942,595	1,571,991	1,268,085

TRS's Fiduciary net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. *THIS Fund Contributions*

The District 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 does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuity holders not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuity holders who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

B. THIS Fund Contributions (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefits 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 make a contribution to the THIS Fund.

The percentage required 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 District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$127,901, and the District recognized revenue and expenditures of this amount during the year.
- Employer contributions to THIS Fund – The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$95,627 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 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."

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (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-District 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 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, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (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, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	60
Inactive plan members entitled to but not yet receiving benefits	27
Active plan members	73
Total	<u>160</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 Districts 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 for calendar year 2015 and fiscal year ended June 30, 2016 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 2015	13.63%
District required contribution rate for 2016	13.78%
District actual contributions for 2015	\$ 328,818
District actual contributions for fiscal year 2016	\$ 318,633

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2015, the District had a net pension liability for the plan, determined as follows:

Total pension liability	\$ 10,829,873
Plan fiduciary net position	9,032,813
Net pension liability	<u>\$ 1,797,060</u>

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- 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%, including inflation.
- The Investment Rate of Return was assumed to be 7.47%.
- 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 2014). 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 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (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%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.47% 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. 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
2. 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, 2016

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Single Discount Rate

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

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 7.47%, 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	Current Single Discount Rate Assumption	1% Increase
Total Pension Liability	\$ 12,268,111	10,829,873	9,650,260
Plan Fiduciary Net Position	9,032,813	9,032,813	9,032,813
Net Pension Liability (Asset)	<u>\$ 3,235,298</u>	<u>1,797,060</u>	<u>617,447</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, 2016:

Assessed Valuation (2015)	<u>\$ 767,166,241</u>
Statutory debt limitation (13.8%)	\$ 105,868,941
Amount of debt applicable to debt limitation	<u>38,230,000</u>
Legal Debt Margin	<u>\$ 67,638,941</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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, 2016 amounted to \$1,222,290.

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, 2016.
- American Capital – Technology lease for netbooks and carts with three annual payments of \$82,900, with the final payment due in July 2015. Total payments of \$82,900 were made under this lease during the year ended June 30, 2016.
- American Capital – 240 Chrome Books with annual payments of \$26,823, with final payment due in July 2015. Total payments of \$53,646 were made under this lease during the year ended June 30, 2016.
- American Capital – Chrome Books and carts with annual payments of \$40,489, with final payment due in July 2017. Total payments of \$80,979 were made under this lease during the year ended June 30, 2016.

Future minimum lease payments until expiration are as follows:

June 30, 2017	\$ 54,120
June 30, 2018	<u>94,609</u>
Total	<u>\$ 149,729</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

NOTE 11: TRANSFERS

The District made the following transfers among funds during the year ended June 30, 2016, to cover expenditures related to school renovations and to abolish the working cash fund:

Fund	Transfer In	Transfer Out
General Fund:		
Educational	\$ -	3,538,227
Operations & Maintenance	5,038,227	5,788,227
Working Cash	-	6,000,000
Total General Fund	5,038,227	15,326,454
Transportation	-	1,500,000
Site & Construction	11,788,227	-
Totals	\$ 16,826,454	16,826,454

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

Grant Revenues: 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, 2016

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	-	-	133,940	-	-	-	-	133,940
Tort related insurance	-	-	-	-	140,473	-	-	140,473
Debt Service Reserve	-	-	-	-	-	-	87,628	87,628
Life Safety	-	-	-	-	-	194,156	-	194,156
Committed To:								
Unpaid Teacher Contracts	1,222,290	-	-	-	-	-	-	1,222,290
Insurance Reserve	313,793	-	-	-	-	-	-	313,793
Construction Projects	-	-	-	7,281,168	-	-	-	7,281,168
Assigned To:								
Transportation	-	2,413,697	-	-	-	-	-	2,413,697
Unassigned:								
Working Cash	1,112,896	-	-	-	-	-	-	1,112,896
Building Maintenance	1,143,833	-	-	-	-	-	-	1,143,833
Educational Fund	10,962,672	-	-	-	-	-	-	10,962,672
	<u>\$ 14,755,484</u>	<u>2,413,697</u>	<u>262,046</u>	<u>7,281,168</u>	<u>140,473</u>	<u>194,156</u>	<u>87,628</u>	<u>25,134,652</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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2016

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, 2016, 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, 2016, 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 a restricted balance of \$128,106 and \$133,940 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 \$7,811 was collected and \$98,376 was spent, resulting in a restricted fund balance of \$140,473.

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, 2016

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, 2016, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2016 amounted to \$1,222,290. 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 (\$7,281,168) 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 \$2,413,697 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, 2016

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 \$438,035 to the Cooperative. During fiscal year 2016, the District received a refund of \$311,282 from the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450. Subsequent to June 30, 2016, the District Board voted to withdraw from the Cooperative.

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: PERSONAL PROPERTY REPLACEMENT TAXES

The District receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

During the year ended June 30, 2016, the State of Illinois uncovered a misallocation of the Personal Property Replacement Tax (PPRT) Fund, resulting in an overpayment to the taxing districts receiving PPRT that will be recouped by the State of Illinois over an extended period of time. The District's share of the overpayment of PPRT funds is estimated at \$181,204.

NOTE 17: PA99-0523 – DISTRICT REQUIRED GSA EXPENDITURES FOR SPECIAL ED

In FY 2016, each Illinois district must expend from General State Aid (revenue code 3001) the amount computed for the provision of special education services as defined in Section 14-1.08. The amount for each district was computed using its final December 1, 2014 special education child count in proportion to the total child count of the state. For FY 2016, \$3,731 of Special Education line item 10-1200-110 (salaries) was paid with revenue code 3001.

NOTE 18: GRUNDY AREA VOCATIONAL CENTER BILLING ERROR

Subsequent to June 30, 2016, the District was notified that Grundy Area Vocational Center (GAVC) owes the District \$60,983 for tuition and building payments during the year ended June 30, 2016 due to an error in billing by GAVC. GAVC will repay the District during the next fiscal year.

OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-1

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2016

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 7,371,820	-	8,292	7,380,112
Investments	5,974,930	1,306,996	1,104,604	8,386,530
Total Assets	<u>\$ 13,346,750</u>	<u>1,306,996</u>	<u>1,112,896</u>	<u>15,766,642</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Overdrafts Payable	\$ -	159,246	-	159,246
Withholdings	847,995	3,917	-	851,912
Total Liabilities	<u>847,995</u>	<u>163,163</u>	<u>-</u>	<u>1,011,158</u>
Fund Balance:				
Committed	1,536,083	-	-	1,536,083
Unassigned	10,962,672	1,143,833	1,112,896	13,219,401
Total Fund Balance	<u>12,498,755</u>	<u>1,143,833</u>	<u>1,112,896</u>	<u>14,755,484</u>
Total Liabilities and Fund Balance	<u>\$ 13,346,750</u>	<u>1,306,996</u>	<u>1,112,896</u>	<u>15,766,642</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-2

Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2016

				Total General Fund	
				Year Ended	
				June 30,	
	Educational	Operations &	Working	2016	2015
	Fund	Maintenance	Cash		
	Fund	Fund	Fund		
Revenues Received:					
Local Revenues	\$ 18,880,085	3,666,218	158,422	22,704,725	21,966,264
Flow Through Revenues	18,633	-	-	18,633	16,939
State Revenues	1,389,557	-	-	1,389,557	1,224,358
Federal Revenues	776,483	-	-	776,483	895,585
On Behalf Payments	4,438,291	-	-	4,438,291	4,057,220
Total Revenues Received	25,503,049	3,666,218	158,422	29,327,689	28,160,366
Expenditures Disbursed:					
Instruction	13,171,391	-	-	13,171,391	13,331,352
Support Services	5,338,399	3,199,026	-	8,537,425	8,304,467
Payments to Other Schools	912,208	182,034	-	1,094,242	990,771
Community Service	15,009	-	-	15,009	15,023
On Behalf Payments	4,438,291	-	-	4,438,291	4,057,220
Total Expenditures Disbursed	23,875,298	3,381,060	-	27,256,358	26,698,833
Excess (Deficiency) of Revenues					
Received Over (Under)					
Expenditures Disbursed	1,627,751	285,158	158,422	2,071,331	1,461,533
Other Financing Sources (Uses):					
Principal on Bonds Sold	-	-	6,000,000	6,000,000	-
Transfers (to) from Other Funds	(3,538,227)	(750,000)	(6,000,000)	(10,288,227)	(750,000)
Total Other Financing Sources (Uses)	(3,538,227)	(750,000)	-	(4,288,227)	(750,000)
Net Change in Fund Balance	(1,910,476)	(464,842)	158,422	(2,216,896)	711,533
Fund Balance, Beginning of Year	14,409,231	1,608,675	954,474	16,972,380	16,260,847
Fund Balance, End of Year	\$ 12,498,755	1,143,833	1,112,896	14,755,484	16,972,380

**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, 2016
(With Comparative Figures for 2015)**

	Original and Final Appropriations	Year Ended June 30,	
		2016	2015
<u>Educational:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 15,819,663	15,832,277	15,612,493
Special Education Taxes	309,169	309,412	314,010
Replacement Taxes	1,500,000	1,370,655	1,493,394
Payment in Lieu of Taxes	9,000	9,983	9,256
Tuition	22,000	35,915	25,998
Interest on Investments	20,000	66,812	48,552
Food Service	493,000	509,367	484,865
District Activities	69,000	69,791	77,221
Textbook Rentals/Resale	53,000	71,432	60,291
Donations	5,000	59,661	-
Refund of Prior Year Expenditures	312,700	359,221	182,789
Sale of Equipment	-	-	5,900
Driver's Education Fees	30,000	-	7,875
Local Fees	75,000	14,475	663
E-rate Reimbursement	-	73,757	72,013
Other Local Revenues	35,000	97,327	66,804
Total Local Sources	18,752,532	18,880,085	18,462,124
Flow-Through Revenues Received:			
Career Development (State)	16,000	18,633	16,939
Total Flow-Through Revenues Received	16,000	18,633	16,939
State Programs:			
General State Aid	600,000	676,610	631,344
Other State Aid	-	300	-
Special Education:			
Private Facility Tuition	50,000	52,380	41,204
Extraordinary	200,000	259,594	191,859
Personnel	300,000	321,999	244,487
Orphanage - Individual	60,000	44,441	69,324
Orphanage - Summer	-	-	9,060
Summer School	-	415	161
State Free Lunch & Breakfast	5,000	1,915	2,840
Board Certification	-	1,500	-
Drivers Education	-	29,173	31,020
State Library Grant	-	1,230	3,059
Total State Programs	\$ 1,215,000	1,389,557	1,224,358

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Revenues Received (continued):			
Federal Programs:			
Breakfast Start-Up	\$ 200,000	-	-
National School Lunch Program	250,000	271,193	289,341
Special Milk Program	-	1,172	1,112
School Breakfast Program	-	21,422	-
Title I - Low Income	140,000	148,265	182,549
IDEA Flow Through Sub Grant	-	195,918	220,765
Title II - Teacher Quality	40,000	2,917	69,958
ISBE Commodities	-	43,759	46,715
DoD Fruits & Vegetables	-	9,544	8,925
Medicaid Outreach	65,000	23,951	24,950
Medicaid Fee for Service	-	58,342	51,270
Total Federal Programs	695,000	776,483	895,585
On Behalf Payments	5,900,000	4,438,291	4,057,220
Total Revenues Received	26,578,532	25,503,049	24,656,226
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	7,500,715	7,409,589	7,490,802
Benefits	1,914,650	1,738,702	1,838,189
Purchased Services	52,600	79,770	79,006
Teaching Supplies	394,695	374,653	407,520
Capital Outlay	15,750	3,183	17,502
Other Objects	400	75	422
Total Regular Programs	9,878,810	9,605,972	9,833,441
Tuition Payments to Charter Schools:			
Purchased Services	27,500	-	-
Special Education Programs:			
Salaries	1,455,393	1,580,432	1,481,326
Benefits	239,500	308,388	278,371
Purchased Services	27,500	40,512	67,074
Supplies	32,000	34,701	37,523
Capital Outlay	10,000	10,292	10,354
Other Objects - Tuition	300,000	137,717	196,829
Total Special Education Programs	\$ 2,064,393	2,112,042	2,071,477

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Remedial Programs:			
Salaries	\$ 90,000	78,221	124,425
Benefits	-	2	14
Purchased Services	-	3,710	-
Supplies	20,000	94,373	37,976
Total Remedial Programs	110,000	176,306	162,415
CTE Programs:			
Salaries	293,084	293,281	292,047
Benefits	66,700	67,856	68,606
Purchased Services	2,000	37	1,813
Supplies	26,000	13,476	27,034
Capital Outlay	5,000	-	5,894
Other Objects	-	203	90
Total CTE Programs	392,784	374,853	395,484
Interscholastic Programs:			
Salaries	497,600	512,728	458,048
Benefits	134,200	117,082	94,475
Purchased Services	90,000	81,141	85,462
Supplies	69,700	62,666	52,552
Capital Outlay	29,000	69,241	12,468
Other Objects	19,850	23,887	23,655
Total Interscholastic Programs	840,350	866,745	726,660
Summer School Programs:			
Salaries	20,000	15,829	22,811
Benefits	4,000	1,992	4,320
Purchased services	3,500	2,899	-
Supplies	15,000	4,722	14,333
Total Summer School Programs	42,500	25,442	41,464
Gifted Programs:			
Salaries	-	8,852	76,054
Benefits	-	1,179	23,779
Supplies	600	-	578
Total Gifted Programs	600	10,031	100,411
Total Instructional	\$ 13,356,937	13,171,391	13,331,352

**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, 2016

(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support:			
Attendance & Social Work Services:			
Salaries	\$ 217,234	219,172	207,414
Benefits	49,725	59,674	56,401
Purchased Services	-	28	-
Supplies	1,870	1,111	1,154
Total Attendance & Social Work Services	268,829	279,985	264,969
Guidance Services:			
Salaries	199,090	202,529	198,390
Benefits	48,150	58,945	55,152
Supplies	1,450	1,290	1,183
Other Objects	-	195	-
Total Guidance Services	248,690	262,959	254,725
Health Services:			
Salaries	91,500	89,727	90,603
Benefits	6,100	6,100	6,393
Purchased Services	1,000	639	370
Supplies	3,800	3,170	4,798
Capital Outlay	4,000	724	1,899
Total Health Services	106,400	100,360	104,063
Psychological Services:			
Salaries	117,678	117,432	113,777
Benefits	32,250	29,564	32,973
Supplies	-	1	-
Total Psychological Services	149,928	146,997	146,750
Speech Pathology & Audiology Services:			
Salaries	170,470	173,491	164,396
Benefits	25,500	27,739	28,022
Total Speech Pathology & Audiology Services	195,970	201,230	192,418
Other Support Services - Pupils:			
Purchased Services	78,500	67,260	57,224
Supplies	7,500	13,113	7,925
Total Other Support Services - Pupils	\$ 86,000	80,373	65,149

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Improvement of Instruction Services:			
Salaries	\$ 241,500	215,073	234,853
Benefits	48,000	68,078	78,244
Purchased Services	154,500	54,619	92,651
Supplies	3,500	2,654	3,038
Capital Outlay	3,000	-	1,564
Other Objects	1,200	264	1,052
Total Improvement of Instruction Services	451,700	340,688	411,402
Educational Media/Tech Services:			
Salaries	319,192	322,371	329,483
Benefits	62,400	70,408	71,583
Purchased Services	540,500	477,270	620,288
Supplies	36,760	40,298	34,449
Capital Outlay	101,200	116,615	103,113
Total Educational Media/Tech Services	1,060,052	1,026,962	1,158,916
Assessment & Testing:			
Purchased Services	3,200	2,162	2,991
Supplies	52,000	34,775	20,277
Capital Outlay	5,000	-	1,454
Total Assessment & Testing	60,200	36,937	24,722
Board of Education Services:			
Salaries	30,000	-	-
Benefits	7,000	63,844	258,682
Purchased Services	345,500	365,820	308,940
Supplies	11,000	3,323	6,488
Capital Outlay	3,500	-	1,247
Other Objects	18,000	14,643	14,383
Total Board of Education Services	415,000	447,630	589,740
Superintendent Services:			
Salaries	230,500	237,700	223,192
Benefits	45,000	44,332	43,558
Purchased Services	2,500	2,545	1,238
Supplies	500	212	427
Other Objects	2,500	1,502	1,551
Total Superintendent Services	\$ 281,000	286,291	269,966

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Principal Services:			
Salaries	\$ 841,550	826,537	793,912
Benefits	226,600	239,504	265,071
Purchased Services	11,850	7,331	12,726
Supplies	30,585	27,058	25,516
Capital Outlay	-	-	8,213
Other Objects	2,900	2,009	1,831
Total Principal Services	1,113,485	1,102,439	1,107,269
Other Support Services - School Administration:			
Purchased Services	1,600	2,880	1,600
Total Other Support Services - School Admin	1,600	2,880	1,600
Direction of Business Support Services:			
Salaries	60,405	51,932	50,666
Benefits	15,700	18,047	16,660
Purchased Services	1,500	715	1,531
Supplies	1,000	1,542	945
Capital Outlay	1,000	-	1,454
Other Objects	1,000	522	2,222
Total Direction of Business Support Services	80,605	72,758	73,478
Fiscal Services:			
Salaries	81,000	85,938	80,890
Benefits	13,750	14,317	13,576
Purchased Services	3,500	2,237	856
Supplies	17,000	13,746	17,848
Capital Outlay	1,000	4,868	4,753
Other Objects	4,500	3,166	3,386
Total Fiscal Services	120,750	124,272	121,309
Operation & Maintenance of Plant Services:			
Supplies	5,000	2,855	3,348
Total Operation & Maintenance of Plant Services	\$ 5,000	2,855	3,348

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Food Services:			
Salaries	\$ 298,500	298,409	307,427
Benefits	46,800	31,163	41,194
Purchased Services	17,950	13,247	9,511
Supplies	394,000	455,346	410,567
Capital Outlay	10,000	3,582	13,325
Other Objects	37,000	16,425	13,620
Total Food Services	804,250	818,172	795,644
Information Services:			
Purchased Services	-	4,611	6,644
Total Information Services	-	4,611	6,644
Total Support	5,449,459	5,338,399	5,592,112
Community Services:			
Salaries	15,000	15,000	15,000
Supplies	200	9	23
Total Community Services	15,200	15,009	15,023
Payments to Other Schools:			
Assessments			
Regular Programs	25,000	38,288	22,514
Special Education Programs	-	158,795	143,188
Tuition			
Special Education Programs	456,000	284,118	250,533
Continuing & Technical Education Programs	350,000	431,007	387,304
Total Payments to Other Schools	831,000	912,208	803,539
On Behalf Payments	5,900,000	4,438,291	4,057,220
Total Expenditures Disbursed	\$ 25,552,596	23,875,298	23,799,246

**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, 2016
(With Comparative Figures for 2015)**

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Educational (continued):</u>			
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ 1,025,936	1,627,751	856,980
Other Financing Sources (Uses):			
Transfers to other funds	(3,538,227)	(3,538,227)	(250,000)
Total Other Financing Sources (Uses)	(3,538,227)	(3,538,227)	(250,000)
Net Change in Fund Balance	\$ (2,512,291)	(1,910,476)	606,980
Fund Balance, Beginning of Year		14,409,231	13,802,251
Fund Balance, End of Year		\$ 12,498,755	14,409,231

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
<u>Operations & Maintenance:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,170,619	3,173,110	3,304,025
Rental income	10,000	6,884	11,966
Impact Fees	850,000	-	-
Other Revenues	10,000	486,224	31,143
Total Revenues Received	4,040,619	3,666,218	3,347,134
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	100,000	150,231	217,282
Total Facilities Acquisition & Construction Services	100,000	150,231	217,282
Operation & Maintenance of Plant Services:			
Salaries	1,112,314	1,045,110	1,072,724
Benefits	201,800	191,225	201,553
Purchased Services	406,750	560,529	372,466
Supplies	817,500	700,425	800,342
Capital Outlay	926,000	551,476	47,988
Other Objects	-	30	-
Total Operation & Maintenance of Plant Services	3,464,364	3,048,795	2,495,073
Total Support Services	3,564,364	3,199,026	2,712,355
Payments to Other Districts:			
Payments for CTE Programs	180,000	182,034	187,232
Total Payments to Other Districts	180,000	182,034	187,232
Provision for Contingencies	100,000	-	-
Total Expenditures Disbursed	3,844,364	3,381,060	2,899,587
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	196,255	285,158	447,547
Other Financing Sources (Uses):			
Transfer from Other Funds	5,038,227	5,038,227	-
Transfer to Other Funds	(5,788,227)	(5,788,227)	(500,000)
Total Other Financing Sources (Uses)	(750,000)	(750,000)	(500,000)
Net Change in Fund Balance	\$ (553,745)	(464,842)	(52,453)
Fund Balance, Beginning of Year		1,608,675	1,661,128
Fund Balance, End of Year		\$ 1,143,833	1,608,675

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, 2016
(With Comparative Figures for 2015)

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Working Cash:			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 154,888	154,747	157,006
Interest Income	-	856	-
Other Income	-	2,819	-
Total Revenues Received	154,888	158,422	157,006
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	154,888	158,422	157,006
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	\$ 154,888	158,422	157,006
Fund balance, Beginning of Year		954,474	797,468
Fund balance, End of Year		\$ 1,112,896	954,474

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, 2016

<u>Assets</u>	
Investments	\$ 2,467,040
Total Assets	<u>\$ 2,467,040</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft Payable	\$ 53,343
Total Liabilities	<u>53,343</u>
Fund Balance:	
Assigned Fund Balance	<u>2,413,697</u>
Total Liabilities and Fund Balance	<u>\$ 2,467,040</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30,	
		2016	2015
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,081,895	1,082,745	1,558,280
Fees from other Districts	25,000	3,675	34,256
Refund of Prior Year Expenditures	-	2,178	-
Other Local Sources	-	10,202	-
Total Local Sources	<u>1,106,895</u>	<u>1,098,800</u>	<u>1,592,536</u>
State Sources:			
Regular/Vocational Transportation	441,000	184,444	189,009
Special Education	471,000	484,231	410,234
Total State Sources	<u>912,000</u>	<u>668,675</u>	<u>599,243</u>
Total Revenues Received	<u>2,018,895</u>	<u>1,767,475</u>	<u>2,191,779</u>
Expenditures Disbursed:			
Pupil Transportation Services:			
Purchased Services	2,055,000	1,876,997	1,855,765
Supplies	25,000	9,909	212
Capital Outlay	25,000	-	4,680
Total Pupil Transportation Services	<u>2,105,000</u>	<u>1,886,906</u>	<u>1,860,657</u>
Provision for Contingencies	100,000	-	-
Total Expenditures Disbursed	<u>2,205,000</u>	<u>1,886,906</u>	<u>1,860,657</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	(186,105)	(119,431)	331,122
Other Financing Sources (Uses):			
Transfer to Other Funds	(1,500,000)	(1,500,000)	-
Net Change in Fund Balance	<u>\$ (1,686,105)</u>	<u>(1,619,431)</u>	<u>331,122</u>
Fund Balance, Beginning of Year		4,033,128	3,702,006
Fund Balance, End of Year		<u>\$ 2,413,697</u>	<u>4,033,128</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, 2016**

<u>Assets</u>	
Cash	\$ 748,749
Investments	6,532,419
Total Assets	<u>\$ 7,281,168</u>
<u>Fund Balance</u>	
Committed Fund Balance	\$ 7,281,168
Total Fund Balance	<u>\$ 7,281,168</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)**

Schedule B-4

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Revenues Received:			
Local Sources:			
Impact Fees	\$ -	43,898	53,092
Interest on Investments	-	828	237
Other Revenues	-	1,096,859	-
Total Revenues Received	<u>-</u>	<u>1,141,585</u>	<u>53,329</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	300,000	592,839	-
Capital Outlay:			
Renovations	5,620,212	4,026,972	406,829
Grounds Improvements	-	1,161,055	362,889
Total Expenditures Disbursed	<u>5,920,212</u>	<u>5,780,866</u>	<u>769,718</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(5,920,212)</u>	<u>(4,639,281)</u>	<u>(716,389)</u>
Other Financing Sources (Uses):			
Transfers In	5,788,227	11,788,227	750,000
Total Other Financing Sources (Uses)	<u>5,788,227</u>	<u>11,788,227</u>	<u>750,000</u>
Net Change in Fund Balance	<u>\$ (131,985)</u>	7,148,946	33,611
Fund balance, Beginning of Year		132,222	98,611
Fund balance, End of Year		<u>\$ 7,281,168</u>	<u>132,222</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, 2016

<u>Assets</u>	
Cash in Bank	\$ 82,628
Investments	5,000
Total Assets	<u>\$ 87,628</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 87,628
Total Fund Balance	<u>\$ 87,628</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)

Schedule B-6

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,065,513	3,067,922	2,964,971
Total Revenues Received	<u>3,065,513</u>	<u>3,067,922</u>	<u>2,964,971</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	1,120,000	2,046,040	1,990,594
Principal on Long-Term Debt	1,945,500	2,100,000	975,000
Other	2,500	93,967	1,230
Total Expenditures Disbursed	<u>3,068,000</u>	<u>4,240,007</u>	<u>2,966,824</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(2,487)</u>	<u>(1,172,085)</u>	<u>(1,853)</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>1,173,557</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,487)</u>	1,472	(1,853)
Fund Balance, Beginning of Year		86,156	88,009
Fund Balance, End of Year		<u>\$ 87,628</u>	<u>86,156</u>

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

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ 268,527	285,875	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	755,471	687,092	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	100,252	67,844	-	-	-	-	-	-	-	-
Assumption Changes	13,151	422,960	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(546,300)	(486,563)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	591,101	977,208	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	10,238,772	9,261,564	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 10,829,873</u>	<u>10,238,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 328,818	318,304	-	-	-	-	-	-	-	-
Contributions - Employee	108,561	105,243	-	-	-	-	-	-	-	-
Net Investment Income	44,640	514,079	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(546,300)	(486,563)	-	-	-	-	-	-	-	-
Other	114,630	72,373	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	50,349	523,436	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	8,982,464	8,459,028	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 9,032,813</u>	<u>8,982,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 1,797,060</u>	<u>1,256,308</u>	<u>-</u>	<u>-</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	83.41%	87.73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 2,412,458	2,317,996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	74.49%	54.20%	N/A	N/A	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	Contribution as a % of Covered Valuation Payroll
12/31/2015	\$ 328,818	328,818	-	2,412,458	13.63%
12/31/2014	315,479	318,304	(2,825)	2,317,996	13.73%

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions used to Determine 2015 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): 28-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 23 years for most employers (two employers were financed over 32 years).
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	4.00%
<i>Price Inflation</i>	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases</i>	4.40% to 16.00% 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>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

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	
	2015*	2014*
District's Proportion of the Net Pension Liability	0.0024%	0.0022%
District's Proportionate Share of the Net Pension Liability	\$ 1,571,991	\$ 1,359,701
State's Proportionate Share of the Net Pension Liability Associated with District	78,896,869	69,542,958
Total	<u>\$ 80,468,860</u>	<u>\$ 70,902,659</u>
District's Covered-Employee Payroll	\$ 11,953,384	\$ 11,925,986
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	13.15%	11.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.50%	43.00%

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

Schedule 4

Schedule of Contributions

	Fiscal Year	
	2016	2015
Contractually Required Contribution	\$ 71,748	\$ 86,674
Contributions in Relation to the Contractually Required Contribution	71,748	86,674
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 11,953,384	\$ 11,925,986
Contributions as a Percentage of Covered-Employee Payroll	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, 2016

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 2, 2015 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 Revenues Received	26,578,532	25,503,049	(1,075,483)	-4.22%
Educational Expenditures Disbursed	25,552,596	23,875,298	1,677,298	7.03%
Operations & Maintenance Revenues Received	4,040,619	3,666,218	(374,401)	-10.21%
Operations & Maintenance Expenditures Disbursed	3,844,364	3,381,060	463,304	13.70%
Working Cash Revenues Received	154,888	158,422	3,534	2.23%
Working Cash Expenditures Disbursed	-	-	-	N/A
Transportation Revenues Received	2,018,895	1,767,475	(251,420)	-14.22%
Transportation Expenditures Disbursed	2,205,000	1,886,906	318,094	16.86%
Site & Construction Revenues Received	-	1,141,585	1,141,585	100.00%
Site & Construction Expenditures Disbursed	5,920,212	5,780,866	139,346	2.41%
Bond & Interest Revenues Received	3,065,513	3,067,922	2,409	0.08%
Bond & Interest Expenditures Disbursed	3,068,000	4,240,007	(1,172,007)	-27.64%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2016

NOTE 3: CHANGES IN ASSUMPTIONS

Teachers' Retirement System of the State of Illinois

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and a real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and a real return of 4.5 percent, and salary increases of 5.75 percent.

SUPPLEMENTAL INFORMATION

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

Schedule C-1

Combining Statement of Assets, Liabilities and Fund Balances Arising From Cash Transactions
June 30, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30,	
				2016	2015
<u>Assets</u>					
Cash	\$ 9,668	49,788	3,407	62,863	108,479
Investments	184,488	212,773	137,066	534,327	619,327
Total Assets	<u>\$ 194,156</u>	<u>262,561</u>	<u>140,473</u>	<u>597,190</u>	<u>727,806</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
IMRF Payable	\$ -	515	-	515	877
Total Liabilities	<u>-</u>	<u>515</u>	<u>-</u>	<u>515</u>	<u>877</u>
Fund Balances:					
Restricted	194,156	262,046	140,473	596,675	726,929
Total Fund Balances	<u>194,156</u>	<u>262,046</u>	<u>140,473</u>	<u>596,675</u>	<u>726,929</u>
Total Liabilities and Fund Balance	<u>\$ 194,156</u>	<u>262,561</u>	<u>140,473</u>	<u>597,190</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, 2016

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				June 30, 2016	2015
Revenues Received:					
Local Sources:					
Property Taxes	\$ 386,745	634,291	7,811	1,028,847	659,579
Replacement Tax	-	52,896	-	52,896	52,897
Total Revenues Received	386,745	687,187	7,811	1,081,743	712,476
Expenditures Disbursed:					
Instructional	-	240,985	-	240,985	238,399
Support	40,956	435,591	98,376	574,923	623,022
Community Services	-	1,147	-	1,147	1,147
Capital Outlay	394,942	-	-	394,942	-
Total Expenditures Disbursed	435,898	677,723	98,376	1,211,997	862,568
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(49,153)	9,464	(90,565)	(130,254)	(150,092)
Fund Balance, Beginning of Year	243,309	252,582	231,038	726,929	877,021
Fund Balance, End of Year	\$ 194,156	262,046	140,473	596,675	726,929

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, 2016

<u>Assets</u>	
Cash in Bank	\$ 9,668
Investments	184,488
Total Assets	<u>\$ 194,156</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 194,156
Total Fund Balance	<u>\$ 194,156</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)

Schedule C-4

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Revenues Received:			
Local Sources:			
Property Taxes	\$ 386,441	386,745	15,779
Total Revenues Received	<u>386,441</u>	<u>386,745</u>	<u>15,779</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	50,000	40,956	-
Capital Outlay	395,000	394,942	-
Total Expenditures Disbursed	<u>445,000</u>	<u>435,898</u>	<u>-</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (58,559)</u>	(49,153)	15,779
Fund Balance, Beginning of Year		<u>243,309</u>	<u>227,530</u>
Fund Balance, End of Year		<u>\$ 194,156</u>	<u>243,309</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, 2016

<u>Assets</u>	
Cash in Bank	\$ 49,788
Investments	212,773
Total Assets	<u>\$ 262,561</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
IMRF Payable	\$ 515
Total Liabilities	<u>515</u>
Fund Balance	
Restricted for FICA	128,106
Restricted for IMRF	133,940
Total Fund Balance	<u>262,046</u>
Total Liabilities and Fund Balance	<u>\$ 262,561</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)

Schedule C-6

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 297,578	297,812	298,310
FICA	336,215	336,479	337,562
Replacement Taxes	50,000	52,896	52,897
Total Revenues Received	<u>683,793</u>	<u>687,187</u>	<u>688,769</u>
Expenditures Disbursed:			
Instructional Benefits	253,350	240,985	238,399
Supporting Services Benefits	476,400	435,591	446,037
Community Services Benefits	1,200	1,147	1,147
Total Expenditures Disbursed	<u>730,950</u>	<u>677,723</u>	<u>685,583</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (47,157)</u>	9,464	3,186
Fund Balance, Beginning of Year		<u>252,582</u>	<u>249,396</u>
Fund Balance, End of Year		<u>\$ 262,046</u>	<u>252,582</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, 2016

<u>Assets</u>	
Cash in Bank	\$ 3,407
Investments	137,066
Total Assets	<u>\$ 140,473</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 140,473
Total Fund Balance	<u>\$ 140,473</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Figures for 2015)

Schedule C-8

	Original and Final Appropriations	Year Ended June 30, 2016	2015
Revenues Received:			
Local Sources:			
Property taxes	\$ 7,806	7,811	7,928
Total Revenues Received	<u>7,806</u>	<u>7,811</u>	<u>7,928</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Insurance Payments	125,000	87,677	116,315
Educational Services Related to Loss Prevention	56,000	10,699	60,670
Total Expenditures Disbursed	<u>181,000</u>	<u>98,376</u>	<u>176,985</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (173,194)</u>	<u>(90,565)</u>	<u>(169,057)</u>
Fund Balance, Beginning of Year		<u>231,038</u>	<u>400,095</u>
Fund Balance, End of Year		<u>\$ 140,473</u>	<u>231,038</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, 2016

	June 30, 2015	Additions	Deductions	June 30, 2016
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ (234)	-	-	(234)
Alumni	4,163	25	1,160	3,028
Art Club	817	456	335	938
Athletics	6,161	37,957	38,902	5,216
Band	918	5,593	5,345	1,166
Baseball	2,804	6,743	5,456	4,091
Boys Basketball Cheerleading	206	918	964	160
Bass Fishing	3,868	986	1,772	3,082
Boys Basketball	1,571	2,919	3,520	970
Boys Soccer	1,278	181	5	1,454
Class of 2014	2,229	-	-	2,229
Class of 2015	2,561	-	-	2,561
Class of 2016	4,273	-	822	3,451
Class of 2017	2,115	52,624	51,114	3,625
Class of 2018	367	3,792	3,584	575
Class of 2019	-	777	-	777
Coaler Creations	2,036	2,899	2,922	2,013
Community Foundation Scholarship	-	500	-	500
Drama Club	3,051	-	-	3,051
FCCLA	74	4,992	5,038	28
FIBLA	630	5,476	5,024	1,082
Football	4,125	5,013	4,872	4,266
Football Cheerleading	3,433	6,988	10,421	-
Foreign Language	2	-	1	1
Freeman Trotter Scholarship	250	-	250	-
General Activity	371	11,092	10,492	971
Girl's Basketball	(223)	1,024	475	326
Girl's Soccer	4,603	1,842	1,377	5,068
Golf	(112)	334	222	-
Library	179	65	107	137
Link Leaders	35	490	13	512
Madrigals	1,730	3,650	3,186	2,194
Math	345	865	327	883
Musical	3,659	12,216	8,940	6,935
NHS	217	356	79	494
Path	491	375	671	195
PBS	-	400	14	386
Pepsi	1,126	-	102	1,024
Poms - Fall	104	15,999	15,660	443
Ruth Allen Scholarship	10,000	-	-	10,000
SADD	641	991	670	962
Science Club	126	100	218	8
Scholastic Bowl	(42)	-	-	(42)
Show Choir	1,920	13,893	14,537	1,276
Softball	1,769	339	2	2,106

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, 2016

	June 30, 2015	Additions	Deductions	June 30, 2016
Student Activity Funds:				
High School Activity Funds: (continued)				
Speech	\$ 1,665	3,318	2,458	2,525
Student Council	13,271	7,172	5,971	14,472
Teachers Petty Cash	1,226	-	100	1,126
Tennis	1,001	937	1,411	527
Theatre Series	-	4,184	-	4,184
Track	49	-	-	49
Varsity Club	1,636	204	294	1,546
VFW Scholarship	4,000	-	-	4,000
Volleyball Club	2,328	2,566	3,545	1,349
Wellness	2,089	1,145	2,775	459
Wrestling	2,420	181	1	2,600
Wrestling Cheerleading	131	-	-	131
Yearbook	726	31,882	32,400	208
Total High School Activity Funds	104,174	254,459	247,554	111,079
Intermediate School Activity Funds:				
Art Fund	221	-	-	221
General Activity	397	8,025	7,038	1,384
Library Fund	6,405	9,841	8,610	7,635
Pepsi-Flower Fund	471	1,027	1,077	422
School Store Fund	1,584	425	405	1,604
Student Council	29	8,795	7,687	1,137
Yearbook	7,464	4,169	4,255	7,378
Total Intermediate School Activity Funds	16,571	32,282	29,072	19,781
Middle School Activity Funds:				
6th Grade Student Fund	1,430	-	325	1,105
8th Grade Dance	362	932	744	550
Athletics	1,848	33,343	30,451	4,740
Band	541	4,440	4,935	46
Chorus	23	16,005	15,451	577
Garden Club	2,904	281	592	2,593
General Activity	6,328	20,289	19,485	7,132
Girl's Basketball	567	-	567	-
Library	78	7,656	6,803	931
Musical	2,502	16,061	12,919	5,644
MS Girls Softball	317	-	317	-
Shop for Free	430	1,050	852	628
PBS	1,006	-	393	613
Pepsi Fund	566	1,704	1,650	620
Picture & Yearbook	8,079	6,879	7,834	7,124
Pops	7,464	4,596	3,339	8,721
Speech	483	-	167	316
Student Council	1,840	5,734	5,363	2,211
Student Enrichment	1,415	563	1,265	713
Wrestling	33	-	33	-
Total Middle School Activity Funds	\$ 38,216	119,533	113,485	44,264

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, 2016

	June 30, 2015	Additions	Deductions	June 30, 2016
Student Activity Funds:				
Elementary School Activity Funds:				
General Activity	\$ 2,371	6,151	6,349	2,173
After School Exercise	1,352	-	1,345	7
Library Fund	993	10,220	9,796	1,417
Music Program	410	1,026	963	473
Pepsi-Cola Fund	433	631	1,038	26
School Store	382	2,343	2,350	375
Special Education	2,078	400	102	2,376
Yearbook & Picture Fund	(57)	3,916	3,947	(88)
Total Elementary School Activity Funds	7,962	24,687	25,890	6,759
Early Childhood Center Activity Funds:				
General Activity	9,034	25,116	21,192	12,958
Music Program	230	-	-	230
Pepsi-Cola Fund	527	1,386	1,336	577
PSO	-	2,415	-	2,415
Library	775	11,378	10,877	1,276
Flower Fund	-	115	101	14
Youth Baseball Camp	1	-	-	1
Yearbook & Picture Fund	6,921	435	4,540	2,816
Total Early Childhood Center Activity Funds	17,488	40,845	38,046	20,287
Athletic Boosters	26,318	63,027	68,021	21,324
Prom Fest	4,009	23,095	20,400	6,704
Total Student Activity Funds	214,738	557,928	542,468	230,198
Memorial Activity Funds:				
High School Memorial	2,705	2	-	2,707
Kaplan Scholarship Fund	353,145	-	25,484	327,661
Freeman Trotter Scholarship Fund	2,628	4	-	2,632
Rashke Memorial	8,270	16	-	8,286
VFW Scholarship	2,000	3	-	2,003
Anderson Memorial Fund	159,475	128	-	159,603
Total Memorial Activity Funds	528,223	153	25,484	502,892
Total Activity Accounts	\$ 742,961	558,081	567,952	733,090

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

	Tax Year				
	2011	2012	2013	2014	2015
Assessed Valuations	\$ 791,459,775	848,122,680	785,182,825	788,495,436	767,166,241
Tax Rates:					
Educational	1.8712	1.9750	1.9750	1.9634	1.9788
Building	0.4101	0.4209	0.4209	0.4021	0.4246
Bond & Interest	0.3759	0.3418	0.3777	0.3888	0.4332
Transportation	0.1975	0.1989	0.1985	0.1372	0.1449
IMRF	0.0375	0.0376	0.0380	0.0377	0.0385
Working Cash	0.0010	0.0201	0.0200	0.0196	0.0050
Tort Immunity	0.0010	0.0010	0.0010	0.0010	0.0300
Special Education	0.0355	0.0400	0.0400	0.0392	0.0400
Social Security	0.0432	0.0426	0.0430	0.0426	0.0435
Lease PBC	-	0.0500	0.0137	0.0429	0.0365
Fire Prevention/Safety	0.0020	0.0020	0.0020	0.0490	0.0150
Totals	2.9749	3.1299	3.1298	3.1236	3.1898
Tax Extensions:					
Educational	\$ 14,809,400	16,750,677	15,508,146	15,481,477	15,180,379
Building	3,245,777	3,569,579	3,304,677	3,170,619	3,257,081
Bond & Interest	2,975,176	2,898,714	2,965,557	3,065,513	3,323,134
Transportation	1,563,133	1,687,086	1,558,588	1,081,895	1,111,701
IMRF	296,797	318,725	298,369	297,578	295,206
Working Cash	7,915	170,049	157,037	154,624	38,358
Tort Immunity	7,915	8,566	7,930	7,806	230,073
Special Education	280,968	339,249	314,073	309,169	306,713
Social Security	341,911	361,215	337,629	336,214	333,564
Lease PBC	-	424,061	107,256	338,186	279,862
Fire Prevention/Safety	15,829	17,047	15,782	386,442	115,075
Totals	\$ 23,544,821	26,544,968	24,575,044	24,629,523	24,471,145
Tax Collections	\$ 23,535,238	26,565,561	24,570,186	24,649,060	-

OTHER REQUIRED REPORTING



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**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, 2016, 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 7, 2016.

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 did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2016-01).

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 7, 2016.

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 7, 2016

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, 2016. 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, 2016.

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 7, 2016

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

<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 2016 - 4210-2016		\$ 210,974
National School Lunch Program 2015 - 4210-2015		60,219
Lanter Commodities		43,759
DoD Fruits & Vegetables		9,544
Total National School Lunch Program		324,496
Special Milk Program for Children*:	10.556	
Special Milk Program - 2016 - 4215-2016		189
Special Milk Program - 2015 - 4215-2015		983
Total Special Milk Program		1,172
National School Breakfast Program*:	10.553	
National School Breakfast Program - 2016 - 4220-2016		21,422
Total Special Milk Program		21,422
Total Passed Through Illinois State Board of Education		347,090
Total United States Department of Agriculture		347,090
Total Child Nutrition Cluster-Cluster		347,090
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		36,982
Total Improving Teacher Quality State Grants		36,982
Title I Grants to Local Educational Agencies	84.010	
Title I - 2016 - 4300-2016		185,536
Total Title I Grants to Local Educational Agencies		185,536
Total Passed Through Illinois State Board of Education		222,518
Passed-through Grundy County Special Education Cooperative:		
IDEA Flow-through	84.027	205,370
Total Passed Through Grundy County Special Education Cooperative		205,370
Total United States Department of Education		427,888
<i>United States Department of Health & Human Services:</i>		
Passed-through Illinois Department of Healthcare & Family Services:		
Medical Assistance Program	93.778	16,641
Total Passed Through Grundy County Special Education Cooperative		16,641
Total United States Department of Health & Human Services		16,641
Total Other Programs		444,529
Total Expenditures of Federal Awards		\$ 791,619

*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, 2016

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 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.

NOTE E: OTHER DISCLOSURES

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2016

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditors' Report expresses an unqualified opinion on the financial statements of Coal City Community Unit School District No. 1.
2. One significant deficiency 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 unqualified 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 National School Breakfast Program – CFDA # 10.553, the National School Lunch Program - CFDA #10.555, and the Special Milk Program for Children – CFDA #10.556.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Coal City Community Unit School District No. 1 was 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, 2016

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

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.

Criteria or Specific Requirement:

All transactions should be recorded at their gross amounts and in accordance with the requirements of the Illinois Administrative Code Title 23, Subtitle A, Chapter I, Subchapter c, Part 100.

Cause:

The District's accounting policies are designed to record cash transactions. However, debt refunding and inter-fund transfers result in receipts and disbursements that are not physically received or disbursed from the District's bank accounts, and are, therefore, not properly recorded at gross amounts.

Effect:

If the misstatements had not been identified and corrected by the external auditors, the District's financial statements would have been significantly misstated.

Recommendation:

We recommend that significant or unusual transactions be coded and reviewed by appropriate personnel to ensure proper financial statement presentation.

Management's Response:

In the future, all significant and unusual transactions will be reviewed by the Chief School Business Official (CSBO) for proper recording. The CSBO will then verify with the external auditors that they are satisfied with the accounting of said transactions.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016**

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

None.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO.

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2016**

There were no prior audit findings.