

COAL CITY COMMUNITY UNIT SCHOOL
DISTRICT NO. 1
COAL CITY, ILLINOIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2015



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 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, 2015, and the related notes to the 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, 2015, 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 45-64, and the supplemental information on pages 65-73, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 schedules (pages 60-62), and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections (page 73) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Comparative Information

We previously audited the June 30, 2014 financial statements. The summarized comparative information 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 2, 2015, 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, 2015

	Primary Government	
	Governmental Activities	
	2015	2014
<u>Assets</u>		
Cash in bank	\$ 5,190,919	2,688,926
Investments	17,400,007	18,462,259
Capital Assets		
Land	5,466,151	5,466,151
Land Improvements	1,780,472	1,481,109
Building	57,411,854	57,310,208
Equipment	4,902,347	4,823,388
Cafeteria Equipment	665,661	650,060
Accumulated Depreciation	(24,525,476)	(22,900,717)
Total Assets	<u>\$ 68,291,935</u>	<u>67,981,384</u>
<u>Liabilities</u>		
Withholdings	\$ 640,111	124,690
Long-Term Liabilities:		
Due Within One Year	1,120,000	975,000
Due in More Than One Year	32,105,000	33,225,000
Total Liabilities	<u>33,865,111</u>	<u>34,324,690</u>
<u>Net Position</u>		
Net Investment in Capital Assets	12,476,009	12,630,199
Restricted	813,085	965,030
Unrestricted	21,137,730	20,061,465
Total Net Position	<u>\$ 34,426,824</u>	<u>33,656,694</u>

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Statement B

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2015

Program Activities	Expenditures	Program Receipts			Net Expenditures, Receipts, and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2015	2014
Governmental Activities						
Instruction	\$ 19,387,660	202,405	1,029,367	-	(18,155,888)	(15,774,400)
Support Services	12,589,737	548,689	1,027,455	-	(11,013,593)	(10,621,896)
Community Services	16,170	-	-	-	(16,170)	(16,587)
Payments to Other Schools	990,771	-	-	-	(990,771)	(999,165)
Unallocated Interest	1,991,824	-	-	-	(1,991,824)	(2,029,886)
Total Governmental Activities	\$ 34,976,162	751,094	2,056,822	-	(32,168,246)	(29,441,934)
General Revenues						
Taxes:						
Property Taxes					\$ 24,570,364	26,565,781
Payment in Lieu of Taxes					9,256	8,759
Replacement Taxes					1,546,291	1,477,323
Grants and Entitlements not Restricted to Specific Programs					6,351,935	4,715,295
Refund of Prior Year Expenditures					182,789	334,547
Site Donations					53,092	7,539
Unrestricted Contributions and Donations					-	1,200
Interest on Investments					48,789	98,205
Miscellaneous					175,860	340,914
Total General Revenues					32,938,376	33,549,563
Change in Net Position					770,130	4,107,629
Net Position Beginning of Year					33,656,694	29,549,065
Net Position End of Year					\$ 34,426,824	33,656,694

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, 2015

	Special Revenue Fund		Capital Projects Fund		Debt Service Fund		Total Governmental Funds	
	General Fund	Transportation Fund	Construction Fund	Site & Construction Fund	Bond & Interest Fund	Nonmajor Governmental Funds	2015	2014
<u>Assets</u>								
Cash	\$ 5,453,564	-	-	-	86,156	108,479	5,648,199	3,346,603
Investments	12,158,050	4,091,040	531,590		-	619,327	17,400,007	20,188,044
Total Assets	\$ 17,611,614	4,091,040	531,590		86,156	727,806	23,048,206	23,534,647
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Overdraft Payable	\$ -	57,912	399,368		-	-	457,280	2,383,462
Withholdings	639,234	-	-		-	-	639,234	123,813
IMRF Payable	-	-	-		-	877	877	877
Total Liabilities	639,234	57,912	399,368		-	877	1,097,391	2,508,152
Fund Balance:								
Restricted	-	-	-		86,156	726,929	813,085	965,030
Committed	1,528,637	-	132,222		-	-	1,660,859	2,121,669
Assigned	-	4,033,128	-		-	-	4,033,128	3,702,006
Unassigned	15,443,743	-	-		-	-	15,443,743	14,237,790
Total Fund Balances	16,972,380	4,033,128	132,222		86,156	726,929	21,950,815	21,026,495
Total Liabilities and Fund Balance	\$ 17,611,614	4,091,040	531,590		86,156	727,806		

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 \$70,226,485 (net of accumulated depreciation of \$24,525,476), are not financial resources and therefore are not reported in the funds.

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

Net Position of Governmental Activities

\$ 45,701,009

46,830,199

(33,225,000)

(34,200,000)

\$ 34,426,824

33,656,694

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Statement D

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	2015	2014
Revenues Received:							
Local Sources	\$ 21,997,284	1,592,536	53,329	2,964,971	712,476	27,320,596	29,547,530
Flow Through	16,939	-	-	-	-	16,939	195,103
State Sources	1,193,338	599,243	-	-	-	1,792,581	2,527,243
Federal Sources	895,585	-	-	-	-	895,585	593,061
On Behalf Payments	5,720,591	-	-	-	-	5,720,591	4,091,743
Total Revenues Received	29,823,737	2,191,779	53,329	2,964,971	712,476	35,746,292	36,954,680
Expenditures Disbursed:							
Current:							
Instructional	13,285,134	-	-	-	238,399	13,523,533	13,028,005
Support	8,119,457	1,855,977	-	-	623,022	10,598,456	10,920,125
Community Service	15,023	-	-	-	1,147	16,170	16,587
Intergovernmental:							
Payments to Other Schools	990,771	-	-	-	-	990,771	999,165
On Behalf Payments	5,720,591	-	-	-	-	5,720,591	4,091,743
Capital Outlay	231,228	4,680	769,719	-	-	1,005,627	2,456,673
Debt Service:							
Interest & service charges	-	-	-	1,991,824	-	1,991,824	2,029,886
Principal	-	-	-	975,000	-	975,000	870,000
Total Expenditures Disbursed	28,362,204	1,860,657	769,719	2,966,824	862,568	34,821,972	34,412,184
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	1,461,533	331,122	(716,390)	(1,853)	(150,092)	924,320	2,542,496
Other Financing Sources (Uses) - Transfers in (out)	(750,000)	-	750,000	-	-	-	-
Net Changes in Fund Balances	711,533	331,122	33,610	(1,853)	(150,092)	924,320	2,542,496
Fund Balance, Beginning of Year	16,260,847	3,702,006	98,612	88,009	877,021	21,026,495	18,483,999
Fund Balance, End of Year	\$ 16,972,380	4,033,128	132,222	86,156	726,929	21,950,815	21,026,495

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$	924,320	2,542,496
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 - Principal Paid		975,000	870,000
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		509,371	2,333,828
Depreciation expense		(1,638,561)	(1,638,695)
Change in Net Position of Governmental Activities (Statement B)	\$	770,130	4,107,629

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2015

	Student Activity Funds	June 30, 2015	2014
<u>Assets</u>			
Cash	\$ 742,961	742,961	734,580
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 742,961	742,961	734,580

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, 2015

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, 2015

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, 2015

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. Special Education 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, 2015

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, 2015

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, 2015

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, deferred outflows and inflows of resources related to pensions, and pension expense, 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, 2015

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

I. 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.

J. 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, 2015, the carrying amount of the District's deposits was \$5,190,919 and the bank balance was \$5,561,173. 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, 2015

NOTE 2: CASH AND INVESTMENTS -(Continued)

Investments

Investments consist of the following:

	Carrying Amount	Market Value
Illinois School District Liquid Asset Fund	\$ 17,400,007	17,423,186
	<u>\$ 17,400,007</u>	<u>17,423,186</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, 2015

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, 2015, the funds participating in the common accounts had the following balances (overdrafts):

Fund	Pooled Checking	Pooled Investments	Total
General Fund:			
Educational Fund	\$ 6,057,655	8,988,237	15,045,892
Operations and Maint. Fund	(604,817)	2,216,065	1,611,248
Working Cash Fund	726	953,748	954,474
Total General Fund	5,453,564	12,158,050	17,611,614
Bond & Interest Fund	86,156	-	86,156
Transportation Fund	(57,912)	4,091,040	4,033,128
IMRF and Social Security Fund	65,686	187,773	253,459
Tort Fund	33,972	197,066	231,038
Life Safety Fund	8,821	234,488	243,309
Site and Construction Fund	(399,368)	531,590	132,222
Total	\$ 5,190,919	17,400,007	22,590,926

NOTE 4: CAPITAL ASSETS

	July 1, 2014	Additions	Deletions	June 30, 2015
Capital Assets, not being depreciated:				
Land	\$ 5,466,151	-	-	5,466,151
Total Capital Assets, not being depreciated	5,466,151	-	-	5,466,151
Capital Assets, being depreciated:				
Land Improvements	1,481,109	299,363	-	1,780,472
Building	57,310,208	101,646	-	57,411,854
Equipment	4,823,388	92,761	13,802	4,902,347
Cafeteria Equipment	650,060	15,601	-	665,661
Total Capital Assets, being depreciated	64,264,765	509,371	13,802	64,760,334
Total Capital Assets	69,730,916	509,371	13,802	70,226,485
Less Accumulated Depreciation:				
Land Improvements	1,348,622	23,871	-	1,372,493
Building	16,593,743	1,434,608	-	18,028,351
Equipment	4,391,955	162,195	13,802	4,540,348
Cafeteria Equipment	566,397	17,887	-	584,284
Total Accumulated Depreciation	22,900,717	1,638,561	13,802	24,525,476
Total Capital Assets being depreciated, net	41,364,048	(1,129,190)	-	40,234,858
Governmental Activities Capital Assets, Net	\$ 46,830,199	(1,129,190)	-	45,701,009

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 4: CAPITAL ASSETS-(Continued)

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 97,318
Support Service Expenditures	<u>1,541,243</u>
Total Current Year Depreciation	<u>\$ 1,638,561</u>

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

Farm Property Building	\$ 69,898
High School Lockers	18,720
Parking Lot Project	252,891
Fence Project	39,650

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2015:

	Principal Outstanding 7/1/2014	Additions	Reductions	Principal Outstanding 6/30/2015	Amount Due in One Year
General Obligation Bonds:					
2006 4.25% - 5.00% \$14,940,000	\$ 975,000	-	975,000	-	-
2008 5.875% \$32,880,000	32,880,000	-	-	32,880,000	1,120,000
2010 4.00% \$3,680,000	345,000	-	-	345,000	-
Total General Obligation Bonds	<u>\$ 34,200,000</u>	<u>-</u>	<u>975,000</u>	<u>33,225,000</u>	<u>1,120,000</u>

On July 1, 2006, the District issued \$14,940,000 in general obligation school bonds for the purpose of a new school building. The 2006 bonds final maturity was February 1, 2015. The 2006 bonds were partially refunded with the 2008 bond issuance in the amount of \$8,860,000. There is no remaining balance due on this bond as of June 30, 2015.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

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. 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
2016	\$ 1,120,000	1,931,700	3,051,700
2017	1,250,000	1,865,900	3,115,900
2018	1,400,000	1,792,463	3,192,463
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>\$ 32,880,000</u>	<u>17,334,041</u>	<u>50,214,041</u>

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 5: LONG-TERM OBLIGATIONS-(Continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ -	13,800	13,800
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>207,000</u>	<u>552,000</u>

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2014 levy, in the amount of \$21,563,566, increased by the Bond and Interest levy to \$24,629,523 was passed by the Board on December 3, 2014. The 2013 levy in the amount of \$24,575,044 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 6: PROPERTY TAXES - (Continued)

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 \$314,010 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 nonannuitants 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.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

General Information about the Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015 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.

On Behalf Contributions to TRS – The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, 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 \$5,598,946 in pension contributions from the State of Illinois.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

General Information about the Plan (Continued)

Contributions (Continued)

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2015 were \$70,817, and are deferred because they were paid after the June 30, 2014 measurement date.

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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$53,038 were paid from federal and special trust funds that required employer contributions of \$17,503. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer Retirement Cost Contributions – Under GASB Statement No. 68, contributions that the District 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, 2015, the District paid \$120,275 to TRS for ERO contributions.

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, 2015, the District paid \$0 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a 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, 2015</u>
District's proportionate share of the net pension liability	\$ 1,359,701
State's proportionate share of the net pension liability associated with the District	<u>69,452,958</u>
Total	<u>\$ 70,812,659</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the District's proportion was 0.0022 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the District's proportion was 0.0023 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$5,698,720 and revenue of \$5,598,946 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 718	-
Net difference between projected and actual earnings on pension plan investments	-	68,335
Changes of assumptions	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	28,092
District contributions subsequent to the measurement date	85,604	-
Total	<u>\$ 86,322</u>	<u>96,427</u>

\$85,604 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Inflows of Resources
2015	\$ (23,728)
2016	(23,728)
2017	(23,728)
2018	(23,728)
2019	(797)
Total	<u>\$ (95,709)</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment rate of return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18%	8.23%
Global Equity (excluding U.S.)	18%	8.58%
Aggregate Bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic Real Estate	4%	9.79%
ARS	8%	3.27%
Risk Parity	8%	5.57%
Diversified Inflation Strategy	1%	3.96%
Private Equity	14%	13.03%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 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 was 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. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 1,679,164	1,359,701	1,095,149

TRS's Fiduciary net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 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 health care plan that was established by the Illinois legislature for the benefit of 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). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

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 THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to 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 - State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$121,645, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund - The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$90,637 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, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

C. Illinois Municipal Retirement Defined Benefit Pension Plan

General Information about the Plan

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2014 was 14.23 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for calendar year 2014 was \$332,804.

TREND INFORMATION

Calendar Year Ending	Annual	Percentage of	
	Pension cost (APC)	APC Contributed	Net Pension Obligation
12/31/2014	\$ 332,804	100%	\$ 1,256,308
12/31/2013	337,265	100%	-
12/31/2012	320,939	100%	-

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

General Information about the Plan

Annual Pension Cost (Continued)

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 65.13 percent funded. The actuarial accrued liability for benefits was \$4,991,457 and the actuarial value of assets was \$3,250,747, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,740,710. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,338,752 and the ratio of the UAAL to the covered payroll was 74 percent.

The schedule of funding progress, presented as Other Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Additional Information Required by GASB Statement No. 68

Benefits Provided

IMRF provides retirement, disability, and death benefits. The retirement benefit is equal to 1-2/3 percent of the final rate of earnings for each of the first 15 years of service credit, plus 2 percent for each year of service credit in excess of 15 years. The maximum pension at retirement cannot exceed 75 percent of the final rate of earnings. A lump sum payment is made to eligible retirees and surviving spouses on July 1st. The amount depends on funds available from a designated employer contribution of 0.62% of payroll. No specific 13th payment amount is promised to any individual. Death and disability benefits are also provided.

Tier 1 members qualify for retirement benefits at age 60 with eight or more years of service or 35 or more years of service at age 55. Tier 1 members may retire as early as age 55 with a reduced pension. Tier 1 members are vested for pension benefits when they have at least eight years of qualifying service credit. The final rate of earnings for Tier 1 members is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service divided by 48, or the total lifetime earnings divided by the total lifetime number of months of service. Tier 1 members receive an annual 3% increase based upon the original amount of the annuity.

Tier 2 members qualify for retirement benefits at age 67 with 10 or more years of service or 35 or more years of service at age 62. Tier 2 members may retire as early as age 62 with a reduced pension. Tier 2 members are vested for pension benefits when they have at least 10 years of qualifying service credit. The final rate of earnings for Tier 2 members is the highest total earnings during any 96 consecutive months within the last 10 years of IMRF service divided by 96, or the total lifetime earnings divided by the total lifetime number of months of service. Tier 2 members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the Consumer Price Index, whichever is less.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Additional Information Required by GASB Statement No. 68 (Continued)

Membership

As of December 31, 2014, the District's plan membership consisted of the following:

Retirees and beneficiaries	59
Inactive, non-retired members	22
Active members	<u>70</u>
Total	<u><u>151</u></u>

Net Pension Liability

At December 31, 2014, the District reported a net pension liability of \$1,256,308, determined as follows:

Total Pension Liability	\$ 10,238,772
Plan Fiduciary Net Position	<u>8,982,464</u>
Net Pension Liability	<u><u>\$ 1,256,308</u></u>

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2014, the District recognized pension expense of \$290,394. At December 31, 2014, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Additional Information Required by GASB Statement No. 68 (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,236	-
Net difference between projected and actual earnings on pension plan investments	96,559	-
Changes of assumptions	331,887	-
Total	<u>\$ 481,682</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows of Resources
2015	\$ 129,821
2016	129,821
2017	129,821
2018	92,219
2019	-
Total	<u>\$ 481,682</u>

Single Discount Rate

For purposes of the December 31, 2014 valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.56%; and the resulting single discount rate is 7.48%.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Additional Information Required by GASB Statement No. 68 (Continued)

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.48 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 (6.48 percent) or 1-percentage point higher (8.48 percent) than the current rate.

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Total Pension Liability	\$ 11,599,678	10,238,772	9,111,882
Plan Fiduciary Net Position	8,982,464	8,982,464	8,982,464
Net Pension Liability/(Asset)	<u>\$ 2,617,214</u>	<u>1,256,308</u>	<u>129,418</u>

**Notes to Basic Financial Statements
For the Year Ended June 30, 2015**C. *Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)*

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.48%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-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 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.

Notes There were no benefit changes during the year.

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 weighing 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, 2015

NOTE 7: RETIREMENT FUND COMMITMENT – (Continued)

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

Additional Information Required by GASB Statement No. 68 (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Return 12/31/14	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	63.2%	9.81%	9.15%	7.60%
International Equities	2.6%	-2.79%	9.80%	7.80%
Fixed Income	23.5%	5.93%	3.05%	3.00%
Real Estate	4.3%	12.66%	7.35%	6.15%
Alternatives	4.5%			
Private Equity		N/A	13.55%	8.50%
Hedge Funds		N/A	5.55%	5.25%
Commodities		N/A	4.40%	2.75%
Cash Equivalents	1.9%	N/A	2.25%	2.25%
Total	100%			

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, 2015:

Assessed Valuation (2014)	<u>\$ 788,495,436</u>
Statutory debt limitation (13.8%)	\$ 108,812,370
Amount of debt applicable to debt limitation	<u>33,225,000</u>
Legal Debt Margin	<u>\$ 75,587,370</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

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, 2015, amounted to \$1,214,844.

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.
- American Capital – Server lease with annual payments of \$46,712, with the final payment due in 2015.
- Providence Capital Network – Technology lease with three annual payments of \$90,855, with the final payment due in 2015.
- Apple Financial Services – Technology lease with three annual payments of \$19,434, with the final payment due in 2015.
- American Capital – Technology lease for netbooks and carts with three annual payments of \$82,900, with the final payment due in 2015.
- Apple, Inc. – Computer equipment with annual payments of \$86,772, with final payment due in 2015.
- American Capital – 240 Chrome Books with annual payments of \$26,823, with final payment due in 2015

Total payments on these leases during the year ended June 30, 2015 were \$407,616.

Future minimum lease payments until expiration are as follows:

June 30, 2016	\$ 227,875
June 30, 2017	54,120
June 30, 2016	<u>54,120</u>
Total	<u>\$ 336,115</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2015

NOTE 11: TRANSFERS

The District made the following transfers among funds during the year ended June 30, 2015, to cover expenditures related to school renovations:

Fund	Transfer In	Transfer Out
Educational	\$ -	250,000
Operations & Maintenance	-	500,000
Site & Construction	750,000	-
Totals	\$ 750,000	750,000

NOTE 12: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

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

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

NOTE 13: GRANTS

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, 2015

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	\$ -	-	151,260	-	-	-	-	151,260
IMRF	-	-	101,288	-	-	-	-	101,288
Tort related insurance	-	-	-	-	231,038	-	-	231,038
Debt Service Reserve	-	-	-	-	-	-	86,156	86,156
Life Safety	-	-	-	-	-	243,309	-	243,309
Committed To:								
Unpaid Teacher Contracts	1,214,844	-	-	-	-	-	-	1,214,844
Insurance Reserve	313,793	-	-	-	-	-	-	313,793
Construction Projects	-	-	-	132,222	-	-	-	132,222
Assigned To:								
Transportation	-	4,033,128	-	-	-	-	-	4,033,128
Unassigned:								
Working Cash	954,474	-	-	-	-	-	-	954,474
Building Maintenance	1,608,675	-	-	-	-	-	-	1,608,675
Educational Fund	12,880,594	-	-	-	-	-	-	12,880,594
	<u>\$ 16,972,380</u>	<u>4,033,128</u>	<u>252,548</u>	<u>132,222</u>	<u>231,038</u>	<u>243,309</u>	<u>86,156</u>	<u>21,950,781</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, 2015

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, 2015, 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, 2015, 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 \$151,260 and \$101,288 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 \$7,928 was collected and \$176,985 was spent, resulting in a restricted fund balance of \$231,038.

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, 2015

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, 2015, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2015 amounted to \$1,214,844. This amount is shown as Committed in the Educational Fund. The District also has committed \$313,793 insurance reserve in the Educational Fund.

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 \$4,033,128 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, 2015

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 \$378,679 to the Cooperative. During fiscal year 2015, the District received a refund of \$128,800 from the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450.

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.

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, 2015

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 6,057,655	-	726	6,058,381
Investments	8,988,237	2,216,065	953,748	12,158,050
Total Assets	<u>\$ 15,045,892</u>	<u>2,216,065</u>	<u>954,474</u>	<u>18,216,431</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Overdrafts Payable	\$ -	604,817	-	604,817
Withholdings	636,661	2,573	-	639,234
Total Liabilities	<u>636,661</u>	<u>607,390</u>	<u>-</u>	<u>1,244,051</u>
Fund Balance:				
Committed	1,528,637	-	-	1,528,637
Unassigned	12,880,594	1,608,675	954,474	15,443,743
Total Fund Balance	<u>14,409,231</u>	<u>1,608,675</u>	<u>954,474</u>	<u>16,972,380</u>
Total Liabilities and Fund Balance	<u>\$ 15,045,892</u>	<u>2,216,065</u>	<u>954,474</u>	<u>18,216,431</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, 2015

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total General Fund	
				Year Ended June 30, 2015	2014
Revenues Received:					
Local Revenues	\$ 18,493,144	3,347,134	157,006	21,997,284	24,181,516
Flow Through Revenues	16,939	-	-	16,939	15,899
State Revenues	1,193,338	-	-	1,193,338	1,561,941
Federal Revenues	895,585	-	-	895,585	772,265
On Behalf Payments	5,720,591	-	-	5,720,591	4,091,743
Total Revenues Received	26,319,597	3,347,134	157,006	29,823,737	30,623,364
Expenditures Disbursed:					
Instruction	13,331,352	-	-	13,331,352	12,910,682
Support Services	5,592,112	2,712,355	-	8,304,467	8,377,785
Payments to Other Schools	803,539	187,232	-	990,771	999,165
Community Service	15,023	-	-	15,023	15,421
On Behalf Payments	5,720,591	-	-	5,720,591	4,091,743
Total Expenditures Disbursed	25,462,617	2,899,587	-	28,362,204	26,394,796
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	856,980	447,547	157,006	1,461,533	4,228,568
Other Financing Sources (Uses):					
Transfers (to) from other funds	(250,000)	(500,000)	-	(750,000)	(1,697,750)
Net Change in Fund Balance	606,980	(52,453)	157,006	711,533	2,530,818
Fund Balance, Beginning of Year	13,802,251	1,661,128	797,468	16,260,847	13,730,029
Fund Balance, End of Year	\$ 14,409,231	1,608,675	954,474	16,972,380	16,260,847

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30,	
		2015	2014
<u>Educational:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 15,615,401	15,612,493	17,188,281
Special Education Taxes	314,073	314,010	339,513
Replacement Taxes	1,400,000	1,493,394	1,420,864
Payment in Lieu of Taxes	-	9,256	8,759
Tuition	24,500	25,998	49,015
Interest on Investments	10,000	48,552	97,972
Food Service	553,500	484,865	511,665
District Activities	64,500	78,061	68,285
Textbook Rentals/Resale	61,000	59,451	52,028
Donations	5,000	-	1,200
Sale of Equipment	-	5,900	-
Driver's Education Fees	30,000	38,895	7,430
Local Fees	75,000	663	250
Refund of Prior Year Expenditures	-	182,789	334,547
E-rate Reimbursement	-	72,013	29,075
Other Local Revenues	20,000	66,804	129,830
Total Local Sources	18,172,974	18,493,144	20,238,714
Flow-Through Revenues Received:			
Career Development (State)	15,000	16,939	15,899
Special Education - IDEA (Federal)	60,000	-	-
Total Flow-Through Revenues Received	75,000	16,939	15,899
State Programs:			
General State Aid	600,000	631,344	623,552
Special Education:			
Private Facility Tuition	75,000	41,204	115,506
Extraordinary	300,000	191,859	326,036
Personnel	350,000	244,487	399,074
Orphanage - Individual	30,000	69,324	52,711
Orphanage - Summer	-	9,060	8,493
Summer School	-	161	466
State Free Lunch & Breakfast	5,000	2,840	3,546
Drivers Education	-	-	25,557
School Safety & Educational Improvement Block Grant	2,000	-	2,000
State Library Grant	-	3,059	5,000
Total State Programs	\$ 1,362,000	1,193,338	1,561,941

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Revenues Received (continued):			
Federal Programs:			
Breakfast Start-Up	\$ 175,000	-	-
National School Lunch Program	200,000	289,341	258,392
Special Milk Program	1,000	1,112	868
Title I - Low Income	140,000	182,549	155,098
IDEA Flow Through Sub Grant	-	220,765	179,204
Title II - Teacher Quality	40,000	69,958	35,287
ISBE Commodities	-	46,715	44,715
DoD Fruits & Vegetables	-	8,925	11,389
Medicaid Outreach	-	24,950	31,412
Medicaid Fee for Service	-	51,270	55,900
Total Federal Programs	556,000	895,585	772,265
On Behalf Payments	3,000,000	5,720,591	4,091,743
Total Revenues Received	23,165,974	26,319,597	26,680,562
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	5,609,248	7,490,802	7,137,890
Benefits	1,358,845	1,838,189	2,012,497
Purchased Services	26,000	79,006	129,602
Teaching Supplies	345,695	407,520	167,656
Capital Outlay	29,170	17,502	31,337
Other Objects	500	422	645
Total Regular Programs	7,369,458	9,833,441	9,479,627
Tuition Payments to Charter Schools:			
Purchased Services	27,100	-	-
Pre-K Programs:			
Salaries	2,062,564	-	-
Benefits	501,050	-	-
Purchased Services	26,600	-	-
Teaching Supplies	100,900	-	-
Capital Outlay	7,000	-	-
Total Pre-K Programs	\$ 2,698,114	-	-

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Special Education Programs:			
Salaries	\$ 1,441,600	1,481,326	1,358,197
Benefits	260,800	278,371	271,230
Purchased Services	54,500	67,074	65,674
Supplies	32,000	37,523	33,090
Capital Outlay	20,000	10,354	41,361
Other Objects - Tuition	300,000	196,829	293,580
Total Special Education Programs	2,108,900	2,071,477	2,063,132
Remedial Programs:			
Salaries	70,000	124,425	126,900
Benefits	-	14	-
Purchased Services	-	-	86
Supplies	25,000	37,976	19,032
Total Remedial Programs	95,000	162,415	146,018
CTE Programs:			
Salaries	294,855	292,047	270,064
Benefits	69,000	68,606	69,909
Purchased Services	1,000	1,813	679
Supplies	25,600	27,034	55,151
Capital Outlay	9,000	5,894	-
Other Objects	1,000	90	28
Total CTE Programs	400,455	395,484	395,831
Interscholastic Programs:			
Salaries	437,934	458,048	424,383
Benefits	111,400	94,475	90,742
Purchased Services	90,300	85,462	69,161
Supplies	64,210	52,552	50,444
Capital Outlay	21,200	12,468	35,319
Other Objects	19,400	23,655	19,945
Total Interscholastic Programs	744,444	726,660	689,994
Summer School Programs:			
Salaries	30,000	22,811	23,445
Benefits	6,500	4,320	3,905
Purchased services	3,500	-	1,160
Supplies	15,000	14,333	11,922
Total Summer School Programs	\$ 55,000	41,464	40,432

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Instructional (continued):			
Gifted Programs:			
Salaries	\$ 76,717	76,054	70,804
Benefits	22,800	23,779	24,676
Supplies	600	578	168
Total Gifted Programs	100,117	100,411	95,648
Total Instructional	13,598,588	13,331,352	12,910,682
Support:			
Attendance & Social Work Services:			
Salaries	211,501	207,414	194,913
Benefits	47,400	56,401	53,086
Supplies	1,810	1,154	820
Total Attendance & Social Work Services	260,711	264,969	248,819
Guidance Services:			
Salaries	195,200	198,390	187,847
Benefits	54,050	55,152	54,499
Supplies	1,700	1,183	969
Total Guidance Services	250,950	254,725	243,315
Health Services:			
Salaries	96,800	90,603	88,442
Benefits	6,100	6,393	7,526
Purchased Services	1,500	370	135
Supplies	3,930	4,798	3,862
Capital Outlay	3,000	1,899	-
Total Health Services	111,330	104,063	99,965
Psychological Services:			
Salaries	113,550	113,777	103,893
Benefits	28,310	32,973	28,448
Total Psychological Services	141,860	146,750	132,341
Speech Pathology & Audiology Services:			
Salaries	164,620	164,396	142,371
Benefits	17,600	28,022	30,988
Supplies	-	-	92
Total Speech Pathology & Audiology Services	\$ 182,220	192,418	173,451

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Other Support Services - Pupils:			
Purchased Services	\$ 64,000	57,224	58,675
Supplies	12,500	7,925	15,889
Total Other Support Services - Pupils	76,500	65,149	74,564
Improvement of Instruction Services:			
Salaries	237,900	234,853	189,359
Benefits	63,000	78,244	66,791
Purchased Services	154,500	92,651	68,393
Supplies	2,000	3,038	622
Capital Outlay	3,000	1,564	-
Other Objects	1,200	1,052	970
Total Improvement of Instruction Services	461,600	411,402	326,135
Educational Media/Tech Services:			
Salaries	317,100	329,483	309,897
Benefits	65,500	71,583	74,985
Purchased Services	653,250	620,288	672,600
Supplies	40,100	34,449	46,779
Capital Outlay	102,200	103,113	114,404
Total Educational Media/Tech Services	1,178,150	1,158,916	1,218,665
Assessment & Testing:			
Purchased Services	10,200	2,991	7,287
Supplies	30,000	20,277	35,258
Capital Outlay	10,000	1,454	-
Total Assessment & Testing	50,200	24,722	42,545
Board of Education Services:			
Salaries	115,000	-	-
Benefits	106,000	258,682	5,722
Purchased Services	275,500	308,940	523,096
Supplies	15,000	6,488	8,544
Capital Outlay	6,000	1,247	-
Other Objects	18,000	14,383	16,504
Total Board of Education Services	\$ 535,500	589,740	553,866

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Superintendent Services:			
Salaries	\$ 222,000	223,192	218,187
Benefits	40,000	43,558	42,969
Purchased Services	2,500	1,238	2,241
Supplies	500	427	367
Capital Outlay	2,000	-	2,079
Other Objects	2,500	1,551	1,653
Total Superintendent Services	269,500	269,966	267,496
Principal Services:			
Salaries	803,750	793,912	848,752
Benefits	244,500	265,071	241,304
Purchased Services	13,100	12,726	10,611
Supplies	29,500	25,516	35,165
Capital Outlay	-	8,213	108
Other Objects	3,000	1,831	2,222
Total Principal Services	1,093,850	1,107,269	1,138,162
Other Support Services - School Administration:			
Salaries	-	-	240
Benefits	-	-	32
Purchased Services	3,000	1,600	2,560
Total Other Support Services - School Admin	3,000	1,600	2,832
Direction of Business Support Services:			
Salaries	57,000	50,666	57,119
Benefits	16,012	16,660	17,319
Purchased Services	1,500	1,531	1,048
Supplies	2,500	945	2,361
Capital Outlay	3,500	1,454	1,267
Other Objects	1,000	2,222	909
Total Direction of Business Support Services	81,512	73,478	80,023
Fiscal Services:			
Salaries	75,000	80,890	78,852
Benefits	13,750	13,576	673
Purchased Services	10,000	856	3,646
Supplies	17,000	17,848	11,903
Capital Outlay	12,000	4,753	2,959
Other Objects	2,500	3,386	2,760
Total Fiscal Services	\$ 130,250	121,309	100,793

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Operation & Maintenance of Plant Services:			
Supplies	\$ -	3,348	3,966
Total Operation & Maintenance of Plant Services	-	3,348	3,966
Food Services:			
Salaries	317,000	307,427	315,549
Benefits	63,500	41,194	71,228
Purchased Services	18,300	9,511	18,226
Supplies	409,500	410,567	413,977
Capital Outlay	25,000	13,325	776
Other Objects	20,500	13,620	13,215
Total Food Services	853,800	795,644	832,971
Information Services:			
Purchased Services	-	6,644	6,265
Total Information Services	-	6,644	6,265
Total Support	5,680,933	5,592,112	5,546,174
Community Services:			
Salaries	15,000	15,000	15,240
Benefits	-	-	29
Supplies	200	23	152
Total Community Services	15,200	15,023	15,421
Payments to Other Schools:			
Assessments			
Regular Programs	15,000	22,514	11,675
Special Education Programs	10,000	143,188	141,933
Tuition			
Special Education Programs	580,000	250,533	346,210
Continuing & Technical Education Programs	410,000	387,304	334,989
Total Payments to Other Schools	1,015,000	803,539	834,807
On Behalf Payments	3,000,000	5,720,591	4,091,743
Total Expenditures Disbursed	\$ 23,309,721	25,462,617	23,398,827

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Educational (continued):</u>			
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ (143,747)	856,980	3,281,735
Other Financing Sources (Uses):			
Transfer from (to) Bond & Interest	-	-	2,250
Transfer from (to) Capital Projects	(250,000)	(250,000)	(1,200,000)
Total Other Financing Sources (Uses)	(250,000)	(250,000)	(1,197,750)
Net Change in Fund Balance	\$ (393,747)	606,980	2,083,985
Fund Balance, Beginning of Year		13,802,251	11,718,266
Fund Balance, End of Year		\$ 14,409,231	13,802,251

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Operations & Maintenance:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,304,677	3,304,025	3,572,348
Rental income	10,000	11,966	18,265
Other Revenues/Insurance Reimbursement	-	31,143	182,009
Total Revenues Received	3,314,677	3,347,134	3,772,622
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	85,000	217,282	550
Total Facilities Acquisition & Construction Services	85,000	217,282	550
Operation & Maintenance of Plant Services:			
Salaries	1,123,000	1,072,724	1,110,374
Benefits	213,200	201,553	238,028
Purchased Services	389,750	372,466	534,770
Supplies	815,000	800,342	869,282
Capital Outlay	70,000	47,988	78,607
Total Operation & Maintenance of Plant Services	2,610,950	2,495,073	2,831,061
Total Support Services	2,695,950	2,712,355	2,831,611
Payments to Other Districts:			
Payments for CTE Programs	200,000	187,232	164,358
Total Payments to Other Districts	200,000	187,232	164,358
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	2,945,950	2,899,587	2,995,969
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	368,727	447,547	776,653
Other Financing Sources (Uses):			
Transfer to Other Funds	(500,000)	(500,000)	(500,000)
Net Change in Fund Balance	\$ (131,273)		
Fund Balance, Beginning of Year		1,661,128	1,384,475
Fund Balance, End of Year		\$ 1,608,675	1,661,128

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, 2015
(With Comparative Figures for 2014)

	Original and Final Appropriations	Year Ended June 30, 2015	2014
<u>Working Cash:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 157,036	157,006	170,180
Total Revenues Received	157,036	157,006	170,180
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ 157,036	157,006	170,180
Fund balance, Beginning of Year		797,468	627,288
Fund balance, End of Year		\$ 954,474	797,468

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, 2015

<u>Assets</u>	
Investments	\$ 4,091,040
Total Assets	\$ 4,091,040
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft Payable	\$ 57,912
Total Liabilities	57,912
Fund Balance:	
Assigned Fund Balance	4,033,128
Total Liabilities and Fund Balance	\$ 4,091,040

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,558,588	1,558,280	1,688,395
Fees from other Districts	55,000	34,256	6,324
Total Local Sources	1,613,588	1,592,536	1,694,719
State Sources:			
Regular/Vocational Transportation	500,000	189,009	201,793
Special Education	500,000	410,234	763,509
Total State Sources	1,000,000	599,243	965,302
Total Revenues Received	2,613,588	2,191,779	2,660,021
Expenditures Disbursed:			
Pupil Transportation Services:			
Transportation Salaries	1,500	-	-
Purchased Services	2,195,000	1,855,765	2,097,882
Supplies	2,500	212	859
Capital Outlay	5,000	4,680	-
Total Pupil Transportation Services	2,204,000	1,860,657	2,098,741
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	2,254,000	1,860,657	2,098,741
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	\$ 359,588	331,122	561,280
Fund Balance, Beginning of Year		3,702,006	3,140,726
Fund Balance, End of Year		\$ 4,033,128	3,702,006

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, 2015

<u>Assets</u>	
Investments	\$ 531,590
Total Assets	<u>\$ 531,590</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Overdraft Payable	\$ 399,368
Total Liabilities	<u>399,368</u>
Fund Balance:	
Committed Fund Balance	<u>132,222</u>
Total Liabilities and Fund Balance	<u>\$ 531,590</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule B-4

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Impact Fees	\$ 5,000	53,092	7,539
Interest on Investments	-	237	233
Total Revenues Received	<u>5,000</u>	<u>53,329</u>	<u>7,772</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Capital Outlay:			
Renovations	815,000	406,830	2,120,890
Grounds Improvements	-	362,889	27,566
Total Expenditures Disbursed	<u>815,000</u>	<u>769,719</u>	<u>2,148,456</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(810,000)</u>	<u>(716,390)</u>	<u>(2,140,684)</u>
Other Financing Sources (Uses):			
Transfers In	<u>750,000</u>	<u>750,000</u>	<u>1,700,000</u>
Total Other Financing Sources (Uses)	<u>750,000</u>	<u>750,000</u>	<u>1,700,000</u>
Net Change in Fund Balance	<u>\$ (60,000)</u>	<u>33,610</u>	<u>(440,684)</u>
Fund balance, Beginning of Year		<u>98,612</u>	<u>539,296</u>
Fund balance, End of Year		<u>\$ 132,222</u>	<u>98,612</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, 2015

<u>Assets</u>	
Cash in Bank	\$ 86,156
Total Assets	<u>\$ 86,156</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 86,156
Total Fund Balance	<u>\$ 86,156</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule B-6

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Property Taxes	\$ 2,965,557	2,964,971	2,900,964
Total Revenues Received	<u>2,965,557</u>	<u>2,964,971</u>	<u>2,900,964</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	975,000	1,990,594	2,028,656
Principal on Long-Term Debt	1,990,594	975,000	870,000
Other	2,500	1,230	1,230
Total Expenditures Disbursed	<u>2,968,094</u>	<u>2,966,824</u>	<u>2,899,886</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(2,537)</u>	<u>(1,853)</u>	<u>1,078</u>
Other Financing Sources (Uses):			
Transfers (to) from other funds	-	-	(2,250)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,250)</u>
Net Change in Fund Balance	<u>\$ (2,537)</u>	<u>(1,853)</u>	<u>(1,172)</u>
Fund Balance, Beginning of Year		88,009	89,181
Fund Balance, End of Year		<u>\$ 86,156</u>	<u>88,009</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Other Information
Illinois Municipal Retirement Fund

Schedule 1

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	\$ 3,250,747	4,991,457	1,740,710	65.13%	2,338,752	74.43%
12/31/2013	3,244,489	4,821,686	1,577,197	67.29%	2,305,301	68.42%
12/31/2012	2,583,042	4,451,079	1,868,037	58.03%	2,175,861	85.85%
12/31/2011	2,467,621	4,302,436	1,834,815	57.35%	2,059,332	89.10%
12/31/2010	1,929,666	3,903,658	1,973,992	49.43%	1,969,920	100.21%
12/31/2009	1,476,174	3,404,916	1,928,742	43.35%	1,794,048	107.51%
12/31/2008	1,321,122	3,168,024	1,846,902	41.70%	1,551,045	119.07%
12/31/2007	1,699,788	2,856,756	1,156,968	59.50%	1,447,743	79.92%
12/31/2006	2,299,629	3,178,073	878,444	72.36%	1,429,265	61.46%
12/31/2005	2,205,231	2,786,652	581,421	79.14%	1,314,715	44.22%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$4,075,650. On a market basis, the funded ratio would be 81.65%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Coal City CUSD 1. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Schedule 2

Schedule of Contributions

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2014	\$ 318,304	318,304	-	2,338,752	13.61%

Other Information
Illinois Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios*											
Calendar Year Ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
Total Pension Liability											
Service Cost	\$ 285,875	-	-	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	687,092	-	-	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	67,844	-	-	-	-	-	-	-	-	-	-
Assumption Changes	422,960	-	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(486,563)	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	977,208	-	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	9,261,564	-	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	\$ 10,238,772	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position											
Contributions - Employer	\$ 318,304	-	-	-	-	-	-	-	-	-	-
Contributions - Employee	105,243	-	-	-	-	-	-	-	-	-	-
Net Investment Income	514,079	-	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(486,563)	-	-	-	-	-	-	-	-	-	-
Other	72,373	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	523,436	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	8,459,028	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ 8,982,464	-	-	-	-	-	-	-	-	-	-
Net Pension Liability (Asset)	\$ 1,256,308	-	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 2,338,752	N/A	N/A	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	53.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Other Information

Teachers' Retirement System of the State of Illinois

<u>Schedule 4</u>	
<u>Schedule of District's Share of the Net Pension Liability</u>	
	<u>Fiscal Year 2015*</u>
District's Proportion of the Net Pension Liability	0.0022%
District's Proportionate Share of the Net Pension Liability	\$ 1,359,701
State's Proportionate Share of the Net Pension Liability Associated with District	<u>69,542,958</u>
Total	<u>\$ 70,902,659</u>
District's Covered-Employee Payroll	\$ 11,925,986
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	11.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.00%

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

<u>Schedule 5</u>	
<u>Schedule of Contributions</u>	
	<u>Fiscal Year 2015</u>
Contractually Required Contribution	\$ 86,674
Contributions in Relation to the Contractually Required Contribution	<u>85,604</u>
Contribution Deficiency (Excess)	<u>\$ 1,070</u>
District's Covered-Employee Payroll	\$ 11,925,986
Contributions as a Percentage of Covered-Employee Payroll	0.72%

NOTES TO OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2015

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 3, 2014 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	23,165,974	26,319,597	3,153,623	11.98%
Educational Expenditures Disbursed	23,309,721	25,462,617	(2,152,896)	-8.46%
Operations & Maintenance Revenues Received	3,314,677	3,347,134	32,457	0.97%
Operations & Maintenance Expenditures Disbursed	2,945,950	2,899,587	46,363	1.60%
Working Cash Revenues Received	157,036	157,006	(30)	-0.02%
Working Cash Expenditures Disbursed	-	-	-	N/A
Transportation Revenues Received	2,613,588	2,191,779	(421,809)	-19.25%
Transportation Expenditures Disbursed	2,254,000	1,860,657	393,343	21.14%
Site & Construction Revenues Received	5,000	53,329	48,329	90.62%
Site & Construction Expenditures Disbursed	815,000	769,719	45,281	5.88%
Bond & Interest Revenues Received	2,965,557	2,964,971	(586)	-0.02%
Bond & Interest Expenditures Disbursed	2,968,094	2,966,824	1,270	0.04%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2015

NOTE 3: CHANGES IN ASSUMPTIONS

Illinois Municipal Retirement Fund

There were no changes in assumptions during the year.

Teachers' Retirement System of the State of Illinois

Amounts reported in 2014 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 a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and a real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

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, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Life Safety	Social Security	Tort Immunity	June 30,	
	Fund	and IMRF	and Judgment	2015	2014
		Fund	Fund		
<u>Assets</u>					
Cash	\$ 8,821	65,686	33,972	108,479	8,042
Investments	234,488	187,773	197,066	619,327	1,095,527
Total Assets	<u>\$ 243,309</u>	<u>253,459</u>	<u>231,038</u>	<u>727,806</u>	<u>1,103,569</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Overdrafts Payable	\$ -	-	-	-	225,671
IMRF Payable	-	877	-	877	877
Total Liabilities	<u>-</u>	<u>877</u>	<u>-</u>	<u>877</u>	<u>226,548</u>
Fund Balances:					
Restricted	243,309	252,582	231,038	726,929	877,021
Total Fund Balances	<u>243,309</u>	<u>252,582</u>	<u>231,038</u>	<u>726,929</u>	<u>877,021</u>
Total Liabilities and Fund Balance	<u>\$ 243,309</u>	<u>253,459</u>	<u>231,038</u>	<u>727,806</u>	<u>1,103,569</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, 2015

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				June 30, 2015	2014
Revenues Received:					
Local Sources:					
Property Taxes	\$ 15,779	635,872	7,928	659,579	706,100
Replacement Tax	-	52,897	-	52,897	56,459
Total Revenues Received	15,779	688,769	7,928	712,476	762,559
Expenditures Disbursed:					
Instructional	-	238,399	-	238,399	225,340
Support	-	446,037	176,985	623,022	643,798
Community Services	-	1,147	-	1,147	1,166
Total Expenditures Disbursed	-	685,583	176,985	862,568	870,304
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	15,779	3,186	(169,057)	(150,092)	(107,745)
Fund Balance, Beginning of Year	227,530	249,396	400,095	877,021	984,766
Fund Balance, End of Year	\$ 243,309	252,582	231,038	726,929	877,021

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, 2015

<u>Assets</u>	
Cash in Bank	\$ 8,821
Investments	234,488
Total Assets	<u>\$ 243,309</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 243,309
Total Fund Balance	<u>\$ 243,309</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule C-4

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Property Taxes	\$ 15,782	15,779	17,060
Total Revenues Received	<u>15,782</u>	<u>15,779</u>	<u>17,060</u>
Total Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 15,782</u>	15,779	17,060
Fund Balance, Beginning of Year		227,530	210,470
Fund Balance, End of Year		<u>\$ 243,309</u>	<u>227,530</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, 2015

<u>Assets</u>	
Cash in Bank	\$ 65,686
Investments	187,773
Total Assets	<u>\$ 253,459</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
IMRF Payable	\$ 877
Total Liabilities	<u>877</u>
Fund Balance	
Restricted for FICA	151,260
Restricted for IMRF	101,322
Total Fund Balance	<u>252,582</u>
Total Liabilities and Fund Balance	<u>\$ 253,459</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule C-6

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 298,369	298,310	318,972
FICA	337,628	337,562	361,496
Replacement Taxes	50,000	52,897	56,459
Total Revenues Received	<u>685,997</u>	<u>688,769</u>	<u>736,927</u>
Expenditures Disbursed:			
Instructional Benefits	240,125	238,399	225,340
Supporting Services Benefits	480,101	446,037	456,168
Community Services Benefits	8,490	1,147	1,166
Total Expenditures Disbursed	<u>728,716</u>	<u>685,583</u>	<u>682,674</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (42,719)</u>	3,186	54,253
Fund Balance, Beginning of Year		<u>249,396</u>	<u>195,143</u>
Fund Balance, End of Year		<u>\$ 252,582</u>	<u>249,396</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, 2015

<u>Assets</u>	
Cash in Bank	\$ 33,972
Investments	197,066
Total Assets	<u>\$ 231,038</u>
<u>Fund Balance</u>	
Restricted Fund Balance	<u>\$ 231,038</u>
Total Fund Balance	<u>\$ 231,038</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Figures for 2014)

Schedule C-8

	Original and Final Appropriations	Year Ended June 30, 2015	2014
Revenues Received:			
Local Sources:			
Property taxes	\$ 7,930	7,928	8,572
Total Revenues Received	<u>7,930</u>	<u>7,928</u>	<u>8,572</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Insurance Payments	118,000	116,315	104,125
Educational Services Related to Loss Prevention	56,000	60,670	83,506
Total Expenditures Disbursed	<u>174,000</u>	<u>176,985</u>	<u>187,631</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (166,070)</u>	(169,057)	(179,059)
Fund Balance, Beginning of Year		<u>400,095</u>	<u>579,154</u>
Fund Balance, End of Year		<u>\$ 231,038</u>	<u>400,095</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
AGENCY FUNDS

Schedule D

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	June 30, 2014	Additions	Deductions	June 30, 2015
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ 151	-	385	(234)
Alumni	6,186	2,696	4,719	4,163
Art Club	560	947	690	817
Athletics	2,079	53,783	49,701	6,161
Band	1,026	4,831	4,939	918
Baseball	1,741	7,317	6,254	2,804
Boys Basketball Cheerleading	673	514	981	206
Bass Fishing	3,491	1,012	635	3,868
Boys Basketball	(955)	10,822	8,296	1,571
Boys Soccer	655	623	-	1,278
Class of 2013	1,916	-	1,916	-
Class of 2014	3,401	-	1,172	2,229
Class of 2015	5,129	-	2,568	2,561
Class of 2016	727	58,877	55,331	4,273
Class of 2017	1,922	224	31	2,115
Class of 2018	-	367	-	367
Coaler Creations	2,098	3,705	3,767	2,036
Community Foundation Scholarship	500	500	1,000	-
Drama Club	3,051	-	-	3,051
Fallen Angels	830	-	830	-
FCCLA	345	5,040	5,311	74
FIBLA	-	3,020	2,390	630
Football	3,533	4,614	4,022	4,125
Football Cheerleading	80	5,630	2,277	3,433
Foreign Language	1,002	-	1,000	2
Freeman Trotter Scholarship	250	-	-	250
General Activity	2,007	6,973	8,609	371
Girl's Basketball	3	587	813	(223)
Girl's Soccer	4,297	3,985	3,679	4,603
Golf	129	1,378	1,619	(112)
Library	307	99	227	179
Link Leaders	81	653	699	35
Madrigals	974	2,869	2,113	1,730
Math	-	520	175	345
Musical	1,136	11,843	9,320	3,659
NHS	165	311	259	217
Path	592	181	282	491
Pepsi	1,156	10	40	1,126
Poms - Fall	289	7,357	7,542	104
Poms - Winter	39	-	39	-
Ruth Allen Scholarship	10,000	-	-	10,000
SADD	326	1,230	915	641
Science Club	307	140	321	126
Scholastic Bowl	-	230	272	(42)
Show Choir	2,358	13,251	13,689	1,920
Softball	2,352	258	841	1,769

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, 2015

	June 30, 2014	Additions	Deductions	June 30, 2015
Student Activity Funds:				
High School Activity Funds: (continued)				
Speech	\$ 247	3,428	2,010	1,665
Student Council	13,195	9,543	9,467	13,271
Teachers Petty Cash	1,226	-	-	1,226
Tennis	1,092	866	957	1,001
Track	3	152	106	49
Varsity Club	1,733	645	742	1,636
VFW Scholarship	4,000	2,000	2,000	4,000
Volleyball Club	1,849	3,845	3,366	2,328
Wellness	460	3,813	2,184	2,089
Wrestling	838	1,582	-	2,420
Wrestling Cheerleading	131	-	-	131
Yearbook	4,518	16,698	20,490	726
Total High School Activity Funds	96,196	258,969	250,991	104,174
Intermediate School Activity Funds:				
Art Fund	221	-	-	221
General Activity	90	2,562	2,255	397
Library Fund	5,084	8,835	7,513	6,405
Pepsi-Flower Fund	396	809	735	471
School Store Fund	1,716	1,140	1,272	1,584
Student Council	236	9,512	9,719	29
Yearbook	5,938	4,810	3,284	7,464
Total Intermediate School Activity Funds	13,681	27,668	24,778	16,571
Middle School Activity Funds:				
6th Grade Student Fund	1,680	-	250	1,430
8th Grade Dance	449	2,360	2,447	362
Art Club	-	-	-	-
Athletics	1,883	30,681	30,716	1,848
Band	753	2,230	2,442	541
Chorus	80	1,697	1,754	23
Garden Club	2,458	3,418	2,972	2,904
General Activity	4,936	30,606	29,214	6,328
Girl's Basketball	788	88	309	567
Library	483	5,833	6,238	78
Musical	3,967	3,367	4,832	2,502
MS Girls Softball	317	-	-	317
Shop for Free	378	989	937	430
PBS	600	660	254	1,006
Pepsi Fund	983	1,866	2,283	566
Picture & Yearbook	6,504	7,444	5,869	8,079
Pops	-	8,114	650	7,464
Speech	208	584	309	483
Student Council	1,336	5,602	5,098	1,840
Student Enrichment	1,492	443	520	1,415
Wrestling	97	2,367	2,431	33
Total Middle School Activity Funds	\$ 29,392	108,349	99,525	38,216

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, 2015

	June 30, 2014	Additions	Deductions	June 30, 2015
Student Activity Funds:				
Elementary School Activity Funds:				
General Activity	\$ 4,418	6,143	8,190	2,371
After School Exercise	4	1,750	402	1,352
Library Fund	455	11,265	10,727	993
Music Program	170	843	603	410
Pepsi-Cola Fund	427	786	780	433
School Store	198	2,663	2,479	382
Special Education	1,603	475	-	2,078
Yearbook & Picture Fund	476	2,505	3,038	(57)
Total Elementary School Activity Funds	7,751	26,430	26,219	7,962
Early Childhood Center Activity Funds:				
General Activity	8,202	13,910	13,078	9,034
Music Program	230	-	-	230
Pepsi-Cola Fund	571	2,513	2,557	527
Library	780	11,841	11,846	775
Youth Baseball Camp	3,796	400	4,195	1
Yearbook & Picture Fund	3,460	4,559	1,098	6,921
Total Early Childhood Center Activity Funds	17,039	33,223	32,774	17,488
Athletic Boosters	13,099	73,032	59,813	26,318
Prom Fest	2,384	29,734	28,109	4,009
Total Student Activity Funds	179,542	557,405	522,209	214,738
Memorial Activity Funds:				
High School Memorial	2,978	227	500	2,705
Kaplan Scholarship Fund	377,988	-	24,843	353,145
Freeman Trotter Scholarship Fund	2,624	4	-	2,628
Rashke Memorial	9,252	18	1,000	8,270
VFW Scholarship	4,000	-	2,000	2,000
Anderson Memorial Fund	158,196	1,279	-	159,475
Total Memorial Activity Funds	555,038	1,528	28,343	528,223
Total Activity Accounts	\$ 734,580	558,933	550,552	742,961

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Tax Year				
	2010	2011	2012	2013	2014
Assessed Valuations	\$ 795,039,932	791,459,775	848,122,680	785,182,825	788,495,436
Tax Rates:					
Educational	1.8398	1.8712	1.9750	1.9750	1.9634
Building	0.3997	0.4101	0.4209	0.4209	0.4021
Bond & Interest	0.3646	0.3759	0.3418	0.3777	0.3888
Transportation	0.1849	0.1975	0.1989	0.1985	0.1372
IMRF	0.0350	0.0375	0.0376	0.0380	0.0377
Working Cash	0.0010	0.0010	0.0201	0.0200	0.0196
Tort Immunity	0.0010	0.0010	0.0010	0.0010	0.0010
Special Education	0.0350	0.0355	0.0400	0.0400	0.0392
Social Security	0.0425	0.0432	0.0426	0.0430	0.0426
Lease PBC	-	-	0.0500	0.0137	0.0429
Fire Prevention/Safety	0.0020	0.0020	0.0020	0.0020	0.0490
Totals	2.9053	2.9749	3.1299	3.1298	3.1236
Tax Extensions:					
Educational	\$ 14,626,827	14,809,400	16,750,677	15,508,146	15,481,477
Building	3,177,377	3,245,777	3,569,579	3,304,677	3,170,619
Bond & Interest	2,898,875	2,975,176	2,898,714	2,965,557	3,065,513
Transportation	1,469,790	1,563,133	1,687,086	1,558,588	1,081,895
IMRF	278,105	296,797	318,725	298,369	297,578
Working Cash	7,950	7,915	170,049	157,037	154,624
Tort Immunity	7,950	7,915	8,566	7,930	7,806
Special Education	278,105	280,968	339,249	314,073	309,169
Social Security	337,653	341,911	361,215	337,629	336,214
Lease PBC	-	-	424,061	107,256	338,186
Fire Prevention/Safety	15,901	15,829	17,047	15,782	386,442
Totals	\$ 23,098,534	23,544,821	26,544,968	24,575,044	24,629,523
Tax Collections	\$ 23,110,735	23,535,238	26,565,561	24,570,186	-

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, 2015, 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 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coal City Community Unit School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control.

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

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

We noted certain matters that we reported to management of Coal City Community Unit School District No. 1, Illinois in a separate letter dated September 2, 2015.

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 2, 2015

FEDERAL AWARDS SECTION



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**Independent Auditors' Report on Compliance
for Each Major Program and On Internal
Control over Compliance Required by OMB Circular A-133**

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 Circular A-133 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, 2015. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mack & Associates, P.C.
Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 2, 2015

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<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 2014 - 4210-2014		\$ 52,308
National School Lunch Program 2015 - 4210-2015		237,033
Lanter Commodities		46,715
DoD Fruits & Vegetables		8,925
Total National School Lunch Program		344,981
Special Milk Program for Children:	10.556	
Special Milk Program - 2014 - 4215-2014		180
Special Milk Program - 2015 - 4215-2015		932
Total Special Milk Program		1,112
Total Passed Through Illinois State Board of Education		346,093
<i>Total United States Department of Agriculture</i>		346,093
Total Child Nutrition Cluster-Cluster		346,093
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 - 2014 - 4932-2014		35,946
Title II - 2015 - 4932-2015		36,929
Total Improving Teacher Quality State Grants		72,875
Title I Grants to Local Educational Agencies	84.010	
Title I - 2014 - 4300-2014		31,534
Title I - 2015 - 4300-2015		140,932
Total Title I Grants to Local Educational Agencies		172,466
Total Passed Through Illinois State Board of Education		245,341
Passed-through Grundy County Special Education Cooperative:		
IDEA Flow-through	84.027	220,765
Total Passed Through Grundy County Special Education Cooperative		220,765
<i>Total United States Department of Education</i>		466,106
<i>United States Department of Health & Human Services:</i>		
Passed-through Illinois Department of Healthcare & Family Services:		
Medical Assistance Program	93.778	25,516
Total Passed Through Grundy County Special Education Cooperative		25,516
<i>Total United States Department of Health & Human Services</i>		25,516
Total Other Programs		491,622
Total Expenditures of Federal Awards		\$ 837,715

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2015

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. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Coal City Community Unit School District No. 1 were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by OMB Circular A-133.
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 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 \$300,000.
9. Coal City Community Unit School District No. 1 was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

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

None.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2015

NOTE A: BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards presents total federal awards expended for each individual federal program in accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA).

NOTE B: BASIS OF ACCOUNTING

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 cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, 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 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.

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2015**

There were no prior audit findings.