

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

**COAL CITY, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014**

Prepared by:



CERTIFIED PUBLIC ACCOUNTANTS

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COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

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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, Illinois, as of and for the year ended June 30, 2014, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, Illinois, as of June 30, 2014, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the 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, Illinois' basic financial statements. The budgetary comparison information, other information, and notes to other information on pages 33-49, and the supplemental information on pages 50-58, 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 non-major 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 budgetary comparison information, IMRF Schedule of Funding Progress, and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2014, on our consideration of the Coal City Community Unit School District No. 1, Illinois' 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, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 3, 2014

FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2014

	Primary Government	
	Governmental Activities	
	2014	2013
<u>Assets</u>		
Cash in bank	\$ 21,151,185	18,578,881
Capital Assets		
Land	5,466,151	5,466,151
Land Improvements	1,481,109	1,425,292
Building	57,310,208	55,167,108
Equipment	4,823,388	4,688,477
Cafeteria Equipment	650,060	650,060
Accumulated Depreciation	(22,900,717)	(21,262,022)
Total Assets	\$ 67,981,384	64,713,947
<u>Liabilities</u>		
Withholdings	\$ 124,690	94,882
Due Within One Year	975,000	870,000
Long-Term Liabilities:		
Due in More Than One Year	33,225,000	34,200,000
Total Liabilities	34,324,690	35,164,882
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	12,630,199	11,065,066
Restricted	965,030	1,613,244
Unrestricted	20,061,465	16,870,755
Total Net Position	\$ 33,656,694	29,549,065

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement B

**Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2014**

Program Activities	Expenditures	Program Revenues			Net Expense and Changes in Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2014	2013
Governmental Activities						
Instruction	\$ 19,280,476	177,008	1,757,044	593,061	(16,753,363)	(16,164,323)
Support Services	12,550,823	536,254	965,302	-	(11,049,267)	(10,515,860)
Community Services	16,587	-	-	-	(16,587)	(16,213)
Payments to Other Schools	999,165	-	-	-	(999,165)	(1,121,397)
Total Governmental Activities	\$ 32,847,051	713,262	2,722,346	593,061	(28,818,382)	(27,817,793)
General Revenues						
Taxes:						
Property Taxes				\$ 26,217,696	23,246,647	
Payment in Lieu of Taxes				8,759	8,110	
Tort Immunity				8,572	7,911	
Special Education Taxes				339,513	280,854	
Replacement Taxes				1,477,323	1,409,618	
Grants and Entitlements not Restricted to Specific Programs				4,091,743	3,273,550	
Refund of Prior Year Expenditures				334,547	449,369	
Site Donations				7,539	5,578	
Unrestricted Contributions and Donations				1,200	100,000	
Interest on Investments				98,205	56,735	
Miscellaneous				340,914	274,238	
Total General Revenues				32,926,011	29,112,610	
Change in Net Position				4,107,629	1,294,817	
Net Position Beginning of Year				29,549,065	28,254,248	
Net Position End of Year				\$ 33,656,694	29,549,065	

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement C

**Statement of Assets, Liabilities and Changes in Fund Balances
Modified Cash Basis- Governmental Funds
June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		Transportation Fund	Site & Construction Fund	Bond & Interest Fund		2014	2013
Cash	\$ 16,384,660	3,702,006	98,612	88,009	877,898	21,151,185	18,578,881
Total Assets	\$ 16,384,660	3,702,006	98,612	88,009	877,898	21,151,185	18,578,881
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Withholdings	\$ 123,813	-	-	-	-	123,813	93,920
IMRF Payable	-	-	-	-	877	877	962
Total Liabilities	123,813	-	-	-	877	124,690	94,882
Fund Balance:							
Restricted	-	-	-	88,009	877,021	965,030	1,613,244
Committed	1,798,039	-	323,630	-	-	2,121,669	1,425,123
Assigned	-	3,702,006	-	-	-	3,702,006	3,140,726
Unassigned	14,462,808	-	(225,018)	-	-	14,237,790	12,304,906
Total Fund Balances	16,260,847	3,702,006	98,612	88,009	877,021	21,026,495	18,483,999
Total Liabilities and Fund Balance	\$ 16,384,660	3,702,006	98,612	88,009	877,898		

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 \$69,730,916 (net of accumulated depreciation of \$22,900,717), 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	\$	46,830,199	46,135,066
Net Position of Governmental Activities		(34,200,000)	(35,070,000)
	\$	33,656,694	29,549,065

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement D

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

Governmental Funds

For the Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Transportation Fund	Site & Construction Fund	Bond & Interest Fund	2014	2013
Revenues Received:						
Local Sources	\$ 24,181,516	1,694,719	7,772	2,900,964	29,547,530	26,553,544
Flow Through	195,103	-	-	-	195,103	236,077
State Sources	1,561,941	965,302	-	-	2,527,243	2,635,272
Federal Sources	593,061	-	-	-	593,061	555,013
On Behalf Payments	4,091,743	-	-	-	4,091,743	3,273,550
Total Revenues Received	30,623,364	2,660,021	7,772	2,900,964	36,954,680	33,253,456
Expenditures Disbursed:						
Current:						
Instructional Support	12,802,665	-	-	-	225,340	12,781,759
Community Service	8,177,585	2,098,741	-	-	643,799	10,348,209
Payments to Other Schools	15,421	-	-	-	1,166	16,213
On Behalf Payments	999,165	-	-	-	-	999,165
Capital Outlay	4,091,743	-	-	-	4,091,743	3,273,550
Debt Service:	308,217	-	2,148,456	-	-	400,638
Interest & service charges	-	-	-	2,029,886	-	2,491,785
Principal	-	-	-	870,000	-	4,460,000
Total Expenditures Disbursed	26,394,796	2,098,741	2,148,456	2,899,886	870,305	34,893,551
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	4,228,568	561,280	(2,140,684)	1,078	(107,746)	(1,640,095)
Other Financing Sources (Uses) -						
Transfers in (out)	(1,697,750)	-	1,700,000	(2,250)	-	-
Net Change in Fund Balances	2,530,818	561,280	(440,684)	(1,172)	(107,746)	(1,640,095)
Fund balance, beginning of year	13,730,029	3,140,726	539,296	89,181	984,767	20,124,094
Fund balance, end of year	\$ 16,260,847	3,702,006	98,612	88,009	877,021	18,483,999

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement D
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$ 2,542,496	(1,640,095)
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	870,000	780,000
General Obligation Bonds - Principal Paid/Defeased	-	3,335,000
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	2,333,828	348,123
Disposition of assets	-	-
Depreciation expense	(1,638,695)	(1,528,211)
Change in Net Position of Governmental Activities (Statement B)	\$ 4,107,629	1,294,817

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2014

	Student Activity Funds	June 30, 2014	2013
<u>Assets</u>			
Cash	\$ 734,580	734,580	745,183
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 734,580	734,580	745,183

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

NOTES TO FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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:

The District has implemented GASB Statement no. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38 *Certain Financial Statement Disclosures* which changes note disclosure requirements for governmental entities.

Reporting Entity

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

A. Basis of Presentation

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

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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 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."

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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. Accrued Liabilities and Long-term Obligations

The District prepares its government-wide financial statements on the modified cash basis. On the modified cash basis only long-term obligations are reported in the government-wide financial statements. Payables and accrued liabilities are not reflected in the government-wide financial statements.

The District prepares its fund financial statements using the cash basis. On the cash basis, payables, accrued liabilities and long-term obligations are not reflected in the fund financial statements.

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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

I. Estimates

The preparation of financial statements in conformity with the 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 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. Currently the District invests in certificates of deposit. These are reported on the financial statements as cash.

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, 2014, the carrying amount of the District's deposits (excluding \$734,580 held for others) was \$21,151,185 and the bank balance was \$21,289,032. All of the District's uninsured deposits are fully collateralized by securities held with the pledging financial institution.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 3: COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, cash of certain funds is combined in one common bank account. Individual accounting records are maintained showing the cash balance attributed to each fund. As of June 30, 2014, the funds participating in the common bank account had the following cash balances (overdrafts):

<u>Fund</u>	<u>Balance</u>
Educational Fund	\$ 13,946,305
Operations and Maint. Fund	1,640,887
Bond & Interest Fund	88,009
Transportation Fund	3,702,006
IMRF and Social Security Fund	250,273
Working Cash Fund	797,468
Tort Fund	400,095
Life Safety Fund	227,530
Site and Construction Fund	98,612
Total	<u>\$ 21,151,185</u>

NOTE 4: CAPITAL ASSETS

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Capital Assets, not being depreciated:				
Land	\$ 5,466,151	-	-	5,466,151
Total Capital Assets, not being depreciated	<u>5,466,151</u>	<u>-</u>	<u>-</u>	<u>5,466,151</u>
Capital Assets, being depreciated:				
Land Improvements	1,425,292	55,817	-	1,481,109
Building	55,167,108	2,143,100	-	57,310,208
Equipment	4,688,477	134,911	-	4,823,388
Cafeteria Equipment	650,060	-	-	650,060
Total Capital Assets, being depreciated	<u>61,930,937</u>	<u>2,333,828</u>	<u>-</u>	<u>64,264,765</u>
Less Accumulated Depreciation:				
Land Improvements	1,339,719	8,903	-	1,348,622
Building	15,158,698	1,435,045	-	16,593,743
Equipment	4,219,001	172,954	-	4,391,955
Cafeteria Equipment	544,604	21,793	-	566,397
Total Accumulated Depreciation	<u>21,262,022</u>	<u>1,638,695</u>	<u>-</u>	<u>22,900,717</u>
Total Capital Assets being depreciated, net	<u>40,668,915</u>	<u>695,133</u>	<u>-</u>	<u>41,364,048</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,135,066</u>	<u>695,133</u>	<u>-</u>	<u>46,830,199</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS-(Continued)

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 103,773
Support Service Expenditures	<u>1,534,922</u>
Total Current Year Depreciation	<u>\$ 1,638,695</u>

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

New Fencing	\$ 55,187
Intermediate School Renovations	1,995,680
Middle School Flooring	41,817
High School Sunroom	86,753

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2014:

	Principal Outstanding 7/1/2013	Additions	Reductions	Principal Outstanding 6/30/2014	Amount Due in One Year
General Obligation Bonds:					
2006 4.25% - 5.00% \$14,940,000	\$ 1,845,000	-	870,000	975,000	975,000
2008 5.875% \$32,880,000	32,880,000	-	-	32,880,000	-
2010 4.00% \$3,680,000	<u>345,000</u>	-	-	<u>345,000</u>	-
Total General Obligation Bonds	<u>\$ 35,070,000</u>	-	<u>870,000</u>	<u>34,200,000</u>	<u>975,000</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 is February 1, 2015. The 2006 bonds were partially refunded with the 2008 bond issuance in the amount of \$8,860,000. The balance due as of June 30, 2014 is \$975,000.

Fiscal Year Ending	Principal	Interest	Total
June 30, 2015	\$ 975,000	45,094	<u>1,020,094</u>
Totals	<u>\$ 975,000</u>	<u>45,094</u>	<u>1,020,094</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ -	1,931,700	1,931,700
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>19,265,741</u>	<u>52,145,741</u>

On September 8, 2010, the District issued \$3,680,000 in general obligation school bonds for the high school addition.

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. A resolution was passed providing for the transfer of funds from the Educational and Operations and Maintenance Funds to the Bond and Interest Fund and the abatement of a portion of the Working Cash Fund to the Bond and Interest Fund for the payment of the General Obligation School Bonds, Series 2010. The closing for the District's defeasance of the Series 2010 Bonds was December 28, 2012. The outstanding 2010 bonds final maturity is February 1, 2030. The District's payment schedule is shown in the following amortization schedule.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS-(Continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ -	13,800	13,800
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>220,800</u>	<u>565,800</u>

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2013 levy, in the amount of \$23,606,566, increased by the Bond and Interest levy to \$24,575,044 was passed by the Board on December 4, 2013. The 2012 Levy in the amount of \$26,546,389 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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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 \$339,513 was collected and all was spent, resulting in no restricted fund balance.

NOTE 7: RETIREMENT FUND COMMITMENTS

A. Teachers Retirement System of the State of Illinois

The School District (employer) participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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 state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

The state of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employee.

On behalf contributions to TRS- The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$3,982,645 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$3,169,592) and 24.91 percent (\$2,782,247), respectively.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

The District makes other types of employer contributions directly to TRS:

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, 2014 were \$65,234. Contributions for the years ending June 30, 2013 and June 30, 2012, were \$65,539 and \$64,781, respectively.

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 was first effective for 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.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2014, salaries totaling \$33,695 were paid from federal and special trust funds that required employer contributions of \$11,932. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$3,211 and \$28,074, respectively.

Early Retirement Option (ERO)- The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 146.5 percent and applies when the member is at age 55 at retirement.

For the year ended June 30, 2014, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

For the year ended June 30, 2014, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$935 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2013 and June 30, 2012, the District paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

Further information on TRS- TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

B. THIS Fund Employer Contributions

The District (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare 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 it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

B. THIS Fund Employer Contributions (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the Cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

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

On behalf contributions to THIS Fund- The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$109,098, and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$103,958 and \$98,289, respectively.

Employer contributions to THIS Fund

The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$80,980 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the district paid \$77,969 and \$73,717 to the THIS Fund, respectively, 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 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. *Illinois Municipal Retirement Fund*

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The 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, District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2013 was 14.63 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 2013 was \$337,265.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 337,266	100%	\$ 0
12/31/12	320,940	100%	0
12/31/11	316,313	100%	0

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. *Illinois Municipal Retirement Fund (Continued)*

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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 your employer 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, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 67.29 percent funded. The actuarial accrued liability for benefits was \$4,821,686 and the actuarial value of assets was \$3,244,489, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,577,197. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,305,301 and the ratio of the UAAL to the covered payroll was 68 percent.

The Schedule of Funding Progress, presented as Other Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2014:

Assessed Valuation (2013)	<u>\$ 785,182,825</u>
Statutory debt limitation (13.8%)	\$ 108,355,230
Amount of debt applicable to debt limitation	<u>34,200,000</u>
Legal Debt Margin	<u>\$ 74,155,230</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, 2014, amounted to \$1,484,234.

NOTE 10: LEASE COMMITMENTS

During the fiscal year, the District had six capital and one operating lease agreements. They are as follows:

- 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.

Subsequent to June 30, 2014, the District signed an additional capital lease with American Capital for the lease of 240 Chrome Books. The lease requires one annual payment of \$26,823 due in 2015.

Future minimum lease payments until expiration are as follows:

June 30, 2015	\$ 407,616
June 30, 2016	227,875
June 30, 2017	54,120
June 30, 2016	<u>54,120</u>
Total	<u>\$ 743,731</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

NOTE 11: TRANSFERS

The District made the following transfers among funds during the year ended June 30, 2014, to cover expenditures related to school renovations:

Fund	Transfer In	Transfer Out
Educational	\$ 2,250	1,200,000
Operations & Maintenance	-	500,000
Bond & Interest	-	2,250
Site & Construction	1,700,000	-
Totals	<u>\$ 1,702,250</u>	<u>1,702,250</u>

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.

Pending Litigation – Per the confirmation received from the District's attorney, the District does not have any pending or threatened litigation, claims or assessments.

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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	\$ -	-	173,917	-	-	-	-	173,917
IMRF	-	-	75,479	-	-	-	-	75,479
Tort related insurance	-	-	-	-	400,095	-	-	400,095
Debt Service Reserve	-	-	-	-	-	-	88,009	88,009
Life Safety	-	-	-	-	-	227,530	-	227,530
Committed To:								
Unpaid Teacher Contracts	1,484,234	-	-	-	-	-	-	1,484,234
Insurance Reserve	313,805	-	-	-	-	-	-	313,805
Construction Projects	-	-	-	323,630	-	-	-	323,630
Assigned To:								
Transportation	-	3,702,006	-	-	-	-	-	3,702,006
Unassigned:								
Working Cash	797,468	-	-	-	-	-	-	797,468
Building Maintenance	1,661,128	-	-	-	-	-	-	1,661,128
Educational Fund	12,004,212	-	-	(225,018)	-	-	-	11,779,194
	<u>\$ 16,260,847</u>	<u>3,702,006</u>	<u>249,396</u>	<u>98,612</u>	<u>400,095</u>	<u>227,530</u>	<u>88,009</u>	<u>21,026,495</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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, 2014, 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, 2014, 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 \$173,917 and \$75,479 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 \$8,572 was collected and \$187,631 was spent, resulting in a restricted fund balance of \$400,095.

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, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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, 2014, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2014 amounted to \$1,484,234. This amount is shown as Committed in the Educational Fund. The District also has committed \$313,805 insurance reserve in the Educational Fund and \$323,630 for school renovations in the Site & Construction 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.

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. Additionally, the remaining uncommitted fund deficit in the Site & Construction Fund is shown as Unassigned fund balance in the Site & Construction Fund.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2014

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 \$488,143 to the Cooperative. During the prior fiscal year, the Cooperative's insurance trust was restructured, resulting in refunds to the participating districts. During fiscal year 2013, the District received a refund of \$293,400 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 District's have agreed to jointly purchase certain pieces of equipment for use by the Districts in the day-to-day operations of the schools. The superintendents of the Districts work together on the bidding process and the selection and purchase of the desired equipment. The Districts agree to cooperate with each other in scheduling the use of the equipment after purchase.

NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS- GASB 45

GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions. Projections of benefits for financial reporting purposes are based on a given plan and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. As of June 30, 2014, the District has not adopted a plan that would meet these criteria.

OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
GENERAL FUND

Schedule A-1

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2014

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 13,946,305	1,640,887	797,468	16,384,660
Total Assets	<u>\$ 13,946,305</u>	<u>1,640,887</u>	<u>797,468</u>	<u>16,384,660</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Withholdings	\$ 144,054	(20,241)	-	123,813
Total Liabilities	<u>144,054</u>	<u>(20,241)</u>	<u>-</u>	<u>123,813</u>
Fund Balance:				
Committed	1,798,039	-	-	1,798,039
Unassigned	12,004,212	1,661,128	797,468	14,462,808
Total Fund Balance	<u>13,802,251</u>	<u>1,661,128</u>	<u>797,468</u>	<u>16,260,847</u>
Total Liabilities and Fund Balance	<u>\$ 13,946,305</u>	<u>1,640,887</u>	<u>797,468</u>	<u>16,384,660</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
GENERAL FUND

Schedule A-2

Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2014

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total General Fund Year Ended June 30,	
				2014	2013
Revenues Received:					
Local Revenues	\$ 20,238,714	3,772,622	170,180	24,181,516	21,288,529
Flow Through Revenues	195,103	-	-	195,103	236,077
State Revenues	1,561,941	-	-	1,561,941	1,522,055
Federal Revenues	593,061	-	-	593,061	555,013
On Behalf Payments	4,091,743	-	-	4,091,743	3,273,550
Total Revenues Received	26,680,562	3,772,622	170,180	30,623,364	26,875,224
Expenditures Disbursed:					
Instruction	12,910,682	-	-	12,910,682	12,624,836
Support Services	5,546,174	2,831,611	-	8,377,785	7,913,809
Payments to Other Schools	834,807	164,358	-	999,165	1,121,397
Community Service	15,421	-	-	15,421	15,066
On Behalf Payments	4,091,743	-	-	4,091,743	3,273,550
Total Expenditures Disbursed	23,398,827	2,995,969	-	26,394,796	24,948,658
Excess (Deficiency) of Revenues Received Over (Under)					
Expenditures Disbursed	3,281,735	776,653	170,180	4,228,568	1,926,566
Other Financing Sources (Uses):					
Transfers (to) from other funds	(1,197,750)	(500,000)	-	(1,697,750)	(4,064,528)
Net Change in Fund Balance	2,083,985	276,653	170,180	2,530,818	(2,137,962)
Fund Balance, Beginning of Year	11,718,266	1,384,475	627,288	13,730,029	15,867,991
Fund Balance, End of Year	\$ 13,802,251	1,661,128	797,468	16,260,847	13,730,029

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30,	
		2014	2013
<u>Educational:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 17,174,738	17,188,281	14,803,547
Special Education Taxes	339,249	339,513	280,854
Replacement Taxes	1,400,000	1,420,864	1,352,950
Payment in Lieu of Taxes	-	8,759	8,110
Tuition	20,000	49,015	49,277
Interest on Investments	10,000	97,972	56,505
Food Service	553,500	511,665	526,179
Pupil Activities	47,500	68,285	56,185
Textbook Rentals/Resale	61,000	52,028	55,131
Donations	5,000	1,200	100,000
Driver's Ed Fees	30,000	7,430	7,296
Local Fees	15,000	250	2,400
Refund of Prior Year Expenditures	-	334,547	449,369
E-rate Reimbursement	-	29,075	62,827
Other Local Revenues	20,000	129,830	138,674
Total Local Sources	19,675,987	20,238,714	17,949,304
Flow-Through Revenues Received:			
Career Development (State)	15,000	15,899	15,531
Special Education - IDEA (Federal)	50,000	179,204	220,546
Total Flow-Through Revenues Received	65,000	195,103	236,077
State Programs:			
General State Aid	625,000	623,552	602,859
Special Education:			
Private Facility Tuition	50,000	115,506	118,795
Extraordinary	325,000	326,036	343,368
Personnel	275,000	399,074	287,755
Orphanage - Individual	30,000	52,711	121,928
Orphanage - Summer	-	8,493	8,869
Summer School	-	466	399
State Free Lunch & Breakfast	5,000	3,546	4,190
Drivers Education	-	25,557	30,764
School Safety & Educational Improvement Block Grant	2,000	2,000	-
State Library Grant	-	5,000	3,128
Total State Programs	\$ 1,312,000	1,561,941	1,522,055

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Educational (continued):			
Revenues Received (continued):			
Federal Programs:			
Breakfast Start-Up	\$ 183,000	-	-
National School Lunch Program	200,000	258,392	239,126
Special Milk Program	1,000	868	495
Title I - Low Income	140,000	155,098	160,476
ARRA - McKinney - Vento Homeless Education	-	-	200
Title II - Teacher Quality	40,000	35,287	34,994
ISBE Commodities	-	44,715	37,822
DoD Fruits & Vegetables	-	11,389	11,666
Federal Charter Schools	60,000	-	-
Medicaid Outreach	-	31,412	30,249
Medicaid Fee for Service	-	55,900	39,985
Total Federal Programs	624,000	593,061	555,013
On Behalf Payments	3,000,000	4,091,743	3,273,550
Total Revenues Received	24,676,987	26,680,562	23,535,999
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	5,340,000	7,137,890	7,001,890
Benefits	1,547,150	2,012,497	1,901,323
Purchased Services	104,400	129,602	122,432
Teaching Supplies	161,225	167,656	199,755
Capital Outlay	25,800	31,337	12,753
Other Objects	400	645	75
Total Regular Programs	7,178,975	9,479,627	9,238,228
Pre-K Programs:			
Salaries	1,975,654	-	-
Benefits	563,500	-	-
Purchased Services	27,100	-	-
Teaching Supplies	50,200	-	-
Capital Outlay	22,300	-	-
Other Objects	-	-	-
Total Pre-K Programs	\$ 2,638,754	-	-

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Educational (continued):			
Expenditures Disbursed (continued):			
Instructional (continued):			
Special Education Programs:			
Salaries	\$ 1,336,543	1,358,197	1,325,208
Benefits	287,500	271,230	247,619
Purchased Services	50,000	65,674	62,638
Supplies	40,000	33,090	29,209
Capital Outlay	20,000	41,361	32,081
Other Objects - Tuition	300,000	293,580	287,730
Total Special Education Programs	2,034,043	2,063,132	1,984,485
Remedial Programs:			
Salaries	120,820	126,900	147,731
Benefits	15,000	-	7,022
Purchased Services	6,000	86	5,850
Supplies	24,000	19,032	18,404
Total Remedial Programs	165,820	146,018	179,007
Vocational Programs:			
Salaries	270,300	270,064	252,209
Benefits	72,600	69,909	64,942
Purchased Services	1,000	679	134
Supplies	82,400	55,151	18,930
Capital Outlay	13,800	-	-
Other Objects	1,000	28	1,038
Total Vocational Programs	441,100	395,831	337,253
Interscholastic Programs:			
Salaries	459,400	424,383	478,042
Benefits	126,700	90,742	108,723
Purchased Services	96,250	69,161	68,393
Supplies	51,450	50,444	49,069
Capital Outlay	21,300	35,319	18,942
Other Objects	18,500	19,945	16,133
Total Interscholastic Programs	773,600	689,994	739,302
Summer School Programs:			
Salaries	30,000	23,445	26,715
Benefits	6,500	3,905	5,252
Purchased services	5,000	1,160	3,500
Supplies	22,500	11,922	17,770
Total Summer School Programs	\$ 64,000	40,432	53,237

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Educational (continued):			
Expenditures Disbursed (continued):			
Instructional (continued):			
Gifted Programs:			
Salaries	\$ 71,000	70,804	69,186
Benefits	24,200	24,676	23,104
Supplies	1,000	168	1,034
Total Gifted Programs	96,200	95,648	93,324
Total Instructional	13,392,492	12,910,682	12,624,836
Support:			
Attendance & Social Work Services:			
Salaries	215,100	194,913	207,732
Benefits	56,500	53,086	46,482
Supplies	2,240	820	2,112
Total Attendance & Social Work Services	273,840	248,819	256,326
Guidance Services:			
Salaries	177,000	187,847	221,591
Benefits	71,850	54,499	62,110
Supplies	1,850	969	1,100
Total Guidance Services	250,700	243,315	284,801
Health Services:			
Salaries	96,000	88,442	94,062
Benefits	10,000	7,526	6,872
Purchased Services	3,000	135	60
Supplies	4,350	3,862	4,747
Total Health Services	113,350	99,965	105,741
Psychological Services:			
Salaries	103,300	103,893	97,069
Benefits	36,600	28,448	30,743
Total Psychological Services	139,900	132,341	127,812
Speech Pathology & Audiology Services:			
Salaries	148,000	142,371	134,287
Benefits	25,600	30,988	22,573
Purchased Services	-	-	214
Supplies	-	92	-
Total Speech Pathology & Audiology Services	\$ 173,600	173,451	157,074

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Educational (continued):			
Expenditures Disbursed (continued):			
Support (continued):			
Other Support Services - Pupils:			
Salaries	\$ -	-	38,877
Purchased Services	79,150	58,675	22,858
Supplies	16,400	15,889	395
Total Other Support Services - Pupils	95,550	74,564	62,130
Improvement of Instruction Services:			
Salaries	232,500	189,359	205,124
Benefits	59,000	66,791	51,237
Purchased Services	143,000	68,393	91,009
Supplies	15,000	622	9,251
Capital Outlay	3,500	-	1,158
Other Objects	1,000	970	593
Total Improvement of Instruction Services	454,000	326,135	358,372
Educational Media/Tech Services:			
Salaries	316,600	309,897	311,292
Benefits	90,200	74,985	66,745
Purchased Services	666,450	672,600	455,676
Supplies	46,770	46,779	38,123
Capital Outlay	127,200	114,404	104,982
Total Educational Media/Tech Services	1,247,220	1,218,665	976,818
Assessment & Testing:			
Purchased Services	10,500	7,287	7,499
Supplies	63,000	35,258	22,322
Capital Outlay	10,000	-	6,985
Total Assessment & Testing	83,500	42,545	36,806
Board of Education Services:			
Benefits	156,000	5,722	6,183
Purchased Services	383,000	523,096	401,664
Supplies	15,000	8,544	2,189
Capital Outlay	15,000	-	228
Other Objects	16,000	16,504	15,238
Total Board of Education Services	\$ 585,000	553,866	425,502

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Educational (continued):			
Expenditures Disbursed (continued):			
Support (continued):			
Superintendent Services:			
Salaries	\$ 218,000	218,187	213,837
Benefits	43,000	42,969	42,469
Purchased Services	2,500	2,241	1,934
Supplies	1,500	367	166
Capital Outlay	2,000	2,079	-
Other Objects	2,500	1,653	1,435
Total Superintendent Services	269,500	267,496	259,841
Principal Services:			
Salaries	860,065	848,752	944,270
Benefits	311,500	241,304	282,017
Purchased Services	17,100	10,611	12,127
Supplies	29,400	35,165	19,872
Capital Outlay	-	108	1,456
Other Objects	3,150	2,222	2,153
Total Principal Services	1,221,215	1,138,162	1,261,895
Other Support Services - School Administration:			
Salaries	-	240	-
Benefits	-	32	-
Purchased Services	3,500	2,560	2,880
Total Other Support Services - School Admin	3,500	2,832	2,880
Direction of Business Support Services:			
Salaries	55,000	57,119	56,022
Benefits	18,100	17,319	17,126
Purchased Services	1,500	1,048	1,086
Supplies	2,500	2,361	3,563
Capital Outlay	2,500	1,267	1,979
Other Objects	-	909	335
Total Direction of Business Support Services	79,600	80,023	80,111
Fiscal Services:			
Salaries	75,000	78,852	76,925
Benefits	2,200	673	724
Purchased Services	12,500	3,646	4,500
Supplies	13,000	11,903	5,977
Capital Outlay	7,000	2,959	5,342
Other Objects	2,500	2,760	1,539
Total Fiscal Services	\$ 112,200	100,793	95,007

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
<u>Educational (continued):</u>			
Expenditures Disbursed (continued):			
Support (continued):			
Operation & Maintenance of Plant Services:			
Supplies	\$ 7,500	3,966	5,368
Total Operation & Maintenance of Plant Services	7,500	3,966	5,368
Food Services:			
Salaries	320,000	315,549	319,381
Benefits	82,000	71,228	76,628
Purchased Services	13,800	18,226	21,627
Supplies	396,000	413,977	423,511
Capital Outlay	10,000	776	882
Other Objects	22,500	13,215	18,060
Total Food Services	844,300	832,971	860,089
Information Services:			
Purchased Services	5,000	6,265	6,525
Total Information Services	5,000	6,265	6,525
Total Support	5,959,475	5,546,174	5,363,098
Community Services:			
Salaries	15,000	15,240	15,000
Benefits	-	29	-
Supplies	250	152	66
Total Community Services	15,250	15,421	15,066
Payments to Other Schools:			
Assessments			
Regular Programs	25,000	11,675	20,971
Special Education Programs	25,000	141,933	137,855
Tuition			
Special Education Programs	633,000	346,210	374,192
Continuing & Technical Education Programs	400,000	334,989	357,414
Total Payments to Other Schools	1,083,000	834,807	890,432
On Behalf Payments	3,000,000	4,091,743	3,273,550
Total Expenditures Disbursed	\$ 23,450,217	23,398,827	22,166,982

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
<u>Educational (continued):</u>			
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ 1,226,770	3,281,735	1,369,017
Other Financing Sources (Uses):			
Transfer from (to) Bond & Interest	-	2,250	(1,500,000)
Transfer from (to) Capital Projects	(1,200,000)	(1,200,000)	-
Total Other Financing Sources (Uses)	(1,200,000)	(1,197,750)	(1,500,000)
Net Change in Fund Balance	\$ 26,770	2,083,985	(130,983)
Fund Balance, Beginning of Year		11,718,266	11,849,249
Fund Balance, End of Year		\$ 13,802,251	11,718,266

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
<u>Operations & Maintenance:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,569,578	3,572,348	3,244,455
Rental income	10,000	18,265	14,123
Other Revenues/Insurance Reimbursement	-	182,009	72,737
Total Revenues Received	3,579,578	3,772,622	3,331,315
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	10,000	550	-
Total Facilities Acquisition & Construction Services	10,000	550	-
Operation & Maintenance of Plant Services:			
Salaries	1,096,400	1,110,374	1,079,540
Benefits	256,725	238,028	217,842
Purchased Services	420,250	534,770	365,697
Supplies	873,000	869,282	782,785
Capital Outlay	125,000	78,607	104,467
Other	-	-	380
Total Operation & Maintenance of Plant Services	2,771,375	2,831,061	2,550,711
Total Support Services	2,781,375	2,831,611	2,550,711
Payments to Other Districts:			
Payments for CTE Programs	175,000	164,358	230,965
Total Payments to Other Districts	175,000	164,358	230,965
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	3,006,375	2,995,969	2,781,676
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	573,203	776,653	549,639
Other Financing Sources (Uses):			
Transfer to Other Funds	(500,000)	(500,000)	(800,000)
Net Change in Fund Balance	\$ 73,203		
Fund Balance, Beginning of Year		1,384,475	1,634,836
Fund Balance, End of Year		\$ 1,661,128	1,384,475

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended June 30, 2014	2013
<u>Working Cash:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 170,048	170,180	7,910
Total Revenues Received	170,048	170,180	7,910
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	170,048	170,180	7,910
Other Financing Sources (Uses):			
Transfer out	-	-	(1,764,528)
Total Other Financing Sources (Uses)	-	-	(1,764,528)
Net Change in Fund Balance	\$ 170,048	170,180	(1,756,618)
Fund balance, Beginning of Year		627,288	2,383,906
Fund balance, End of Year		\$ 797,468	627,288

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
TRANSPORTATION FUND

Schedule B-1

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 3,702,006
Total Assets	<u>\$ 3,702,006</u>
<u>Fund Balance</u>	
Assigned Fund Balance	\$ 3,702,006
Total Fund Balance	<u>\$ 3,702,006</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,687,085	1,688,395	1,562,497
Fees from other Districts	55,000	6,324	3,893
State Programs:			
Regular/Vocational Transportation	400,000	201,793	255,537
Special Education	625,000	763,509	857,680
Total Revenues Received	<u>2,767,085</u>	<u>2,660,021</u>	<u>2,679,607</u>
Expenditures Disbursed:			
Pupil Transportation Services:			
Transportation Salaries	5,000	-	6,312
Employee Benefits	-	-	1,989
Purchased Services	2,129,050	2,097,882	1,874,592
Supplies	5,000	859	5,062
Capital Outlay	5,000	-	-
Contingencies	80,000	-	-
Total Expenditures Disbursed	<u>2,224,050</u>	<u>2,098,741</u>	<u>1,887,955</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	<u>\$ 543,035</u>	561,280	791,652
Fund Balance, Beginning of Year		<u>3,140,726</u>	<u>2,349,074</u>
Fund Balance, End of Year		<u>\$ 3,702,006</u>	<u>3,140,726</u>

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

Schedule B-3

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 98,612
Total Assets	<u>\$ 98,612</u>
<u>Fund Balance</u>	
Committed Fund Balance	\$ 323,630
Unassigned Fund Balance	(225,018)
Total Fund Balance	<u>\$ 98,612</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule B-4

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Revenues Received:			
Local Sources:			
Impact Fees	\$ 5,000	7,539	5,578
Interest on Investments	-	233	230
Total Revenues Received	<u>5,000</u>	<u>7,772</u>	<u>5,808</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Capital Outlay:			
Renovations	2,215,000	2,120,890	106,647
Grounds Improvements	-	27,566	106,165
Total Expenditures Disbursed	<u>2,215,000</u>	<u>2,148,456</u>	<u>212,812</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(2,210,000)</u>	<u>(2,140,684)</u>	<u>(207,004)</u>
Other Financing Sources (Uses):			
Transfers In	1,700,000	1,700,000	-
Total Other Financing Sources (Uses)	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (510,000)</u>	<u>(440,684)</u>	<u>(207,004)</u>
Fund balance, Beginning of Year		<u>539,296</u>	<u>746,300</u>
Fund balance, End of Year		<u>\$ 98,612</u>	<u>539,296</u>

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

Schedule B-5

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 88,009
Total Assets	<u>\$ 88,009</u>
 <u>Fund Balance</u>	
Restricted Fund Balance	\$ 88,009
Total Fund Balance	<u>\$ 88,009</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule B-6

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Revenues Received:			
Local Sources:			
Property Taxes	\$ 2,898,713	2,900,964	2,973,966
Total Revenues Received	<u>2,898,713</u>	<u>2,900,964</u>	<u>2,973,966</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	2,028,656	2,028,656	2,491,785
Principal on Long-Term Debt	870,000	870,000	780,000
Long-Term Debt Defeased	-	-	3,680,000
Other	2,500	1,230	22,480
Total Expenditures Disbursed	<u>2,901,156</u>	<u>2,899,886</u>	<u>6,974,265</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(2,443)</u>	<u>1,078</u>	<u>(4,000,299)</u>
Other Financing Sources (Uses):			
Transfers (to) from other funds	-	(2,250)	4,064,528
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,250)</u>	<u>4,064,528</u>
Net Change in Fund Balance	<u>\$ (2,443)</u>	<u>(1,172)</u>	<u>64,229</u>
Fund Balance, Beginning of Year		<u>89,181</u>	<u>24,952</u>
Fund Balance, End of Year		<u>\$ 88,009</u>	<u>89,181</u>

Schedule of Funding Progress
Illinois Municipal Retirement Fund

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)
12/31/2013	\$ 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%
12/31/2004	2,457,728	2,978,980	521,252	82.50%	1,353,320	38.52%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$4,056,655. On a market basis, the funded ratio would be 84.13%.

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.

NOTES TO OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Other Information For the Year Ended June 30, 2014

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District's budget for all governmental funds is prepared using the 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 4, 2013 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	24,676,987	26,680,562	2,003,575	7.51%
Educational Expenditures Disbursed	23,450,217	23,398,827	51,390	0.22%
Operations & Maintenance Revenues Received	3,579,578	3,772,622	193,044	5.12%
Operations & Maintenance Expenditures Disbursed	3,006,375	2,995,969	10,406	0.35%
Working Cash Revenues Received	170,048	170,180	132	0.08%
Working Cash Expenditures Disbursed	-	-	-	N/A
Transportation Revenues Received	2,767,085	2,660,021	(107,064)	-4.02%
Transportation Expenditures Disbursed	2,224,050	2,098,741	125,309	5.97%
Site & Construction Revenues Received	5,000	7,772	2,772	35.67%
Site & Construction Expenditures Disbursed	2,215,000	2,148,456	66,544	3.10%
Bond & Interest Revenues Received	2,898,713	2,900,964	2,251	0.08%
Bond & Interest Expenditures Disbursed	2,901,156	2,899,886	1,270	0.04%

SUPPLEMENTAL INFORMATION

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

Schedule C-1

Combining Statement of Assets, Liabilities and Fund Balances Arising From Cash Transactions
June 30, 2014

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds June 30,	
				2014	2013
<u>Assets</u>					
Cash	\$ 227,530	250,273	400,095	877,898	985,729
Total Assets	<u>\$ 227,530</u>	<u>250,273</u>	<u>400,095</u>	<u>877,898</u>	<u>985,729</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
IMRF Payable	\$ -	877	-	877	962
Total Liabilities	<u>-</u>	<u>877</u>	<u>-</u>	<u>877</u>	<u>962</u>
Fund Balances:					
Restricted	227,530	249,396	400,095	877,021	984,767
Total Fund Balances	<u>227,530</u>	<u>249,396</u>	<u>400,095</u>	<u>877,021</u>	<u>984,767</u>
Total Liabilities and Fund Balance	<u>\$ 227,530</u>	<u>250,273</u>	<u>400,095</u>	<u>877,898</u>	<u>985,729</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
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, 2014

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds June 30,	
				2014	2013
Revenues Received:					
Local Sources:					
Property Taxes	\$ 17,060	680,468	8,572	706,100	662,183
Replacement Tax	-	56,459	-	56,459	56,668
Total Revenues Received	17,060	736,927	8,572	762,559	718,851
Expenditures Disbursed:					
Instructional	-	225,340	-	225,340	222,326
Support	-	456,168	187,631	643,799	646,388
Community Services	-	1,166	-	1,166	1,147
Total Expenditures Disbursed	-	682,674	187,631	870,305	869,861
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	17,060	54,253	(179,059)	(107,746)	(151,010)
Fund Balance, Beginning of Year	210,470	195,143	579,154	984,767	1,135,777
Fund Balance, End of Year	\$ 227,530	249,396	400,095	877,021	984,767

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

Schedule C-3

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 227,530
Total Assets	<u>\$ 227,530</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 227,530
Total Fund Balance	<u>\$ 227,530</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule C-4

	<u>Original and Final Appropriations</u>	<u>Year Ended June 30, 2014</u>	<u>2013</u>
Revenues Received:			
Local Sources:			
Property Taxes	\$ 17,047	17,060	15,823
Total Revenues Received	<u>17,047</u>	<u>17,060</u>	<u>15,823</u>
Total Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 17,047</u>	17,060	15,823
Fund Balance, Beginning of Year		<u>210,470</u>	<u>194,647</u>
Fund Balance, End of Year		<u>\$ 227,530</u>	<u>210,470</u>

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

Schedule C-5

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 250,273
Total Assets	<u>\$ 250,273</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
IMRF Payable	\$ 877
Total Liabilities	<u>877</u>
Fund Balance	
Restricted for FICA	173,917
Restricted for IMRF	<u>75,479</u>
Total Fund Balance	<u>249,396</u>
Total Liabilities and Fund Balance	<u>\$ 250,273</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule C-6

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 679,939	318,972	296,677
FICA	-	361,496	341,772
Replacement Taxes	50,000	56,459	56,668
Total Revenues Received	<u>729,939</u>	<u>736,927</u>	<u>695,117</u>
Expenditures Disbursed:			
Instructional Benefits	236,800	225,340	222,326
Supporting Services Benefits	484,251	456,168	452,068
Community Services Benefits	-	1,166	1,147
Total Expenditures Disbursed	<u>721,051</u>	<u>682,674</u>	<u>675,541</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 8,888</u>	54,253	19,576
Fund Balance, Beginning of Year		<u>195,143</u>	<u>175,567</u>
Fund Balance, End of Year		<u>\$ 249,396</u>	<u>195,143</u>

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

Schedule C-7

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2014

<u>Assets</u>	
Cash in Bank	\$ 400,095
Total Assets	<u>\$ 400,095</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 400,095
Total Fund Balance	<u>\$ 400,095</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Figures for 2013)

Schedule C-8

	Original and Final Appropriations	Year Ended June 30, 2014	2013
Revenues Received:			
Local Sources:			
Property taxes	\$ 8,566	8,572	7,911
Total Revenues Received	<u>8,566</u>	<u>8,572</u>	<u>7,911</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Unemployment Insurance	35,000	-	-
Insurance Payments	115,000	104,125	122,159
Educational Services Related to Loss Prevention	56,000	83,506	72,161
Total Expenditures Disbursed	<u>206,000</u>	<u>187,631</u>	<u>194,320</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (197,434)</u>	(179,059)	(186,409)
Fund Balance, Beginning of Year		<u>579,154</u>	<u>765,563</u>
Fund Balance, End of Year		<u>\$ 400,095</u>	<u>579,154</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
AGENCY FUNDS

Schedule D

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	June 30, 2013	Additions	Deductions	June 30, 2014
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ 291	625	765	151
Alumni	5,686	500	-	6,186
Anderson Scholarship	-	1,000	1,000	-
Art Club	350	511	301	560
Athletics	3,161	31,627	32,709	2,079
Baseball	2,031	7,529	7,819	1,741
Band	1,241	23,317	23,532	1,026
Boys Basketball	(107)	8,676	9,524	(955)
Boys Basketball Cheerleading	693	-	20	673
Boys Soccer	1,326	152	823	655
Bass Fishing	-	3,706	215	3,491
CCTV	52	-	52	-
Class of 2012	1,588	-	1,588	-
Class of 2013	5,918	-	4,002	1,916
Class of 2014	7,095	-	3,694	3,401
Class of 2015	452	64,179	59,502	5,129
Class of 2016	237	490	-	727
Class of 2017	-	1,922	-	1,922
Coaler Creations	1,220	3,812	2,934	2,098
Community Foundation Scholarship	-	500	-	500
Drama Club	3,051	-	-	3,051
Fallen Angels	-	830	-	830
FCCLA	941	3,480	4,076	345
Football	4,761	3,155	4,383	3,533
Football Cheerleading	840	2,349	3,109	80
Freeman Trotter Scholarship	250	-	-	250
Foreign Language	1	1,001	-	1,002
General Activity	3,518	10,347	11,858	2,007
Girl's Basketball	177	1,971	2,145	3
Girl's Soccer	2,166	4,842	2,711	4,297
Golf	601	1,524	1,996	129
Library	258	116	67	307
Link Leaders	341	105	365	81
Madrigals	702	2,104	1,832	974
Musical	-	4,766	3,630	1,136
NHS	1	677	513	165
Path	-	957	365	592
Pepsi	4	1,192	40	1,156
Poms - Fall	391	596	698	289
Poms - Winter	1,063	3,721	4,745	39
Ruth Allen Scholarship	10,000	-	-	10,000
SADD	509	1,277	1,460	326
Science Club	383	-	76	307
Show Choir	4,194	10,831	12,667	2,358
Softball	1,541	810	2,113	238

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
AGENCY FUNDS

Schedule D
(Continued)

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	June 30, 2013	Additions	Deductions	June 30, 2014
Student Activity Funds:				
High School Activity Funds: (continued)				
Speech	\$ 720	6,077	4,436	2,361
Student Council	15,071	7,515	9,391	13,195
Teachers Petty Cash	1,226	-	-	1,226
Tennis	1,974	466	1,348	1,092
Track	3	-	-	3
Varsity Club	1,715	698	680	1,733
VFW Scholarship	4,000	-	-	4,000
Volleyball Club	1,186	4,463	3,800	1,849
Wrestling	1,448	630	1,240	838
Wellness	1,073	4,963	5,576	460
Wrestling Cheerleading	131	-	-	131
Yearbook	4,049	21,503	21,034	4,518
Total High School Activity Funds	99,518	251,512	254,834	96,196
Intermediate School Activity Funds:				
Art Fund	176	210	165	221
General Activity	4,067	5,078	9,055	90
Library Fund	3,430	9,319	7,664	5,084
Pepsi-Flower Fund	488	702	795	396
School Store Fund	1,966	1,368	1,618	1,716
Student Council	432	9,704	9,900	236
Yearbook	5,134	5,009	4,205	5,938
Total Intermediate School Activity Funds	15,693	31,390	33,402	13,681
Middle School Activity Funds:				
6th Grade Student Fund	3,120	-	1,440	1,680
8th Grade Dance	2,124	1,323	2,997	449
Art Club	2	-	2	-
Athletics	2,416	17,151	17,684	1,883
Band	739	1,220	1,206	753
Chorus	27	1,620	1,567	80
Garden Club	1,566	4,024	3,132	2,458
General Activity	3,706	13,533	12,303	4,936
Girl's Basketball	979	132	323	788
Library	336	7,371	7,224	483
Musical	5,820	1,141	2,994	3,967
MS Girls Softball	317	-	-	317
Shop for Free	879	550	1,051	378
PBS	-	600	-	600
Pepsi Fund	370	2,314	1,701	983
Picture & Yearbook	6,328	7,598	7,422	6,504
Speech	(356)	684	120	208
Student Council	1,724	5,023	5,411	1,336
Student Enrichment	1,311	396	215	1,492
Wrestling	38	2,327	2,268	97
Total Middle School Activity Funds	\$ 31,446	67,007	69,060	29,392

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS
AGENCY FUNDS

Schedule D
(Continued)

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	June 30, 2013	Additions	Deductions	June 30, 2014
Student Activity Funds:				
Elementary School Activity Funds:				
General Activity	\$ 6,762	6,955	9,299	4,418
After School Exercise	-	1,675	1,671	4
Library Fund	943	9,295	9,783	455
Music Program	126	786	742	170
Pepsi-Cola Fund	491	685	749	427
School Store	483	1,884	2,169	198
Special Education	1,436	500	333	1,603
Yearbook & Picture Fund	868	3,369	3,761	476
Total Elementary School Activity Funds	11,109	25,149	28,507	7,751
Early Childhood Center Activity Funds:				
General Activity	13,225	16,029	21,052	8,202
Music Program	230	-	-	230
Pepsi-Cola Fund	575	1,695	1,699	571
Library	680	10,144	10,044	780
Youth Baseball Camp	6,485	4,961	7,650	3,796
Yearbook & Picture Fund	5,381	4,672	6,593	3,460
Total Early Childhood Center Activity Funds	26,576	37,501	47,038	17,039
Athletic Boosters	17,392	61,151	65,444	13,099
Prom Fest	4,067	22,870	24,553	2,384
Total Student Activity Funds	205,801	496,580	522,838	179,542
Memorial Activity Funds:				
High School Memorial	5,444	34	2,500	2,978
Kaplan Scholarship Fund	359,382	18,606	-	377,988
Freeman Trotter Scholarship Fund	2,620	4	-	2,624
Rashke Memorial	10,222	30	1,000	9,252
VFW Scholarship	4,000	-	-	4,000
Anderson Memorial Fund	157,714	482	-	158,196
Total Memorial Activity Funds	539,382	19,156	3,500	555,038
Total Activity Accounts	\$ 745,183	515,736	526,338	734,580

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Tax Year				
	2009	2010	2011	2012	2013
Assessed Valuations	\$ 798,338,313	795,039,932	791,459,775	848,122,680	785,182,825
Tax Rates:					
Educational	1.8378	1.8398	1.8712	1.9750	1.9750
Building	0.3915	0.3997	0.4101	0.4209	0.4209
Bond & Interest	0.3364	0.3646	0.3759	0.3418	0.3777
Transportation	0.1737	0.1849	0.1975	0.1989	0.1985
IMRF	0.0292	0.0350	0.0375	0.0376	0.0380
Working Cash	0.0011	0.0010	0.0010	0.0201	0.0200
Tort Immunity	0.0038	0.0010	0.0010	0.0010	0.0010
Special Education	0.0302	0.0350	0.0355	0.0400	0.0400
Social Security	0.0372	0.0425	0.0432	0.0426	0.0430
Lease PBC	-	-	-	0.0500	0.0137
Fire Prevention/Safety	0.0021	0.0020	0.0020	0.0020	0.0020
Totals	2.8430	2.9053	2.9749	3.1299	3.1298
Tax Extensions:					
Educational	\$ 14,671,862	14,626,827	14,809,400	16,750,677	15,508,146
Building	3,125,495	3,177,377	3,245,777	3,569,579	3,304,677
Bond & Interest	2,685,610	2,898,875	2,975,176	2,898,714	2,965,557
Transportation	1,386,714	1,469,790	1,563,133	1,687,086	1,558,588
IMRF	233,115	278,105	296,797	318,725	298,369
Working Cash	8,782	7,950	7,915	170,049	157,037
Tort Immunity	30,337	7,950	7,915	8,566	7,930
Special Education	241,098	278,105	280,968	339,249	314,073
Social Security	296,982	337,653	341,911	361,215	337,629
Lease PBC	-	-	-	424,061	107,256
Fire Prevention/Safety	16,765	15,901	15,829	17,047	15,782
Totals	\$ 22,696,758	23,098,534	23,544,821	26,544,968	24,575,044
Tax Collections	\$ 22,692,388	23,110,735	23,535,238	26,565,561	-

OTHER REPORTS



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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, 2014, 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 3, 2014.

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 3, 2014.

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 3, 2014

FEDERAL AWARDS SECTION



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Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and On Internal
Control over Compliance in Accordance with 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, Illinois' 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, Illinois' major federal programs for the year ended June 30, 2014. Coal City Community Unit School District No. 1, Illinois' 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, Illinois' 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, Illinois' 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, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Coal City Community Unit School District No. 1, Illinois, 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, 2014.

Report on Internal Control Over Compliance

Management of Coal City Community Unit School District No. 1, Illinois, 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, Illinois' 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, Illinois' 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 3, 2014

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<i>Child Nutrition Cluster-Cluster</i>		
United States Department of Agriculture Direct Programs		
National School Lunch Program	10.555	
National School Lunch Program 2013 - 4210-2013		\$ 47,084
National School Lunch 2014 - 4210-2014		211,308
<i>Total</i>		<u>258,392</u>
Special Milk Program for Children	10.556	
Special Milk Program - 2013 - 4215-2013		121
Special Milk Program - 2014 - 4215-2014		747
<i>Total</i>		<u>868</u>
<i>Total United States Department of Agriculture Direct Programs</i>		<u>259,260</u>
United States Department of Agriculture Pass-Through Programs		
Passed-through Illinois State Board of Education		
National School Lunch Program	10.555	
Lanter Commodities -		44,715
DoD Fruits & Vegetables -		11,389
<i>Total</i>		<u>56,104</u>
<i>Total United States Department of Agriculture</i>		<u>315,364</u>
<i>Total Child Nutrition Cluster-Cluster</i>		<u>315,364</u>
<i>Other Programs</i>		
Department of Education Direct Programs		
Improving Teacher Quality State Grants	84.367	
Title II - 2013 - 4932-2013		34,091
Title II - 2014 - 4932-2014		1,196
<i>Total</i>		<u>35,287</u>
Department of Education Direct Programs		
Title I Grants to Local Educational Agencies	84.010	
Title I - 2013 - 4300-2013		37,904
Title I - 2014 - 4300-2014		117,194
<i>Total</i>		<u>155,098</u>
Department of Education Pass-Through Programs		
Passed-through Grundy County Special Education Cooperative		
Grundy County Special Education CooperativeSpecial Education		
Grants to States	84.027	179,204
<i>Total Special Education Grants to States</i>		<u>179,204</u>
Department of Health and Human Services Direct Programs		
Medical Assistance Program	93.778	31,412
<i>Total Department of Health and Human Services</i>		<u>31,412</u>
<i>Total Other Programs</i>		<u>401,001</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 716,365</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014

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, Illinois.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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, Illinois 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 with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control over Compliance in Accordance with 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, Illinois 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, Illinois are reported in Part C of this schedule.
7. The program tested as major programs includes the National School Lunch Program - CFDA #10.555.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Coal City Community Unit School District No. 1, Illinois 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, ILLINOIS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014**

There were no prior audit findings.