COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO.1

COAL CITY, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

Prepared by:

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

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

We have audited the accompanying financial statements of Coal City Community Unit School District No. 1, as of and for the year ended June 30, 2013, 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.

Auditor's 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 auditor's 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, as of June 30, 2013, 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's basic financial statements. The management's discussion and analysis on pages 3-12, the other information on pages 44-57, the IMRF schedule of funding progress on page 58, the combining and individual non-major fund financial statements on pages 59-66, and the supplemental information on pages 67-68, 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 schedule of expenditures of federal awards and the other information, and the combining and individual non-major fund financial statements 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 management's discussion and analysis, the IMRF schedule of funding progress, and the supplemental information 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 March 10, 2014, on our consideration of the Coal City Community Unit School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coal City Community Unit School District No. 1's internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
March 10, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2013

This section of the Coal City Community Unit School District No. 1, Illinois' (District) Annual Audit presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. The analysis focuses on the District's financial performance as a whole. Please read it in conjunction with the District's financial statements which follow this section.

Financial Highlights

- The District's governmental net position increased $1,249,817 to $29,549,065 in 2013 from $28,254,248 in 2012. The increase in net position indicates the District's financial position slightly improved during the current year.
- For the fiscal year ended June 30, 2013, the District's total expenditures exceeded total revenues, on the modified cash basis of accounting, by $1,640,095 due primarily to defeasance of debt.
- As of June 30, 2013, the General Fund, which is comprised of the Educational and Operations and Maintenance Funds, has a Fund Balance of $13,102,741 ($11,677,618 Unassigned, and $1,425,123 Committed for unpaid teacher contracts and insurance reserve), the Transportation Fund has a Fund Balance of $3,140,726 Assigned for Student Transportation, the Working Cash Fund has an Unassigned Fund Balance of $627,288, the Site & Construction Fund has a Fund Balance of $539,296 Restricted for Capital Projects, the Bond & Interest Fund has a Fund Balance of $89,181 Restricted for Debt Service, and overall, the District has a Fund Balance of $18,483,999.
- Local revenue (80% of total revenue) continued to be delivered in a timely fashion (July, September). The majority of Federal Funding (1.7% of total revenue) is generally received in the form of grants to fund programs.

Comparison of Current Fund Balances

Fund	June 30, 2013	June 30, 2012
Educational Fund	$ 11,718,266	$ 11,849,249
Operations & Maintenance Fund	1,384,475	1,634,836
Bond & Interest	89,181	24,952
Transportation Fund	3,140,726	2,349,074
Social Security & IMRF	195,143	175,567
Working Cash Fund	627,288	2,383,906
Life Safety Fund	579,154	194,647
Tort Immunity and Judgment Fund	210,470	765,563
Site & Construction Fund	539,296	746,300
Total	$ 18,483,999	$ 20,124,094

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified cash basis of accounting.

Report Components

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements (government-wide and fund financial statements) including notes to the financial statements and required supplementary information. The basic financial statements include two kinds of statements which present different views of the District:

- The Statement of Net Position and Statement of Activities provide information on government-wide statements and are presented using the modified cash basis of accounting. These statements present an aggregate view of the District's finances.

- The remaining statements are fund financial statements which focus on individual parts of the District, reporting more detailed statements than the government-wide statements. The fund financial statements are presented using the cash basis of accounting, the method the District uses for internal accounting.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded information and detail regarding the information reported in the statements.

Other Information and Supplemental Information: This Management's Discussion and Analysis, the Budgetary Comparison Schedules, and the Combining and Individual Fund Financial Statements, the IMRF Schedule of Funding Progress, the Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections, and the Legal Debt Margin schedule have been presented for purposes of additional analysis, but are not a required part of the basic financial statements.

Basis of Accounting

The District has elected to report information on the government-wide financial statements using the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenditures. Related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities. 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.

Reporting Coal City Community Unit School District No. 1, Illinois as a Whole

Coal City Community Unit School District No. 1, Illinois' Entity Presentation

This annual report includes all activities for which the District is fiscally responsible. These activities are defined as the District's reporting entity.

The Government-wide Statement of Net Position and the Statement of Activities

The Government-wide Statement of Net Position is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

In the government-wide financial statements, the District's activities are categorized as Governmental activities. The District's basic services are included here, such as instruction and support services. Property taxes finance most of these activities.

The Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some Funds are required by state law and by bond covenants.

- The District can establish other funds to control and manage monies for particular purposes or to show that it is properly using restricted revenues.

Current and Future Initiatives

The District completed the addition to the high school to help accommodate the anticipated growth in the community. Additionally, we will develop a model for staffing and supplies that addresses increased growth in our residential community. The District is moving toward a one to one technology and BYOD environment over the next four years.

Accounting Systems and Budgetary Controls

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute assurance for safeguarding of assets against any loss from unauthorized disposition. The District strives for increased reliability of financial records used for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard the District and provide reasonable assurance of the proper recording of financial data.

Budgetary control is maintained at line item levels and built up into program and cost centers before being combined to create fund totals. All activity is reported to the Board of Education on a monthly basis. These reports compare account balances to the annual budget accumulation. Full disclosures are made if extraordinary variances appear during the year.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs.

The chart below compares the revenues received and expenditures disbursed of each fund to the budget.

Description	Budget	Actual	Variance	Percent Variance
Educational Revenues Received	22,641,163	23,535,999	894,836	3.80%
Educational Expenditures Disbursed	22,945,336	22,166,982	778,354	3.51%
Operations & Maint. Revenues Received	3,256,776	3,331,315	74,539	2.24%
Operations & Maint. Expenditures Disbursed	2,998,775	2,781,676	217,099	7.80%
Bond & Interest Revenues Received	2,976,176	2,973,966	(2,210)	-0.07%
Bond & Interest Expenditures Disbursed	2,977,706	6,974,265	(3,996,559)	-57.30%
Transportation Revenues Received	2,267,133	2,679,607	412,474	15.39%
Transportation Expenditures Disbursed	2,331,250	1,887,955	443,295	23.48%
Social Security & IMRF Revenues Received	689,707	695,117	5,410	0.78%
Social Security & IMRF Expenditures Disbursed	700,050	675,541	24,509	3.63%
Working Cash Revenues Received	10,414	7,910	(2,504)	-31.66%
Working Cash Expenditures Disbursed	-	-	-	N/A
Life Safety Revenues Received	15,829	15,823	(6)	-0.04%
Life Safety Expenditures Disbursed	-	-	-	N/A
Tort Immunity Revenues Received	7,914	7,911	(3)	-0.04%
Tort Immunity Expenditures Disbursed	202,500	194,320	8,180	4.21%
Site & Construction Revenues Received	10,000	5,808	(4,192)	-72.18%
Site & Construction Expenditures Disbursed	210,000	212,812	(2,812)	-1.32%

General Governmental Accounting Functions

The general governmental activities include all services provided by the District. Included are the general, special revenue, capital projects, and debt service funds.

The District's property tax is levied each calendar year on all taxable real property allocated in the District. The District is located in Grundy County and Will County. The County Assessors are responsible for assessment of all taxable property within the two counties. Only one homestead is located in Will County and as a result a very small portion of tax revenue is generated.

Property taxes are a significant revenue source for the District. The two factors that affect property tax revenue are assessed valuation and the tax rate.

The District must file its tax levy ordinance no later that the last Tuesday in December of each year. The owner of real property on January 1 in any year is liable for taxes of that prior year. In Grundy County taxes are due in two installments.

Other revenue sources consist of local revenue exclusive of property taxes including fees, tuition, donations, and investment interest. The District also receives revenues from state and federal sources.

Condensed Financial Information

Table 1
Net Position

	Governmental Activities	
	2013	2012
Assets		
Current Assets	$ 18,578,881	20,286,838
Capital Assets	67,397,088	67,048,965
Accumulated Depreciation	(21,262,022)	(19,733,811)
Total Assets	$ 64,713,947	67,601,992
Liabilities		
Withholdings	$ 94,882	162,744
Due within one year	870,000	780,000
Due in more than one year	34,200,000	38,405,000
Total Liabilities	35,164,882	39,347,744
Net Position		
Invested in Capital Assets, Net of Related Debt	11,065,066	8,130,154
Restricted	1,613,244	1,924,375
Unrestricted	16,870,755	18,199,719
Total Net Position	$ 29,549,065	28,254,248

As displayed in Table 1, Unrestricted Net Position - the part of the net position that can be used to finance day-to-day operations without any constraints - ended at $16,870,755 for the year. Restricted Net Position, $1,613,244, is restricted for Tort, Social Security, Medicare, IMRF, Life Safety, Debt Service, and Capital related expenditures.

As displayed in Table 2, total income stood at $33,253,456 at the end of the fiscal year, of which $4,203,673 was from program revenues. Total expenditures at the end of the fiscal year stood at $31,958,639, including current year depreciation and excluding capital outlay purchases and principal debt payments.

Table 2
Change in Net Position

	Governmental Activities	
	2013	2012
Receipts:		
Program Receipts:		
Fees and charges for services	$ 714,484	$ 652,367
Operating grants and contributions	2,871,349	2,279,615
Capital grants and contributions	617,840	610,966
General Receipts:		
Property taxes	23,246,647	22,824,519
Payment in Lieu of Taxes	8,110	4,996
Tort immunity taxes	7,911	7,955
Special education taxes	280,854	278,261
Replacement taxes	1,409,618	1,331,846
Interest income	56,735	24,463
Unrestricted contributions & donations	100,000	540
Grants & entitlements not restricted	3,273,550	2,880,536
Site Donations	5,578	6,910
Miscellaneous	211,411	87,029
Special items:		
Prior Year Refund	449,369	192,274
Total Receipts	33,253,456	31,182,277
Program Expenditures:		
Instruction	18,710,584	17,548,490
Supporting services	12,110,445	12,248,516
Community services	16,213	15,961
Payments to other schools	1,121,397	1,290,554
Total Expenditures	31,958,639	31,103,521
Change in Net Position	1,294,817	78,756
Beginning Net Position	28,254,248	28,175,492
Ending Net Position	$29,549,065	$ 28,254,248

Debt Administration

The District continues to pay off the 2006 Building Bonds for the construction of the Early Childhood Center. On November 1, 2008, the District issued $32,880,000 in general obligation bonds for the construction of the high school addition. On September 8, 2010, the District issued $3,680,000 in general obligation school bonds for the high school additions which were partially defeased in December of 2012. As of June 30, 2013, the District's debt obligations were as follows:

	Beginning Balance	Additions	Retired	Ending Balance
General Obligation Bonds - 2006	$ 2,625,000	-	780,000	1,845,000
General Obligation Bonds - 2008	32,880,000	-	-	32,880,000
General Obligation Bonds - 2010	3,680,000	-	3,335,000	345,000
Total	$ 39,185,000	-	4,115,000	35,070,000

Refer to Note 5 for further information.

Capital Assets

The capital assets of the District are those assets used in the performance of general governmental functions. As of June 30, 2013, the capital assets balance of the District amounted to $46,135,066. This amount represents the actual and historical original cost of the assets net of accumulated depreciation.

	June 30, 2013	June 30, 2012
Land	$ 5,466,151	5,466,151
Land Improvements	1,425,292	1,333,607
Building	55,167,108	55,041,005
Equipment	4,688,477	4,558,142
Cafeteria Equipment	650,060	650,060
Accumulated Depreciation	(21,262,022)	(19,733,811)
Total	$ 46,135,066	47,315,154

Refer to Note 4 for additional detail regarding capital assets.

Economic Outlook

The outlook for the District is dependent upon the valuation of Dresden Nuclear Station. The 5 year term agreement with Exelon comes to a close with the 2012 levy, and the District continues to work cooperatively with the taxing bodies in an open dialogue with Exelon to reach a new long term agreement which would bring stability to our revenue.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the financial statements and its related transactions of all funds to the District. The audit is performed by an independent certified public accountant that is selected by the District's Board of Education.

Closing Report

It is our belief that this Comprehensive Annual Report will provide the District's management, local citizens, and outside investors with a most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2013.

Acknowledgement

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all of the members of the Business Office who assisted in the closing of the District's financial records and the preparation of the report. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully submitted,

Dr. Kent Bugg

Dr. Kent Bugg
Superintendent
Coal City Community Unit School District No. 1

FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2013

	Primary Government	
	Governmental Activities	
	2013	2012
Assets		
Cash in bank	$ 18,578,881	20,286,838
Capital Assets		
Land	5,466,151	5,466,151
Land Improvements	1,425,292	1,333,607
Building	55,167,108	55,041,005
Equipment	4,688,477	4,558,142
Cafeteria Equipment	650,060	650,060
Accumulated Depreciation	(21,262,022)	(19,733,811)
Total Assets	$ 64,713,947	67,601,992
Liabilities		
Withholdings	$ 94,882	162,744
Due Within One Year	870,000	780,000
Long Term Liabilities:		
Due in More Than One Year	34,200,000	38,405,000
Total Liabilities	35,164,882	39,347,744
Net Position		
Invested in Capital Assets, Net of Related Debt	11,065,066	8,130,154
Restricted	1,613,244	1,924,375
Unrestricted	16,870,755	18,199,719
Total Net Position	$ 29,549,065	28,254,248

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

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2013

Program Activities	Expenditures	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expense and Changes in Net Position: Governmental Activities 2013	Net Expense and Changes in Net Position: Governmental Activities 2012
Governmental Activities						
Instruction	$ 18,710,584	170,289	1,758,132	617,840	(16,164,323)	(15,396,748)
Support Services	12,110,445	544,195	1,113,217	-	(10,453,033)	(10,857,178)
Community Services	16,213	-	-	-	(16,213)	(15,961)
Payments to Other Schools	1,121,397	-	-	-	(1,121,397)	(1,290,554)
Total Governmental Activities	$ 31,958,639	714,484	2,871,349	617,840	(27,754,966)	(27,560,441)
General Revenues						
Taxes:						
Property Taxes					$ 23,246,647	22,824,519
Payment in Lieu of Taxes					8,110	4,996
Tort Immunity					7,911	7,955
Special Education Taxes					280,854	278,261
Replacement Taxes					1,409,618	1,331,846
Grants and Entitlements not Restricted to Specific Programs					3,273,550	2,880,536
Refund of Prior Year Expenditures					449,369	192,274
Site Donations					5,578	6,910
Unrestricted Contributions and Donations					100,000	540
Interest on Investments					56,735	24,463
Miscellaneous					211,411	86,897
Total General Revenues					29,049,783	27,639,197
Change in Net Position					1,294,817	78,756
Net Position Beginning of Year					28,254,248	28,175,492
Net Position End of Year					$ 29,549,065	28,254,248

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

Statement of Assets, Liabilities and Changes in Fund Balances
Modified Cash Basis- Governmental Funds
June 30, 2013

	General Fund	Special Revenue Funds: Transportation Fund	Special Revenue Funds: Working Cash Fund	Capital Project Fund: Site & Construction Fund	Debt Service Fund: Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds 2013	Total Governmental Funds 2012
Assets								
Cash	$ 13,196,661	3,140,726	627,288	539,296	89,181	985,729	18,578,881	20,286,838
Total Assets	$ 13,196,661	3,140,726	627,288	539,296	89,181	985,729	18,578,881	20,286,838
Liabilities and Fund Balances								
Liabilities:								
Withholdings	$ 93,920	-	-	-	-	-	93,920	161,782
IMRF Payable	-	-	-	-	-	962	962	962
Total Liabilities	93,920	-	-	-	-	962	94,882	162,744
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	539,296	89,181	984,767	1,613,244	1,924,375
Committed	1,425,123	-	-	-	-	-	1,425,123	1,398,247
Assigned	-	3,140,726	-	-	-	-	3,140,726	2,349,074
Unassigned	11,677,618	-	627,288	-	-	-	12,304,906	14,452,398
Total Fund Balances	13,102,741	3,140,726	627,288	539,296	89,181	984,767	18,483,999	20,124,094
Total Liabilities and Fund Balance	$ 13,196,661	3,140,726	627,288	539,296	89,181	985,729		

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 $67,397,088 (net of accumulated depreciation of $21,262,022), are not financial resources and therefore are not reported in the funds.	$ 46,135,066	47,315,154
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	(35,070,000)	(39,185,000)
Net Position of Governmental Activities	$ 29,549,065	28,254,248

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

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	Special Revenue Funds: Transportation Fund	Special Revenue Funds: Working Cash Fund	Capital Project Fund: Site & Construction Fund	Debt Service Fund: Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds 2013	Total Governmental Funds 2012
Revenues Received:								
Local Sources	$ 21,217,792	1,566,390	7,910	5,808	2,973,966	718,851	26,490,717	25,356,501
Flow Through	236,077	-	-	-	-	-	236,077	69,793
State Sources	1,522,055	1,113,217	-	-	-	-	2,635,272	2,179,919
Federal Sources	617,840	-	-	-	-	-	617,840	695,528
On Behalf Payments	3,273,550	-	-	-	-	-	3,273,550	2,880,536
Total Revenues Received	26,867,314	2,679,607	7,910	5,808	2,973,966	718,851	33,253,456	31,182,277
Expenditures Disbursed:								
Current:								
Instructional	12,559,530	-	-	-	-	222,229	12,781,759	12,779,185
Support	7,791,289	1,887,955	-	-	22,480	646,485	10,348,209	10,263,353
Community Service	15,066	-	-	-	-	1,147	16,213	15,961
Payments to Other Schools	1,121,397	-	-	-	-	-	1,121,397	1,290,554
On Behalf Payments	3,273,550	-	-	-	-	-	3,273,550	2,880,536
Capital Outlay	187,826	-	-	212,812	-	-	400,638	732,060
Debt Service:								
Interest & service charges	-	-	-	-	2,836,785	-	2,836,785	2,223,894
Principal	-	-	-	-	4,115,000	-	4,115,000	675,000
Total Expenditures Disbursed	24,948,658	1,887,955	-	212,812	6,974,265	869,861	34,893,551	30,860,543
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	1,918,656	791,652	7,910	(207,004)	(4,000,299)	(151,010)	(1,640,095)	321,734
Other Financing Sources (Uses) -								
Bond Proceeds	-	-	-	-	-	-	-	-
Discount on Bonds	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-
Transfer to/(from)	(2,300,000)	-	(1,764,528)	-	4,064,528	-	-	-
Total Other Financing Sources (Uses)	(2,300,000)	-	(1,764,528)	-	4,064,528	-	-	-
Net Change in Fund Balances	(381,344)	791,652	(1,756,618)	(207,004)	64,229	(151,010)	(1,640,095)	321,734
Fund balance, beginning of year	13,484,085	2,349,074	2,383,906	746,300	24,952	1,135,777	20,124,094	19,802,360
Fund balance, end of year	$ 13,102,741	3,140,726	627,288	539,296	89,181	984,767	18,483,999	20,124,094

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	$ (1,640,095)	321,734
Amount reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
General Obligation Bonds Proceeds	-	-
General Obligation Bonds - Principal Paid	780,000	675,000
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	348,123	628,825
Disposition of assets	-	-
Depreciation expense	(1,528,211)	(1,546,803)
Change in Net Position of Governmental Activities (Statement B)	$ 1,294,817	78,756

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Student Activity Funds	June 30, 2013	2012
Assets			
Cash	$ 741,116	741,116	720,716
Liabilities			
Due to Student Activity Organizations	$ 741,116	741,116	720,716

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

NOTES TO FINANCIAL STATEMENTS

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.

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.

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 and the Operations and Maintenance 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. Two special revenue funds are 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.

2. Working Cash Fund – The Working Cash Fund is used to account for the accumulation of property tax revenues for the purpose of making temporary interfund loans with all other funds of the District.

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.

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).

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

C. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (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. 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 17, 2012 and was not amended.

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

E. 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.

F. 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.

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:

Description	Estimated Lives
Buildings and Improvements	15-39 years
Equipment	3-10 years
Cafeteria Equipment	3-10 years

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

G. 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.

H. 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.

I. 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.

J. 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.

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, 2013, the carrying amount of the District's deposits was $18,578,881 and the bank balance was $18,701,065. The deposits are categorized in accordance with risk factors created by governmental reporting standards:

	Carrying Amount	Bank Balance
Category # 1	$ -	-
Category # 2	250,000	250,000
Category # 3	6,468,163	6,591,086
ISDLAF	11,860,718	11,859,979
Total	$ 18,578,881	18,701,065

Category #1	Uncollateralized:
Category #2	Collateralized with securities held by the pledging financial institution; or
Category #3	Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.
ISDLAF	PMA Financial Network Liquid Assets – invests in certificates of deposits at various banks to assure the cash is fully collateralized by the FDIC.

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, 2013, the funds participating in the common bank account had the following cash balances (overdrafts):

Fund	Balance
Educational Fund	$ 11,832,423
Operations and Maint. Fund	1,364,238
Bond & Interest Fund	89,181
Transportation Fund	3,140,726
IMRF and Social Security Fund	196,105
Working Cash Fund	627,288
Tort Fund	579,154
Life Safety Fund	210,470
Site and Construction Fund	539,296
Total	$ 18,578,881

NOTE 4: CAPITAL ASSETS

	July 1, 2012	Additions	Deletions	June 30, 2013
Capital Assets, not being depreciated:				
Land	$ 5,466,151	-	-	5,466,151
Total Capital Assets, not being depreciated	5,466,151	-	-	5,466,151
Capital Assets, being depreciated:				
Land Improvements	1,333,607	91,685	-	1,425,292
Building	55,041,005	126,103	-	55,167,108
Equipment	4,558,142	130,335	-	4,688,477
Cafeteria Equipment	650,060	-	-	650,060
Total Capital Assets, being depreciated	61,582,814	348,123	-	61,930,937
Less Accumulated Depreciation:				
Land Improvements	1,333,607	6,112	-	1,339,719
Building	13,828,717	1,329,981	-	15,158,698
Equipment	4,049,336	169,665	-	4,219,001
Cafeteria Equipment	522,151	22,453	-	544,604
Total Accumulated Depreciation	19,733,811	1,528,211	-	21,262,022
Total Capital Assets being depreciated, net	41,849,003	(1,180,088)	-	40,668,915
Governmental Activities Capital Assets, Net	$ 47,315,154	(1,180,088)	-	46,135,066

Current year depreciation is allocated as follows:

Instructional Expenditures	$ 101,799
Support Service Expenditures	1,426,412
Total Current Year Depreciation	$1,528,211

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

- Parking Lot
- Gym Floor

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2013:

	Principal Outstanding 7/1/2012	Additions	Reductions	Principal Outstanding 6/30/2013	Amount Due in One Year
2006 4.25% - 5.00% $14,940,000 General Obligation Bonds	$ 2,625,000	-	780,000	1,845,000	870,000
2008 5.875% $32,880,000 General Obligation Bonds	32,880,000	-	-	32,880,000	-
2010 4.00% $3,680,000 General Obligation Bonds	3,680,000	-	3,335,000	345,000	-
Total General Obligation Bonds	$ 39,185,000	-	4,115,000	35,070,000	870,000

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, 2013 is $1,845,000.

Fiscal Year Ending	Principal	Interest	Total
2014	$ 870,000	83,156	953,156
2015	975,000	45,094	1,020,094
Totals	$ 1,845,000	128,250	1,973,250

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	Principal	Interest	Total
2014	$ -	1,931,700	1,931,700
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	$ 32,880,000	21,197,441	54,077,441

NOTE 5: LONG-TERM OBLIGATIONS-(Continued)

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

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 amortization schedule below:

Fiscal Year Ending	Principal	Interest	Total
2014	$ -	13,800	13,800
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	$ 345,000	234,600	579,600

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2012 levy, in the amount of $23,647,732, increased by the Bond and Interest levy to $26,546,389 was passed by the Board on December 17, 2012. The 2011 Levy in the amount of $23,544,820 was received during the current fiscal year. The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. Taxes are remitted to the District in the month following the due dates. The District receives property tax revenues from both Grundy County and Will County.

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

One specific levy may result in restricted fund balances within the General Fund:

Special Education. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of $280,854 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.

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

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, 2013, 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, 2012 and 2011.

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, 2013, state of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of $3,169,592 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent $2,782,247 and 23.10 percent $2,524,793, respectively.

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, 2013 were $65,539. Contributions for the years ending June 30, 2012 and June 30, 2011, were $64,781 and $63,393, 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, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling $11,448 were paid from federal and special trust funds that required employer

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

contributions of $3,211. For the years ended June 30, 2012 and June 30, 2011, required district contributions were $28,074 and $34,337, 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 117.5 percent and applies when the member is at age 55 at retirement.

For the year ended June 30, 2013, the district paid $0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, 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.

For the year ended June 30, 2013, the district paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2012 and June 30, 2011, 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 (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the district paid $0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2012 and June 30, 2011, 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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

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 may participate in the state administered participating provider option plan or choose from several managed care options.

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 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were $103,958, 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, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of district employees were $98,289 and $96,182, respectively.

Employer contributions to THIS Fund
The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the years ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and June 30, 2011.

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

B. THIS Fund Employer Contributions (Continued)

For the year ended June 30, 2013, the district paid $77,969 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the district paid $73,717 and $72,137 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."

C. Illinois Municipal Retirement Fund

Plan Description. The employer'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 employer 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, your employer 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 employer annual contribution rate for calendar year 2012 was 14.75 percent. The employer 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 2012 was $320,939.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	$320,940	100%	$ 0*
12/31/11	316,313	100%	0*
12/31/10	319,915	98%	0*

*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. Illinois Municipal Retirement Fund (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 58.03 percent funded. The actuarial accrued liability for benefits was $4,451,079 and the actuarial value of assets was $2,583,042, resulting in an underfunded actuarial accrued liability (UAAL) of $1,868,037. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was $2,175,861 and the ratio of the UAAL to the covered payroll was 86 percent.

The Schedule of Funding Progress, presented as RSI 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, 2013:

Assessed Valuation (2012)	$ 848,122,680
Statutory debt limitation (13.8%)	$ 117,040,930
Amount of debt applicable to debt limitation	35,070,000
Legal Debt Margin	$ 81,970,930

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, 2013, amounted to $1,111,318.

NOTE 10: LEASE COMMITMENTS

Capital Leases

During the fiscal year, the District had four capital lease agreements. They are as follows:

- Apple Financial Services – Computer equipment with annual payments of $91,388, with the final payment due in June of 2014.
- Martin Whalen - 11 copy machines with monthly payments of $6,900, with the final payment due in June of 2014.
- 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.
- Apple Financial Services – Technology lease with three annual payments of $19,434.
- American Capital – Technology lease for netbooks and carts with three annual payments of $82,900.

Future minimum lease payments until expiration are as follows:

June 30, 2014	$ 414,089
June 30, 2015	239,901
June 30, 2016	173,755
Total	$ 827,745

NOTE 11: TRANSFERS

The District authorized the provision for defeasance of principal and interest of the General Obligation School Bonds, Series 2010. 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.

	Transfer In	Transfer Out
Education	$ -	1,500,000
Operations & Maintenance	-	800,000
Bond & Interest	4,064,528	-
Working Cash	-	1,764,528
Totals	$ 4,064,528	4,064,528

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

NOTE 14: FUND BALANCE – GASB 54 PRESENTATION

	General Fund	Trans. Fund	Site & Const. Fund	Working Cash Fund	SS/IMRF Fund	Tort Fund	Life Safety Fund	Bond & Interest Fund	Total Fund Balance
Nonspendable	$ -	-	-	-	-	-	-	-	-
Restricted For:									
Capital projects	-	-	539,296	-	-	-	-	-	539,296
Social Security/Medicare	-	-	-	-	160,320	-	-	-	160,320
IMRF	-	-	-	-	34,823	-	-	-	34,823
Tort related insurance	-	-	-	-	-	579,154	-	-	579,154
Debt Service Reserve	-	-	-	-	-	-	-	89,181	89,181
Life Safety	-	-	-	-	-	-	210,470	-	210,470
Committed To:									
Unpaid Teacher Contracts	1,111,318	-	-	-	-	-	-	-	1,111,318
Insurance Reserve	313,805	-	-	-	-	-	-	-	313,805
Assigned To:									
Transportation	-	3,140,726	-	-	-	-	-	-	3,140,726
Unassigned:									
Working Cash	-	-	-	627,288	-	-	-	-	627,288
Building Maintenance	1,384,475	-	-	-	-	-	-	-	1,384,475
Educational Fund	10,293,143	-	-	-	-	-	-	-	10,293,143
	$ 13,102,741	3,140,726	539,296	627,288	195,143	579,154	210,470	89,181	18,483,999

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.

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.

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, 2013, 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, 2013, 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 $160,320 and $34,823 respectively.

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.

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.

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

C. Committed Fund Balance (Continued)

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, 2013, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2013 amounted to $1,111,318. This amount is shown as unreserved in the Educational Fund. The District also has committed $313,805 insurance reserve in the Educational Fund.

D. Assigned Fund Balance

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

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 Unreserved fund balances in the Educational, Operations and Maintenance, and Working Cash Funds.

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 $512,047 to the Cooperative. During the current 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.

NOTE 15: INTERGOVERNMENTAL AGREEMENTS – (Continued)

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: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Fund	Excess
Site and Construction	$ 2,812
Bond and Interest	3,996,559
Total	$ 3,999,371

NOTE 17: 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, 2013, the District has not adopted a plan that would meet these criteria.

NOTE 18: RESTRICTED FUND BALANCE

Tort Immunity. Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Tort Fund. A total of $7,911 was collected and $194,320 was spent, resulting in a restricted fund balance of $579,154. Refer to the following table:

	Tort Fund
Tort Revenues:	
Tax Collections	$ 7,911
Interest Income	-
Total Tort Revenues:	7,911
Tort Expenditures:	
Building Maintenance	66,667
Commercial Package	121,559
Treasurers Bonds	600
Purchased Services	5,494
Total Tort Expenditures:	194,320
Revenues Over/(Under) Expenditures	(186,409)
Restricted at July 1, 2012	765,563
Restricted at June 30, 2013	$ 579,154

OTHER INFORMATION

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

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2013

	Educational Fund	Operations & Maintenance Fund	Total
Assets			
Cash in bank	$ 11,832,423	1,364,238	13,196,661
Total Assets	$ 11,832,423	1,364,238	13,196,661
Liabilities and Fund Balance			
Liabilities			
Withholdings	$ 114,157	(20,237)	93,920
Total Liabilities	$ 114,157	(20,237)	93,920
Fund balance			
Committed	$ 1,425,123	-	1,425,123
Restricted	-	-	-
Unassigned	10,293,143	1,384,475	11,677,618
Total Fund Balance	11,718,266	1,384,475	13,102,741
Total Liabilities and Fund Balance	$ 11,832,423	1,364,238	13,196,661

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

Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2013

	Educational Fund	Operations & Maintenance Fund	Total General Fund Year Ended June 30, 2013	Total General Fund Year Ended June 30, 2012
Revenues Received				
Local Revenues	$ 17,886,477	3,331,315	21,217,792	20,289,148
Flow Through Revenues	236,077	-	236,077	69,793
State Revenues	1,522,055	-	1,522,055	1,336,950
Federal Revenues	617,840	-	617,840	695,528
On Behalf Payments	3,273,550	-	3,273,550	2,880,536
Total Revenues Received	23,535,999	3,331,315	26,867,314	25,271,955
Expenditures Disbursed				
Instruction	12,624,344	-	12,624,344	12,642,391
Support Services	5,363,590	2,550,711	7,914,301	7,902,071
Payments to Other Schools	890,432	230,965	1,121,397	1,290,554
Community Service	15,066	-	15,066	15,045
On Behalf Payments	3,273,550	-	3,273,550	2,880,536
Total Expenditures Disbursed	22,166,982	2,781,676	24,948,658	24,730,597
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	1,369,017	549,639	1,918,656	541,358
Other Financing Sources (Uses) - Transfer (to) from other funds	(1,500,000)	(800,000)	(2,300,000)	-
Total Other Financing Sources (Uses)	(1,500,000)	(800,000)	(2,300,000)	-
Net Change in Fund Balance	(130,983)	(250,361)	(381,344)	541,358
Fund Balance, Beginning of Year	11,849,249	1,634,836	13,484,085	12,942,727
Fund Balance, End of Year	$ 11,718,266	1,384,475	13,102,741	13,484,085

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, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational:			
Revenues Received			
Local Sources:			
Property Taxes	$ 14,809,399	14,803,547	14,634,281
Special Education Taxes	280,968	280,854	278,261
Replacement Taxes	1,400,000	1,352,950	1,279,057
Payment in Lieu of Taxes	-	8,110	4,996
Tuition	16,000	49,277	37,559
Interest on Investments	20,000	56,505	39,269
Food Service	555,500	526,179	530,793
Pupil Activities	53,500	56,185	61,639
Textbook Rentals/Resale	20,000	55,131	-
Donations	5,000	100,000	540
Local Fees	75,000	2,400	4,800
Sale of Equipment	-	-	-
Refund of Prior Year Expenditures	540,796	449,369	192,274
Driver's Ed Fees	30,000	7,296	-
Other Local Revenues	5,000	138,674	22,632
Total Local Sources	17,811,163	17,886,477	17,086,101
Flow-Through Revenues Received			
Career Development (State)	15,000	15,531	14,118
Special Education - IDEA (Federal)	100,000	220,546	55,675
Total Flow-Through Revenues Received	115,000	236,077	69,793
State Programs:			
General State Aid	600,000	602,859	594,944
Drivers Education	-	30,764	17,380
Reading Improvement - Block Grant	-	-	-
Special Education - Personnel	250,000	287,755	298,652
Special Education - Orphanage	2,500	121,928	33,133
Special Education - Orphanage - Summer	-	8,869	10,694
State Free Lunch & Breakfast	5,000	4,190	5,649
Special Education - Extraordinary	300,000	343,368	288,202
Special Education - Summer School	-	399	602
Special Education - Private Facility Tuition	70,000	118,795	85,381
Technology - Learning Technology Centers	1,500	-	-
State Library Grant	-	3,128	1,574
Board Certification	-	-	739
Total State Programs	$ 1,229,000	1,522,055	1,336,950

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Revenues Received (continued):			
Federal Programs:			
Title I - Low Income	$ 140,000	160,476	106,342
Title II - Teacher Quality	40,000	34,994	13,678
National School Lunch Program	180,000	239,126	199,510
Special Milk Program	1,000	495	446
Title IV - 21st Century	125,000	-	-
ISBE Commodities	-	37,822	37,993
DoD Fruits & Vegetables	-	11,666	10,249
ARRA General State Aid - IDEA Part B Flow-Through	-	-	104,462
ARRA - McKinney - Vento Homeless Education	-	200	200
ARRA General State Aid - Education Jobs	-	-	-
Medicaid Outreach	-	30,249	14,821
Medicaid Fee for Service	-	39,985	15,082
E-rate Reimbursement	-	62,827	54,527
ISU Reimbursement	-	-	131,180
Other Federal Revenue	-	-	-
Total Federal Programs	486,000	617,840	688,490
On Behalf Payments	3,000,000	3,273,550	2,880,536
Total Revenues Received	22,641,163	23,535,999	22,061,870
Expenditures Disbursed			
Instructional:			
Regular Programs:			
Salaries	7,314,194	7,009,344	7,030,652
Benefits	1,964,150	1,901,342	1,872,082
Purchased Services	116,900	122,432	107,318
Teaching Supplies	225,192	199,003	359,508
Capital Outlay	26,300	12,753	16,234
Other Objects	800	75	650
Total Regular Programs	9,647,536	9,244,949	9,386,444
Pre-K Programs:			
Salaries	-	-	-
Benefits	-	-	-
Purchased Services	-	-	-
Teaching Supplies	-	-	-
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Pre-K Programs	$ -	-	-

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Special Education Programs:			
Salaries	$ 1,128,000	1,325,208	1,237,356
Benefits	282,500	247,513	266,460
Purchased Services	34,500	62,638	14,446
Supplies	42,000	29,209	22,326
Capital Outlay	36,000	32,081	10,144
Tuition	302,000	287,730	376,950
Total Special Education Programs	1,825,000	1,984,379	1,927,682
Remedial Programs:			
Salaries	191,804	147,731	111,512
Employee Benefits	15,000	7,022	48,054
Purchased Services	9,600	5,850	9,447
Supplies	24,000	18,404	9,618
Capital Outlay	-	-	-
Total Remedial	240,404	179,007	178,631
Vocational Programs:			
Salaries	262,434	252,209	197,310
Benefits	69,200	64,942	58,748
Purchased Services	1,500	134	571
Supplies	29,800	18,930	30,240
Other Objects	-	-	42
Capital Outlay	5,000	1,038	18,267
Total Vocational	367,934	337,253	305,178
Interscholastic Programs:			
Salaries	456,139	471,578	450,313
Benefits	118,500	108,351	110,612
Purchased Services	91,300	68,393	68,496
Supplies	49,490	49,069	44,413
Capital Outlay	28,000	18,942	17,509
Other	17,905	15,862	16,942
Total Interscholastic	761,334	732,195	708,285
Summer School Programs:			
Salaries	35,000	26,715	31,498
Benefits	6,500	5,252	6,453
Purchased services	-	3,500	90
Supplies	15,000	17,770	7,628
Capital Outlay	-	-	-
Total Summer School	56,500	53,237	45,669
Gifted Programs:			
Salaries	69,559	69,186	65,728
Benefits	24,200	23,104	23,099
Purchased Services	-	-	-
Supplies	1,500	1,034	1,675
Total Gifted	95,259	93,324	90,502
Total Instructional	$ 12,993,967	12,624,344	12,642,391

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Support:			
Attendance & Social Work Services:			
Salaries	$ 209,225	207,732	200,249
Benefits	58,300	46,482	50,775
Purchased Services	-	-	-
Supplies	2,700	2,112	1,428
Other Objects	-	-	-
Total Attendance & Social Work Services	270,225	256,326	252,452
Guidance Services:			
Salaries	220,335	221,591	210,249
Benefits	71,150	62,110	61,757
Purchased Services	-	-	-
Supplies	1,400	1,100	33
Capital Outlay	-	-	-
Other	-	-	-
Total Guidance Services	292,885	284,801	272,039
Health Services:			
Salaries	98,000	94,062	92,700
Benefits	10,000	6,872	7,069
Purchased Services	-	60	135
Supplies	4,100	4,747	4,539
Capital Outlay	-	-	-
Total Health Services	112,100	105,741	104,443
Psychological Services:			
Salaries	99,883	97,069	91,101
Benefits	35,600	30,743	25,678
Supplies	-	-	-
Total Psychological Services	135,483	127,812	116,779
Speech Pathology & Audiology Services:			
Salaries	114,667	134,287	119,798
Benefits	23,400	22,573	27,616
Purchased services	-	214	800
Total Speech Pathology & Audiology Services	138,067	157,074	148,214
Other Support Services - Pupils:			
Salaries	-	38,877	35,645
Purchased Services	85,150	22,858	65,988
Supplies	7,000	395	9,880
Total Other Support Services - Pupils	92,150	62,130	111,513
Instruction Improvement:			
Salaries	231,000	205,124	276,025
Benefits	79,000	51,770	72,519
Purchased Services	143,000	91,009	146,167
Supplies	20,000	9,251	17,715
Capital Outlay	3,500	1,158	13,820
Other	1,000	593	573
Total Instruction Improvement	$ 477,500	358,905	526,819

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Educational Media/Tech Services:			
Salaries	$ 337,779	311,292	325,396
Benefits	92,000	66,745	86,020
Purchased Services	472,500	455,676	236,948
Supplies	51,980	38,123	45,550
Capital Outlay	126,000	104,982	92,296
Other	-	-	-
Total Educational Media/Tech Services	1,080,259	976,818	786,210
Assessment & Testing:			
Purchased Services	9,000	7,499	12,148
Supplies	54,000	22,322	35,138
Capital Outlay	10,000	6,985	-
Total Assessment & Testing	73,000	36,806	47,286
Board of Education Services:			
Benefits	106,000	6,183	5,211
Purchased Services	359,000	401,664	319,242
Supplies	15,000	2,189	3,088
Capital Outlay	20,000	228	11,250
Other Objects	15,000	15,238	12,770
Total Board of Education Services	515,000	425,502	351,561
Superintendent Services:			
Salaries	236,000	213,837	209,044
Employee Benefits	23,000	42,469	39,908
Purchased Services	2,500	1,934	1,187
Supplies	1,500	166	920
Capital Outlay	2,000	-	-
Other Objects	2,500	1,435	1,528
Total Superintendent Services	267,500	259,841	252,587
Special Area Administration Services:			
Salaries	-	-	270
Employee Benefits	-	-	32
Total Special Area Administration Services	-	-	302
Principal Services:			
Salaries	953,000	944,229	915,087
Employee Benefits	303,200	282,017	279,206
Purchased Services	18,250	12,127	15,464
Supplies	31,500	19,872	17,550
Capital Outlay	5,000	1,456	1,000
Other Objects	2,750	2,153	1,830
Total Principal Services	1,313,700	1,261,854	1,230,137
Other Support Services - School Admin:			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchased Services	3,500	2,880	2,700
Total Other Support Services - School Admin	$ 3,500	2,880	2,700

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Direction of Business Support Services:			
Salaries	$ 55,000	56,022	55,030
Benefits	18,100	17,126	16,641
Purchased Services	1,000	1,086	276
Supplies	1,000	3,563	891
Capital Outlay	3,000	1,979	1,896
Other Objects	-	335	1,002
Total Direction of Business Support Services	78,100	80,111	75,736
Fiscal Services:			
Bookkeeper Salaries	75,000	76,925	72,212
Benefits	4,000	724	1,910
Purchased Services	11,000	4,500	2,102
Supplies	13,000	5,977	8,256
Capital Outlay	6,500	5,342	5,479
Other Objects	1,000	1,539	434
Total Fiscal Services	110,500	95,007	90,393
Operation & Maintenance of Plant Services:			
Salaries	-	-	-
Purchased Services	-	-	-
Supplies	5,000	5,368	5,171
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Operation & Maintenance of Plant Services	5,000	5,368	5,171
Food Services:			
Salaries	321,100	319,381	311,259
Benefits	82,000	76,628	80,004
Purchased Services	13,800	21,627	5,998
Supplies	416,000	423,511	430,639
Capital Outlay	10,000	882	11,624
Other	22,500	18,060	21,745
Total Food Services	865,400	860,089	861,269
Internal Services:			
Purchased Services	-	-	-
Capital Outlay	-	-	-
Total Internal Services	-	-	-
Information Services:			
Purchased Services	5,000	6,525	6,348
Total Information Services	5,000	6,525	6,348
Total Support	5,835,369	5,363,590	5,241,959
Community Services:			
Salaries	15,000	15,000	15,000
Benefits	-	-	-
Purchased Services	-	-	-
Supplies	-	66	45
Total Community Services	$ 15,000	15,066	15,045

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Educational (continued):			
Payments to Other Schools:			
Assessment	$ 45,000	137,855	137,683
Tuition	1,056,000	752,577	912,298
Total Payments to Other Schools	1,101,000	890,432	1,049,981
On Behalf Payments	3,000,000	3,273,550	2,880,536
Total Expenditures Disbursed	22,945,336	22,166,982	21,829,912
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(304,173)	1,369,017	231,958
Other Financing Sources (Uses):			
Transfer to Bond & Interest	-	(1,500,000)	-
Total Other Financing Sources (Uses)	-	(1,500,000)	-
Net Change in Fund Balance	$ (304,173)	(130,983)	231,958
Fund Balance, Beginning of Year		11,849,249	11,617,291
Fund Balance, End of Year		$ 11,718,266	11,849,249

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, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Operations & Maintenance:			
Revenues Received			
Local Sources:			
Property Taxes	$ 3,245,776	3,244,455	3,179,158
Rental income	10,000	14,123	14,551
Interest Income	1,000	-	(400)
Other Revenues/Insurance Reimbursement	-	72,737	9,738
Other Federal Revenue	-	-	7,038
Total Revenues Received	3,256,776	3,331,315	3,210,085
Expenditures Disbursed			
Other Support Services - Pupil			
Purchased Services	500	-	-
Facilities Acquisition & Construction Services			
Purchased Services	10,000	-	1,380
Capital Outlay	-	-	-
Operation/Maintenance of Plant			
Salaries	1,085,500	1,079,540	1,062,314
Employee Benefits	256,325	217,842	234,995
Purchased Services	370,750	361,634	460,568
Supplies	885,500	782,785	841,104
Custodial Equipment	115,200	108,530	59,601
Other	-	380	150
Contingencies	50,000	-	-
Payments to Other Governments			
Vocational Education Programs	225,000	230,965	240,573
Total Expenditures Disbursed	2,998,775	2,781,676	2,900,685
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	$ 258,001	549,639	309,400
Other Financing Sources (Uses):			
Transfer to Bond & Interest Fund		(800,000)	-
Fund Balance, Beginning of Year		1,634,836	1,325,436
Fund Balance, End of Year		$ 1,384,475	1,634,836

Schedule B-1

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

	Assets	
Cash in bank		$ 3,140,726
Total Assets		$ 3,140,726
	Fund Balance	
Fund Balance		$ 3,140,726
Total Fund Balance		$ 3,140,726

Schedule B-2

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property Taxes	$ 1,563,133	1,562,497	1,470,614
Fees from other Districts	3,000	3,893	3,025
Interest on Investments	1,000	-	-
Regular/Vocational Transportation	200,000	255,537	192,649
Special Education	500,000	857,680	650,320
Total Revenues Received	2,267,133	2,679,607	2,316,608
Expenditures Disbursed			
Transportation Salaries	5,000	6,312	6,013
Employee Benefits	-	1,989	1,915
Purchased Services	2,216,250	1,874,592	1,940,906
Supplies	5,000	5,062	1,015
Capital Outlay	5,000	-	5,000
Contingencies	100,000	-	-
Other Objects	-	-	-
Total Expenditures Disbursed	2,331,250	1,887,955	1,954,849
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	(64,117)	791,652	361,759
Other Financing Sources (Uses):			
Transfer from Educational Fund	-	-	-
Net Change in Fund Balance	$ (64,117)	791,652	361,759
Fund Balance, Beginning of Year		2,349,074	1,987,315
Fund Balance, End of Year		$ 3,140,726	2,349,074

Schedule B-3

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

Assets	
Cash	$ 627,288
Total Assets	$ 627,288
Fund Balance	
Fund balance	$ 627,288

Schedule B-4

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property Taxes	$ 7,914	7,910	7,955
Interest on Investments	2,500	-	(12,185)
Total Revenues Received	10,414	7,910	(4,230)
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	10,414	7,910	(4,230)
Other Financing Sources (Uses) - Transfer out	-	(1,764,528)	-
Total Other Financing Sources (Uses)	-	(1,764,528)	-
Net Change in Fund Balance	$ 10,414	(1,756,618)	(4,230)
Fund balance, Beginning of Year		2,383,906	2,388,136
Fund balance, End of Year		$ 627,288	2,383,906

Schedule B-5

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

	Assets	
Cash in bank		$ 539,296
Total Assets		$ 539,296
	Fund Balance	
Restricted fund balance		$ 539,296
Total Fund Balance		$ 539,296

Schedule B-6

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Impact Fees	$ 10,000	5,578	6,910
Interest on Investments	-	230	281
Total Revenues Received	10,000	5,808	7,191
Expenditures Disbursed			
High School Addition	-	-	527,541
Facilities Impact Fee - Renovations	100,000	106,647	-
School Site Donation - Ground Improvements	100,000	106,165	-
Support Services	10,000	-	-
Total Expenditures Disbursed	210,000	212,812	527,541
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(200,000)	(207,004)	(520,350)
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	$ (200,000)	(207,004)	(520,350)
Fund balance, Beginning of Year		746,300	1,266,650
Fund balance, End of Year		$ 539,296	746,300

Schedule B-7

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

	Assets	
Cash in bank		$ 89,181
Total Assets		$ 89,181
	Fund Balance	
Fund balance		$ 89,181

Schedule B-8

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property Taxes	$ 2,975,176	2,973,966	2,900,499
Interest Income	1,000	-	-
Total Revenues Received	2,976,176	2,973,966	2,900,499
Expenditures Disbursed			
Interest on Bonds	780,000	2,836,785	2,223,894
Miscellaneous	2,500	22,480	1,150
State Aid Anticipation Certificates	2,195,206	-	-
Defeasance	-	3,335,000	-
Bonds Retired	-	780,000	675,000
Total Expenditures Disbursed	2,977,706	6,974,265	2,900,044
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	$ (1,530)	(4,000,299)	455
Other Financing Sources (Uses):			
Transfer from various funds		4,064,528	-
Discount on Bonds		-	-
Total Other Financing Sources (Uses)		4,064,528	-
Net Change in Fund Balance		64,229	455
Fund Balance, Beginning of Year		24,952	24,497
Fund Balance, End of Year		$ 89,181	24,952

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

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)
12/31/2012	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%
12/31/2003	2,427,415	2,704,434	277,019	89.76%	1,233,490	22.46%
12/31/2002	2,400,633	2,536,457	135,824	94.65%	1,222,906	11.11%

On a market value basis, the actuarial value of assets as of December 31, 2012 is $2,733,159. On a market basis, the funded ratio would be 61.40%.

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.

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, 2013

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds June 30, 2013	Total Nonmajor Governmental Funds June 30, 2012
Assets					
Cash	$ 210,470	196,105	579,154	985,729	1,136,739
Total Assets	$ 210,470	196,105	579,154	985,729	1,136,739
Liabilities					
IMRF Payable	$ -	962	-	962	962
Total Liabilities	$ -	962	-	962	962
Fund Balances					
Fund Balances:					
Unassigned	$ -	-	-	-	(13,727)
Restricted	210,470	195,143	579,154	984,767	1,149,504
Total Fund Balances	210,470	195,143	579,154	984,767	1,135,777
Total Liabilities and Fund Balance	$ 210,470	196,105	579,154	985,729	1,136,739

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, 2013

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds Year Ended June 30, 2013	2012
Revenues Received:					
Local Sources:					
Property Taxes	$ 15,823	638,449	7,911	662,183	639,967
Replacement Tax	-	56,668	-	56,668	52,789
Interest on Investments	-	-	-	-	(2,502)
Total Revenues Received	15,823	695,117	7,911	718,851	690,254
Expenditures Disbursed:					
Instructional	-	222,229	-	222,229	198,948
Support	-	452,165	194,320	646,485	547,648
Community Services	-	1,147	-	1,147	916
Total Expenditures Disbursed	-	675,541	194,320	869,861	747,512
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	15,823	19,576	(186,409)	(151,010)	(57,258)
Fund Balance, Beginning of Year	194,647	175,567	765,563	1,135,777	1,193,035
Fund Balance, End of Year	$ 210,470	195,143	579,154	984,767	1,135,777

Schedule C-3

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

Assets	
Cash in bank	$ 210,470
Total Assets	$ 210,470
Fund Balance	
Fund balance	$ 210,470

Schedule C-4

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property Taxes	$ 15,829	15,823	15,909
Interest Income	-	-	(1)
Total Revenues Received	15,829	15,823	15,908
Expenditures Disbursed			
Purchased Services	-	-	-
Capital Outlay	-	-	-
Total Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	$ 15,829	15,823	15,908
Fund Balance, Beginning of Year		194,647	178,739
Fund Balance, End of Year		$ 210,470	194,647

Schedule C-5

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

Assets	
Cash in bank	$ 196,105
Total assets	$ 196,105
Liabilities	
IMRF Payable	$ 962
Total liabilities	962
Fund Balance	
Social Security Fund Balance	160,320
IMRF Fund Balance	34,823
Total Fund Balance	195,143
Total Liabilities and Fund Balance	$ 196,105

Schedule C-6

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property Taxes - IMRF	$ 638,707	296,677	278,261
Property Taxes - FICA	-	341,772	337,842
Replacement Taxes	50,000	56,668	52,789
Interest Income	1,000	-	-
Total Revenues Received	689,707	695,117	668,892
Expenditures Disbursed			
Instructional	216,750	222,229	198,948
Supporting Services	483,300	452,165	448,947
Community Services	-	1,147	916
Total Expenditures Disbursed	700,050	675,541	648,811
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	$ (10,343)	19,576	20,081
Fund Balance, Beginning of Year		175,567	155,486
Fund Balance, End of Year		$ 195,143	175,567

Schedule C-7

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2013

	Assets	
Cash in bank		$ 579,154
Total Assets		$ 579,154
	Fund Balance	
Fund balance		$ 579,154

Schedule C-8

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended June 30, 2013	2012
Revenues Received			
Property taxes	$ 7,914	7,911	7,955
Interest income	-	-	(2,501)
Total Revenues Received	7,914	7,911	5,454
Expenditures Disbursed			
Attorney Fees	25,000	-	-
Building Maintenance	47,500	66,667	4,105
Commercial Package	130,000	121,559	78,744
Treasurers Bonds	-	600	10,360
Purchased Services	-	5,494	5,492
Total Expenditures Disbursed	202,500	194,320	98,701
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	$ (194,586)	(186,409)	(93,247)
Fund Balance, Beginning of Year		765,563	858,810
Fund Balance, End of Year		$ 579,154	765,563

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

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2013

	June 30, 2012	Revenues	Expenditures	June 30, 2013
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	$ 1,236	630	1,575	291
Alumni	5,686	-	-	5,686
Art Club	250	300	200	350
Athletics	3,576	38,607	39,022	3,161
Baseball	1,286	6,842	6,097	2,031
Band	724	3,384	2,867	1,241
Boys Basketball	795	4,029	4,931	(107)
Boys Basketball Cheerleading	22	1,546	874	693
CCTV	52	-	-	52
Cheerleading	103	2,910	2,173	840
Class of 2010	2,232	-	2,232	-
Class of 2011	1,484	-	1,484	-
Class of 2012	1,588	-	-	1,588
Class of 2013	6,240	3,468	3,790	5,918
Class of 2014	380	51,226	44,511	7,095
Class of 2015	652	100	300	452
Class of 2016	-	337	100	237
Coaler Creations	2,112	7,979	8,871	1,220
Drama Club	3,051	-	-	3,051
FCCLA	243	3,278	2,580	941
Football	5,813	4,524	5,576	4,761
Freeman Trotter Scholarship	250	250	250	250
Foreign Language	1	-	-	1
General Activity	2,948	11,356	10,787	3,518
Girl's Basketball	692	1,390	1,905	177
Girl's Soccer	2,796	2,451	3,081	2,166
Golf	-	1,623	1,022	601
Library	203	122	67	258
Link Leaders	69	272	-	341
Madrigals	495	428	221	702
NHS	193	464	657	1
Pepsi	137	1,588	1,721	4
Poms	1,218	6,504	6,268	1,454
Ruth Allen Scholarship	10,000	-	-	10,000
SADD	409	100	-	509
Science Club	472	280	369	383
Show Choir	837	7,305	3,948	4,194
Soccer	245	2,034	953	1,326
Softball	163	3,757	265	3,654
Speech	1,909	3,138	6,440	(1,393)
Student Council	17,479	7,963	10,370	15,071
Teachers Petty Cash	1,226	-	-	1,226
Tennis	2,584	1,168	1,778	1,974
Track	3	-	-	3
Varsity Club	1,565	591	441	1,715

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

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2013

	June 30, 2012	Revenues	Expenditures	June 30, 2013
High School Activity Funds: (continued)				
VFW Scholarship	$ -	6,030	2,030	4,000
Volleyball Club	2,648	4,277	5,739	1,186
Wrestling	2,337	1,719	2,608	1,448
Wellness	11	4,403	3,342	1,073
Wrestling Cheerleading	131	-	-	131
Yearbook	8,513	24,721	29,185	4,049
Total High School Activity Funds	97,059	223,091	220,632	99,518
Intermediate School Activity Funds:				
Art Fund	176	-	-	176
General Activity	2,388	5,414	3,735	4,067
Library Fund	2,824	9,113	8,506	3,430
Pepsi-Flower Fund	296	1,169	978	488
School Store Fund	2,342	1,924	2,300	1,966
Student Council	399	1,775	1,742	432
Yearbook	3,733	5,037	3,636	5,134
Total Intermediate School Activity Funds	12,158	24,432	20,897	15,693
Middle School Activity Funds:				
6th Grade Student Fund	3,286	701	867	3,120
8th Grade Dance	464	6,037	4,376	2,124
Art Club	186	3	188	2
Athletics	1,192	14,730	13,506	2,416
Band	862	565	687	739
Chorus	98	30,550	30,621	27
Garden Club	1,508	1,853	1,795	1,566
General Activity	9,519	21,350	27,163	3,706
Girl's Basketball	1,285	1,015	1,321	979
Library	404	5,502	5,570	336
Musical	79	6,902	1,161	5,820
MS Girls Softball	233	84	-	317
Shop for Free	40	1,588	749	879
Pepsi Fund	285	1,796	1,711	370
Picture & Yearbook	3,414	9,267	6,353	6,328
School Enrichment	-	-	-	-
Speech	328	-	684	(356)
Student Council	1,276	4,651	4,203	1,724
Student Enrichment	1,156	397	242	1,311
Wrestling	26	2,489	2,477	38
Total Middle School Activity Funds	$ 25,641	109,480	103,674	31,446

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

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2013

	June 30, 2012	Revenues	Expenditures	June 30, 2013
Elementary School Activity Funds:				
General Activity	$ 4,613	8,773	6,624	6,762
Library Fund	153	11,078	10,288	943
Music Program	181	41	96	126
Pepsi-Cola Fund	517	847	873	491
School Store	637	862	1,016	483
Special Education	1,036	400	-	1,436
Yearbook & Picture Fund	1,902	3,543	4,577	868
Total Elementary School Activity Funds	9,039	25,544	23,474	11,109
Early Childhood Center Activity Funds:				
General Activity	10,806	20,973	18,554	13,225
Music Program	230	-	-	230
Pepsi-Cola Fund	476	2,226	2,126	575
Library	181	11,479	10,982	678
Youth Baseball Camp	3,110	4,688	4,042	3,756
Yearbook & Picture Fund	4,736	9,681	6,305	8,112
Total Early Childhood Center Activity Funds	19,539	49,047	42,009	26,576
Athletic Boosters	26,785	48,598	57,991	17,392
Total Student Activity Funds	190,221	480,192	468,677	201,734
Memorial Activity Funds:				
High School Memorial	3,906	2,038	500	5,444
Kaplan Scholarship Fund	351,372	15,610	7,600	359,382
Freeman Trotter Scholarship Fund	2,849	21	250	2,620
Rashke Memorial	11,136	86	1,000	10,222
VFW Scholarship	5,000	-	1,000	4,000
Anderson Memorial Fund	156,232	1,482	-	157,714
Total Memorial Activity Funds	530,495	19,237	10,350	539,382
Total Activity Accounts	$ 720,716	499,429	479,027	741,116

Schedule 2

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Tax Year				
	2008	2009	2010	2011	2012
Assessed Valuations	$ 784,243,743	798,338,313	795,039,932	791,459,775	848,122,680
Tax Rates:					
Educational	1.7703	1.8378	1.8398	1.8712	1.9750
Building	0.3808	0.3915	0.3997	0.4101	0.4209
Bond & Interest	0.3336	0.3364	0.3646	0.3759	0.3418
Transportation	0.1714	0.1737	0.1849	0.1975	0.1989
IMRF	0.0222	0.0292	0.0350	0.0375	0.0376
Working Cash	0.0011	0.0011	0.0010	0.0010	0.0201
Tort Immunity	0.0301	0.0038	0.0010	0.0010	0.0010
Special Education	0.0301	0.0302	0.0350	0.0355	0.0400
Social Security	0.0348	0.0372	0.0425	0.0432	0.0426
Lease PBC	-	-	-	-	0.0500
Fire Prevention/Safety	0.0027	0.0021	0.0020	0.0020	0.0020
Totals	2.7771	2.8430	2.9053	2.9749	3.1299
Tax Extensions:					
Educational	$ 13,883,484	14,671,862	14,626,827	14,809,400	16,750,677
Building	3,040,072	3,125,495	3,177,377	3,245,777	3,569,579
Bond & Interest	2,663,257	2,685,610	2,898,875	2,975,176	2,898,714
Transportation	1,368,352	1,386,714	1,469,790	1,563,133	1,687,086
IMRF	177,231	233,115	278,105	296,797	318,725
Working Cash	8,782	8,782	7,950	7,915	170,049
Tort Immunity	240,300	30,337	7,950	7,915	8,566
Special Education	240,300	241,098	278,105	280,968	339,249
Social Security	277,822	296,982	337,653	341,911	361,215
Lease PBC	-	-	-	-	424,061
Fire Prevention/Safety	21,555	16,765	15,901	15,829	17,047
Totals	$ 21,921,156	22,696,758	23,098,534	23,544,821	26,544,968
Tax Collections	$ 21,762,205	22,692,388	23,110,735	23,535,238	-

Schedule 3

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Legal Debt Margin
For the Year Ended June 30, 2013

Assessed Valuation - 2012 Tax Year		$ 848,122,680
Statutory Debt Limitation (13.8% of Assessed Valuation)		$ 117,040,930
Less Applicable Debt:		
General Obligation Bonds, Series 2010	345,000	
General Obligation Bonds, Series 2008	32,880,000	
General Obligation Bonds, Series 2006	1,845,000	35,070,000
Legal Debt Margin		$ 81,970,930

OTHER REPORTS

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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, 2013, 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 March 10, 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 March 10, 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
March 10, 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

Compliance

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, 2013. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Coal City Community Unit School District No. 1, Illinois' management. Our responsibility is to express an opinion on Coal City Community Unit School District No. 1, Illinois' compliance based on our audit.

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. Our audit does not provide a legal determination of Coal City Community Unit School District No. 1, Illinois' compliance with those requirements.

In our opinion, Coal City Community Unit School District No. 1, Illinois, complied, in all material respects, with the 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, 2013.

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 requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Coal City Community Unit School District No. 1, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the School Board, others within the District, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
March 10, 2014

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule of Expenditures of Federal Awards – By Grant
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Federal CFDA Number*	*Pass-Through Entity Identifying Number*	*Federal Expenditures ($)*
Child Nutrition Cluster-Cluster			
United States Department of Agriculture Direct Programs			
Illinois State Board of Education National School Lunch Program	10.555		$239,126
National School Lunch Program - 4210			$239,126
Total			$239,126
Special Milk Program for Children	10.556		$495
Total United States Department of Agriculture Direct Programs			$239,621
United States Department of Agriculture Pass-Through Programs			
Passed-through Illinois State Board of Education			
Illinois State Board of Education National School Lunch Program	10.555		$49,488
Lanter Commodities -			$37,822
DoD Fruits & Vegetables -			$11,666
Total			$49,488
Total National School Lunch Program			$49,488
Total Passed-through Illinois State Board of Education			$49,488
Total United States Department of Agriculture			$289,109
Total Child Nutrition Cluster-Cluster			$289,109
Other Programs			
Department of Education Direct Programs			
Improving Teacher Quality State Grants	84.367		$34,994
Total Department of Education			$34,994
Department of Education Pass-Through Programs			
Passed-through Grundy County Special Education Cooperative			
Grundy County Special Education CooperativeSpecial Education_Grants to States	84.027		$220,546
Total Special Education_Grants to States			$220,546
Total Passed-through Grundy County Special Education Cooperative			$220,546
Total Department of Education			$220,546
Department of Education Direct Programs			
Title I Grants to Local Educational Agencies	84.010		$160,476
Total Department of Education			$160,476
Department of Education Direct Programs			
ARRA-Education for Homeless Children and Youth, Recovery Act	84.387		$200
Total Department of Education			$200
Department of Health and Human Services Direct Programs			
Medical Assistance Program	93.778		$30,249
Total Department of Health and Human Services			$30,249
Total Other Programs			$446,465
Total Expenditures of Federal Awards			$735,574

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditor's 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 programs tested as major programs include the National School Lunch Program - CFDA #10.555, and Special Education – Grants to States – CFDA #84.027.

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.

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Note A: Basis of Presentation

The Schedule 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.

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2013

There were no prior audit findings.