

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

COAL CITY, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2012**

Prepared by:

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

*116 E. Washington Street, Suite One
Morris, IL 60450
Telephone: (815) 942-3306*



CERTIFIED PUBLIC ACCOUNTANTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Table of Contents

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-12
FINANCIAL STATEMENTS	
Government-wide Financial Statement- Statement of Net Assets - Modified Cash Basis (Statement A)	13
Government-wide Financial Statement- Statement of Activities - Modified Cash Basis (Statement B)	14
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis - Governmental Funds (Statement C)	15
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Governmental Funds (Statement D)	16
Statement of Fiduciary Net Assets - Fiduciary Funds (Statement E)	17
NOTES TO FINANCIAL STATEMENTS	18-42
<i>COMBINING AND INDIVIDUAL FUND STATEMENTS</i>	
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Combining Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule A-1)	43
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance (Schedule A-2)	44
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule A-3)	45-52

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Table of Contents

	PAGE
Major Funds:	
Transportation Fund:	
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-1).....	53
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule B-2).....	53
Working Cash Fund:	
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-3).....	54
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule B-4).....	54
Capital Project Fund:	
Site & Construction Fund:	
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-5).....	55
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule B-6).....	55
Debt Service Fund:	
Bond and Interest Fund:	
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-7)	56
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule B-8)	56
Schedule of Funding Progress Illinois Municipal Retirement Fund (Schedule 1).....	57

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Table of Contents

PAGE

OTHER SUPPLEMENTAL INFORMATION

Non-major Governmental Funds:

Combining Statement of Assets, Liabilities, and Fund Balances Arising From Cash Transactions (Schedule C-1).....	58
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Non-major Funds (Schedule C-2).....	59

Special Revenue Funds:

Life Safety Fund:

Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule C-3).....	60
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule C-4).....	60

Social Security and IMRF Fund:

Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule C-5)	61
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule C-6).....	61

Tort Immunity and Judgment Fund:

Statement of Assets, Liabilities, and Fund Balance Arising From Cash Transactions (Schedule C-7)	62
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual (Schedule C-8).....	62

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Table of Contents

PAGE

Agency Funds:

Statement of Changes in Assets and Liabilities (Schedule D)	63-65
---	-------

Assessed Valuations, Tax Rates, Tax

Extensions and Tax Collections (Schedule 2)	66
---	----

Legal Debt Margin (Schedule 3)	67
--------------------------------------	----

Other Reports:

Report on Internal Control Over Financial Reporting and
On Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance

With <i>Government Auditing Standards</i>	68-69
---	-------

SINGLE AUDIT SECTION:

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

70-71

Schedule of Expenditures of Federal Awards	72-73
--	-------

Schedule of Findings and Questioned Costs	74
---	----

Notes to the Schedule of Expenditures of Federal Awards	75
---	----

Summary Schedule of Prior Year Audit Findings	76
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INDEPENDENT AUDITORS' REPORT



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
CHRISTY A. ELY, CPA
MATT MELVIN
LINDA HUNT
BROCK RIGGI
STEPHANIE HEISNER

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 the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, Illinois, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Coal City Community Unit School District, Illinois' Board of Education. Our responsibility is to express opinions on these financial statements based on our audit.

We have 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis, of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, Illinois as of June 30, 2012, and the respective changes in financial position - modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2012, on our consideration of Coal City Community Unit School District No. 1, Illinois' internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and IMRF Schedule of Funding Progress on pages 3 through 12 and 43 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coal City Community Unit School District No. 1, Illinois' financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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 assurance on it.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
August 20, 2012

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

This section of the Coal City Community Unit School District's (District) Annual Audit presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. 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 assets increased \$78,756 to \$28,254,248 in 2012 from \$28,175,492 in 2011. The increase in net assets indicates the District's financial position slightly improved during the current year.
- For the fiscal year ended June 30, 2012, the District's total revenues were more than total expenditures, on the modified cash basis of accounting, by \$321,734.
- As of June 30, 2012, the General Fund, which is comprised of the Educational and Operations and Maintenance Funds, has a Fund Balance of \$13,484,085 (\$12,082,219 Unassigned, \$3,619 Restricted for Federal Grants, and \$1,398,247 Committed for unpaid teacher contracts and insurance reserve), the Transportation Fund has a Fund Balance of \$2,349,074 Assigned for Student Transportation, the Working Cash Fund has an Unassigned Fund Balance of \$2,383,906, the Site & Construction Fund has a Fund Balance of \$746,300 Restricted for Capital Projects, the Bond & Interest Fund has a Fund Balance of \$24,952 Restricted for Debt Service, and overall, the District has a Fund Balance of \$20,124,094.
- Local revenue (90% of total revenue) continued to be delivered in a timely fashion (July, September). The majority of Federal Funding (1.9% of total revenue) generally comes in the form of grants to fund programs.
- The assessed valuation continued to decrease by 0.5% (\$3,580,157) from tax year 2010 to 2011. The assessed valuation decreased by 0.4% (\$3,298,381) from tax year 2009 to 2010. However, the assessed valuation increased an average of 2% over the last five years.

Comparison of Current Fund Balances

Fund	June 30, 2012	June 30, 2011
Educational Fund	\$ 11,849,249	\$ 11,617,291
Operations & Maintenance Fund	1,634,836	1,325,436
Bond & Interest	24,952	24,497
Transportation Fund	2,349,074	1,987,315
Social Security & IMRF	175,567	155,486
Working Cash Fund	2,383,906	2,388,136
Life Safety Fund	194,647	178,739
Tort Immunity and Judgment Fund	765,563	858,810
Site & Construction Fund	746,300	1,266,650
Total	<u>\$ 20,124,094</u>	<u>\$ 19,802,360</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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 Assets 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.

Required Supplementary Information: This Management's Discussion and Analysis, the General and Major Special Revenue Funds Budgetary Comparison Schedules, and the Schedule of Funding Progress (Schedule 1) represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "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 assets rather than as a disbursement on the statement of activities.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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 Assets and the Statement of Activities

The Government-wide Statement of Net Assets 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 assets. Over time, increases and decreases in net assets 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 assets 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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

Description	Budget	Actual	Variance	Percent Variance
Education Revenues Received	21,817,392	22,061,870	244,478	1.11%
Education Expenditures Disbursed	22,786,123	21,829,912	956,211	4.38%
Operations & Maint. Revenues Received	3,197,432	3,210,085	12,653	0.39%
Operations & Maint. Expenditures Disbursed	2,939,950	2,900,685	39,265	1.35%
Bond & Interest Revenues Received	2,901,394	2,900,499	(895)	-0.03%
Bond & Interest Expenditures Disbursed	2,898,894	2,900,044	(1,150)	-0.04%
Transportation Revenues Received	2,473,291	2,316,608	(156,683)	-6.76%
Transportation Expenditures Disbursed	2,286,300	1,954,849	331,451	16.96%
Social Security & IMRF Revenues Received	664,724	668,892	4,168	0.62%
Social Security & IMRF Expenditures Disbursed	742,650	648,811	93,839	14.46%
Working Cash Revenues Received	12,945	(4,230)	(17,175)	406.03%
Working Cash Expenditures Disbursed	-	-	-	N/A
Life Safety Revenues Received	15,890	15,908	18	0.11%
Life Safety Expenditures Disbursed	-	-	-	N/A
Tort Immunity Revenues Received	7,944	5,454	(2,490)	-45.65%
Tort Immunity Expenditures Disbursed	189,500	98,701	90,799	91.99%
Site & Construction Revenues Received	20,000	7,191	(12,809)	-178.13%
Site & Construction Expenditures Disbursed	585,000	527,541	57,459	10.89%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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 than 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

Condensed Financial Information

Table 1
Net Assets

	Governmental Activities	
	2012	2011
<u>Assets</u>		
Current Assets	\$ 20,286,838	19,657,736
Capital Assets	67,048,965	66,420,139
Accumulated Depreciation	(19,733,811)	(18,187,007)
Total Assets	<u>\$ 67,601,992</u>	<u>67,890,868</u>
<u>Liabilities</u>		
Withholdings	\$ 162,744	169,181
Due within one year	780,000	675,000
Due in more than one year	38,405,000	39,185,000
Total Liabilities	<u>39,347,744</u>	<u>40,029,181</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	8,130,154	8,373,132
Restricted	1,924,375	2,484,182
Unrestricted	18,199,719	17,318,178
Total Net Assets	<u>\$ 28,254,248</u>	<u>28,175,492</u>

As seen in Table 1, Unrestricted Net Assets - the part of the net assets that can be used to finance day-to-day operations without any constraints - ended at \$18,199,719 for the year. Restricted Net Assets, \$1,924,375, is restricted for Tort, Social Security, Medicare, IMRF, Life Safety, Debt Service, and Capital related expenditures.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

As seen in Table 2, total income stood at \$31,182,277 at the end of the fiscal year, of which \$3,542,948 was from program revenues. Total expenditures at the end of the fiscal year stood at \$31,103,521, including current year depreciation and excluding capital outlay purchases and principal debt payments.

Table 2
Change in Net Assets

	Governmental Activities	
	2012	2011
Receipts:		
Program Receipts:		
Fees and charges for services	\$ 652,367	\$ 663,406
Operating grants and contributions	2,279,615	2,438,326
Capital grants and contributions	610,966	857,209
General Receipts:		
Property taxes	22,824,519	22,426,981
Payment in Lieu of Taxes	4,996	-
Tort immunity taxes	7,955	30,345
Special education taxes	278,261	241,115
Replacement taxes	1,331,846	1,510,076
Interest income	24,463	70,768
Unrestricted contributions & donations	540	6,000
Grants & entitlements not restricted	2,880,536	2,620,975
Site Donations	6,910	9,509
Miscellaneous	87,029	32,011
Special items:		
Prior Year Refund	192,274	13,899
Discount/Issuance of Bonds	-	(112,648)
Total Receipts	31,182,277	30,807,972
Program Expenditures:		
Instruction	17,548,490	10,855,792
Supporting services	12,248,516	17,712,814
Community services	15,961	16,385
Payments to other schools	1,290,554	1,057,656
Total Expenditures	31,103,521	29,642,647
Change in Net Assets	78,756	1,165,325
Beginning Net Assets	28,175,492	27,010,167
Ending Net Assets	\$ 28,254,248	\$ 28,175,492

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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. As of June 30, 2012, the District's debt obligations were as follows:

	Beginning Balance	Additions	Retired	Ending Balance
General Obligation Bonds - 2006	\$ 3,300,000	-	675,000	2,625,000
General Obligation Bonds - 2008	\$ 32,880,000	-	-	32,880,000
General Obligation Bonds - 2010	3,680,000	-	-	3,680,000
Total	<u>\$ 39,860,000</u>	<u>-</u>	<u>675,000</u>	<u>39,185,000</u>

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, 2012, the capital assets balance of the District amounted to \$47,315,154. This amount represents the actual and historical original cost of the assets net of accumulated depreciation.

	June 30, 2012	June 30, 2011
Land	\$ 5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607
Building	55,041,005	54,582,318
Equipment	4,558,142	4,391,164
Cafeteria Equipment	650,060	646,899
Accumulated Depreciation	<u>(19,733,811)</u>	<u>(18,187,007)</u>
Total	<u>\$ 47,315,154</u>	<u>48,233,132</u>

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 2011 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2012

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, 2012.

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 Assets - Modified Cash Basis
June 30, 2012

	Primary Government	
	Governmental Activities	
	2012	2011
<u>Assets</u>		
Cash in bank	\$ 20,286,838	19,657,736
Capital Assets		
Land	5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607
Building	55,041,005	54,582,318
Equipment	4,558,142	4,391,164
Cafeteria Equipment	650,060	646,899
Accumulated Depreciation	(19,733,811)	(18,187,007)
Total Assets	<u>67,601,992</u>	<u>67,890,868</u>
<u>Liabilities</u>		
Withholdings	162,744	169,181
Due Within One Year	780,000	675,000
Long Term Liabilities:		
Due in More Than One Year	<u>38,405,000</u>	<u>39,185,000</u>
Total Liabilities	<u>39,347,744</u>	<u>40,029,181</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	8,130,154	8,373,132
Restricted	1,924,375	2,484,182
Unrestricted	<u>18,199,719</u>	<u>17,318,178</u>
Total Net Assets	<u>\$ 28,254,248</u>	<u>28,175,492</u>

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement B

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2012

Program Activities	Expenditures	Program Revenues		Net Expense and Changes in Net Assets in Governmental Activities	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	2012 2011
Governmental Activities					
Instruction	\$ 17,548,490	103,998	1,421,825	625,919	(8,493,207)
Support Services	12,248,516	548,369	842,969	-	(16,145,363)
Community Services	15,961	-	-	-	(16,385)
Payments to Other Schools	1,290,554	-	-	-	(1,057,656)
Total Governmental Activities	\$ 31,103,521	652,367	2,264,794	625,919	(25,712,611)
General Revenues					
Taxes:					
Property Taxes					\$ 22,824,519 22,426,981
Payment in Lieu of Taxes					4,996 -
Tort Immunity					7,955 30,345
Special Education Taxes					278,261 241,115
Replacement Taxes					1,331,846 1,510,076
Grants and Entitlements not Restricted to Specific Programs					2,880,536 2,620,975
Refund of Prior Year Expenditures					192,274 13,899
Site Donations					6,910 9,509
Unrestricted Contributions and Donations					540 6,000
Interest on Investments					24,463 70,768
Discount on Bonds					- (69,920)
Bond Issuance Costs					- (42,728)
Miscellaneous					86,897 60,916
Total General Revenues					27,639,197 26,877,936
Change in Net Assets					78,756 1,165,325
Net Assets Beginning of Year					28,175,492 27,010,167
Net Assets End of Year					\$ 28,254,248 28,175,492

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement C

Statement of Assets, Liabilities and Changes in Fund Balances
Modified Cash Basis- Governmental Funds
June 30, 2012

	Special Revenue Funds:			Capital Project Fund:	Debt Service Fund:	Nonmajor Governmental Funds	Total Governmental Funds	
	Educational Fund	Transportation Fund	Working Cash Fund	Site & Construction Fund	Bond & Interest Fund		2012	2011
<u>Assets</u>								
Cash	\$ 13,645,867	2,349,074	2,383,906	746,300	24,952	1,136,739	20,286,838	19,657,736
Total Assets	13,645,867	2,349,074	2,383,906	746,300	24,952	1,136,739	20,286,838	19,657,736
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Withholdings	161,782	-	-	-	-	-	161,782	169,931
IMRF Payable	-	-	-	-	-	962	962	(750)
Overdraft payable	-	-	-	-	-	-	-	-
Total Liabilities	161,782	-	-	-	-	962	162,744	169,181
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,619	-	-	746,300	24,952	1,149,504	1,924,375	2,484,182
Committed	1,398,247	-	-	-	-	-	1,398,247	1,052,040
Assigned	-	2,349,074	-	-	-	-	2,349,074	1,987,315
Unassigned	12,082,219	-	2,383,906	-	-	(13,727)	14,452,398	14,278,823
Total Fund Balances	13,484,085	2,349,074	2,383,906	746,300	24,952	1,135,777	20,124,094	19,802,360
Total Liabilities and Fund Balance	\$ 13,645,867	2,349,074	2,383,906	746,300	24,952	1,136,739		

Reconciliation to Statement of Net Assets:

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities of \$67,048,965 (net of accumulated depreciation of \$19,733,811), are not financial resources and therefore are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds

Net Assets of Governmental Activities

	47,315,154	48,233,132
	(39,185,000)	(39,860,000)
\$	28,254,248	\$ 28,175,492

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, 2012

	General Fund	Special Revenue Funds: Transportation Fund	Working Cash Fund	Capital Project Fund: Site & Construction Fund	Debt Service Fund: Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds	
							2012	2011
Revenues Received:								
Local Sources	\$ 20,343,675	1,473,639	(4,230)	7,191	2,900,499	690,254	25,411,028	25,033,015
Flow Through	84,875	-	-	-	-	-	84,875	207,875
State Sources	1,336,950	842,969	-	-	-	-	2,179,919	2,247,074
Federal Sources	625,919	-	-	-	-	-	625,919	707,888
On Behalf Payments	2,880,536	-	-	-	-	-	2,880,536	2,620,975
Total Revenues Received	25,271,955	2,316,608	(4,230)	7,191	2,900,499	690,254	31,182,277	30,816,827
Expenditures Disbursed:								
Current:								
Instructional	12,580,237	-	-	-	-	198,948	12,779,185	12,197,197
Support	7,764,706	1,949,849	-	-	1,150	547,648	10,263,353	9,958,749
Community Service	15,045	-	-	-	-	916	15,961	16,385
Payments to Other Schools	1,290,554	-	-	-	-	-	1,290,554	1,057,656
On Behalf Payments	2,880,536	-	-	-	-	-	2,880,536	2,620,975
Capital Outlay	199,519	5,000	-	527,541	-	-	732,060	10,664,760
Debt Service:								
Interest	-	-	-	-	2,223,894	-	2,223,894	2,163,565
Principal	-	-	-	-	675,000	-	675,000	580,000
Total Expenditures Disbursed	24,730,597	1,954,849	-	527,541	2,900,044	747,512	30,860,543	39,259,287
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	541,358	361,759	(4,230)	(520,350)	455	(57,258)	321,734	(8,442,460)
Other Financing Sources (Uses) -								
Bond Proceeds	-	-	-	-	-	-	-	3,680,000
Discount on Bonds	-	-	-	-	-	-	-	(69,920)
Bond Issuance Costs	-	-	-	-	-	-	-	(42,728)
Transfer to/(from)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	3,567,352
Net Change in Fund Balances	541,358	361,759	(4,230)	(520,350)	455	(57,258)	321,734	(4,875,108)
Fund balance, beginning of year	12,942,727	1,987,315	2,388,136	1,266,650	24,497	1,193,035	19,802,360	24,677,468
Fund balance, end of year	\$ 13,484,085	2,349,074	2,383,906	746,300	24,952	1,135,777	20,124,094	19,802,360
Reconciliation to the Statement of Activities:								
Net Change in Fund Balances - governmental activities							\$ 321,734	(4,875,108)
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 Assets:								
General Obligation Bonds Proceeds							-	(3,680,000)
General Obligation Bonds - Principal Paid							675,000	580,000
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							628,825	10,659,206
Disposition of assets							-	-
Depreciation expense							(1,546,803)	(1,518,773)
Change in Net Assets of Governmental Activities (Statement B)							\$ 78,756	1,165,325

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2012

	Student Activity Funds	June 30, 2012	2011
<u>Assets</u>			
Cash	\$ 720,714	720,714	713,453
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 720,714	720,714	713,453

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

NOTES TO FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements

For the Year Ended June 30, 2012

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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

A. *Basis of Presentation (Continued)*

The Statement of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements. During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. *Fund Accounting*

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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. Main sources of revenue include bonds and grant revenues.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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 & 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 assets and changes in net assets. 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 assets, 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 assets, with three modifications: capital acquisitions are not reported as expenditures but rather capitalized and shown as assets on the statement of net assets. 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 assets rather than as a disbursement on the statement of activities.

Fund Financial Statements. All governmental funds are accounted for using the current financial resources measurement focus and the cash basis of accounting. This means that only current assets, liabilities and fund balances resulting from previous cash transactions are shown on the statement of assets, liabilities and fund balance arising from cash transactions. The statement of revenues received, expenditures disbursed and changes in fund balances reports on the sources (i.e. revenues) and uses (i.e. expenditures).

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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 19, 2011 and was not amended.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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 Assets. 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 Assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-39 years
Equipment	3-10 years
Cafeteria Equipment	3-10 years

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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 Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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. Effective December 31, 2010 through December 31, 2012, the FDIC will insure 100% of all non-interest bearing checking accounts. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At June 30, 2012, the carrying amount of the District's deposits was \$20,286,838 and the bank balance was \$20,439,756. The deposits are categorized in accordance with risk factors created by governmental reporting standards:

	Carrying Amount	Bank Balance
Category # 1	\$ -	-
Category # 2	1,141,978	1,294,896
Category # 3	250,000	250,000
ISDLAF	18,894,860	18,894,860
Total	<u>\$ 20,286,838</u>	<u>20,439,756</u>

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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, 2012, the funds participating in the common bank account had the following cash balances (overdrafts):

<u>Fund</u>	<u>Balance</u>
Educational Fund	\$ 12,030,886
Operations and Maint. Fund	1,614,981
Bond & Interest Fund	24,952
Transportation Fund	2,349,074
IMRF and Social Security Fund	176,529
Working Cash Fund	2,383,906
Tort Fund	765,563
Life Safety Fund	194,647
Site and Construction Fund	746,300
Total	<u>\$ 20,286,838</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 4: CAPITAL ASSETS

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
Capital Assets, not being depreciated:				
Land	\$ 5,466,151	-	-	5,466,151
Construction In Progress	-	-	-	-
Total Capital Assets, not being depreciated	<u>5,466,151</u>	<u>-</u>	<u>-</u>	<u>5,466,151</u>
Capital Assets, being depreciated:				
Land Improvements	1,333,607	-	-	1,333,607
Building	54,582,318	458,687	-	55,041,005
Equipment	4,391,164	166,978	-	4,558,142
Cafeteria Equipment	<u>646,899</u>	<u>3,160</u>	<u>-</u>	<u>650,060</u>
Total Capital Assets, being depreciated	<u>60,953,988</u>	<u>628,825</u>	<u>-</u>	<u>61,582,813</u>
Less Accumulated Depreciation:				
Land Improvements	1,300,523	33,083	-	1,333,606
Building	12,503,261	1,325,456	-	13,828,717
Equipment	3,884,407	164,929	-	4,049,336
Cafeteria Equipment	<u>498,816</u>	<u>23,335</u>	<u>-</u>	<u>522,151</u>
Total Accumulated Depreciation	<u>18,187,007</u>	<u>1,546,803</u>	<u>-</u>	<u>19,733,811</u>
Total Capital Assets being depreciated, net	<u>42,766,981</u>	<u>(917,978)</u>	<u>-</u>	<u>41,849,003</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,233,132</u>	<u>(917,978)</u>	<u>-</u>	<u>47,315,154</u>

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 98,957
Support Service Expenditures	<u>1,447,846</u>
Total Current Year Depreciation	<u>\$1,546,803</u>

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

• Completion of the high school addition	\$375,981
• Press Box	82,706
• Tractor	12,000
• IPads	26,900

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2012:

	Principal Outstanding 7/1/2011	Additions	Reductions	Principal Outstanding 6/30/2012	Amount Due in One Year
2006 4.25% - 5.00% \$14,940,000 General Obligation Bonds	3,300,000	-	675,000	2,625,000	780,000
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	-	-	3,680,000	-
Total General Obligation Bonds	<u>\$ 39,860,000</u>	<u>-</u>	<u>675,000</u>	<u>39,185,000</u>	<u>780,000</u>

On July 1, 2006, the District issued \$14,940,000 in general obligation school bonds for the purpose of a new school building. The 2006 bonds final maturity is February 1, 2015. The 2006 bonds were partially refunded with the 2008 bond issuance in the amount of \$8,860,000. The balance due as of June 30, 2012 is \$2,625,000.

Fiscal Year Ending	Principal	Interest	Total
2013	780,000	116,306	896,306
2014	870,000	83,156	953,156
2015	975,000	45,094	1,020,094
Totals	<u>\$ 2,625,000</u>	<u>244,556</u>	<u>2,869,556</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	-	1,931,700	1,931,700
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	<u>\$ 32,880,000</u>	<u>23,129,141</u>	<u>56,009,141</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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 2010 bonds final maturity is February 1, 2030. The District's payment schedule is shown in the amortization table below:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	-	147,200	147,200
2014	-	147,200	147,200
2015	-	147,200	147,200
2016	-	147,200	147,200
2017	-	147,200	147,200
2018	-	147,200	147,200
2019	-	147,200	147,200
2020	-	147,200	147,200
2021	-	147,200	147,200
2022	-	147,200	147,200
2023	-	147,200	147,200
2024	-	147,200	147,200
2025	-	147,200	147,200
2026	-	147,200	147,200
2027	-	147,200	147,200
2028	-	147,200	147,200
2029	-	147,200	147,200
2030	3,680,000	147,200	3,827,200
Total	<u>\$ 3,680,000</u>	<u>2,649,600</u>	<u>6,329,600</u>

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2011 levy, in the amount of \$20,823,042, increased by the Bond & Interest levy to \$23,544,820 was passed by the Board on December 19, 2011. The 2010 Levy in the amount of \$23,097,580 was received during the current fiscal year. The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. Taxes are remitted to the District in the month following the due dates. The District receives property tax revenues from both Grundy County and Will County.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 6: PROPERTY TAXES-(continued)

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

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

Special Education. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$278,261 was collected and all was spent, resulting in no restricted fund balance.

NOTE 7: RETIREMENT FUND COMMITMENTS

A. Teachers Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, 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, 2011 and 2010.

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

On behalf contributions to TRS- The state of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2012, state of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$2,782,247 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent \$2,524,793 and 23.38 percent \$2,404,304, 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, 2012 were \$64,781. Contributions for the years ending June 30, 2011 and June 30, 2010, were \$63,393 and \$59,645, 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$112,702 were paid from federal and special trust funds that required employer contributions of \$28,074. For the years ended June 30, 2011 and June 30, 2010, required district contributions were \$34,337 and \$35,445, 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

For the year ended June 30, 2012, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, 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, 2012, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2011 and June 30, 2010, 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 (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the district paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2011 and June 30, 2010, 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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$98,289, 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, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of district employees were \$96,182 and \$86,382, respectively.

Employer contributions to THIS Fund

The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the years ended June 30, 2010. For the year ended June 30, 2012, the district paid \$73,717 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the district paid \$72,137 and \$64,787 to the THIS Fund, respectively, which was 100 percent of the required contribution.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

B. THIS Fund Employer Contributions (Continued)

Further information on THIS Fund

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

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 2011 was 15.36 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 2011 was \$316,313.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/11	\$316,313	100%	\$ 0*
12/31/10	319,915	98%	0
12/31/09	268,210	100%	0

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. Illinois Municipal Retirement Fund (Continued)

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 57.35 percent funded. The actuarial accrued liability for benefits was \$4,302,436 and the actuarial value of assets was \$2,467,621, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,834,815. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,059,332 and the ratio of the UAAL to the covered payroll was 89 percent.

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

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, 2012:

Assessed Valuation (2011)	<u>\$ 791,459,775</u>
Statutory debt limitation (13.8%)	\$ 109,221,449
Amount of debt applicable to debt limitation	<u>39,185,000</u>
Legal Debt Margin	<u>\$ 70,036,449</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 9: OTHER CONTRACT 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, 2012, amounted to \$1,084,442.

NOTE 10: LEASE COMMITMENTS

Capital Leases

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

- Apple Financial Services – Miscellaneous computer equipment with annual payments of \$91,388, with the final payment due in June of 2013.
- Martin Whalen - 11 copy machines with monthly payments of \$6,900, with the final payment due in June of 2013.
- 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.

Future minimum lease payments until expiration are as follows:

June 30, 2013	\$ 331,189
June 30, 2014	157,001
June 30, 2015	<u>157,001</u>
Total	<u>\$ 645,191</u>

NOTE 11: TRANSFERS

During the current fiscal year the District made no transfers.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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	-	-	746,300	-	-	-	-	-	746,300
Social Security/Medicare	-	-	-	-	189,294	-	-	-	189,294
Tort related insurance	-	-	-	-	-	765,563	-	-	765,563
Debt Service Reserve	-	-	-	-	-	-	-	24,952	24,952
Life Safety	-	-	-	-	-	-	194,647	-	194,647
Federal Grants	3,619	-	-	-	-	-	-	-	3,619
Committed To:									
Unpaid Teacher Contracts	1,084,442	-	-	-	-	-	-	-	1,084,442
Insurance Reserve	313,805	-	-	-	-	-	-	-	313,805
Assigned To:									
Transportation	-	2,349,074	-	-	-	-	-	-	2,349,074
Unassigned:									
IMRF Retirement Cont.	-	-	-	-	(13,727)	-	-	-	(13,727)
Working Cash	-	-	-	2,383,906	-	-	-	-	2,383,906
Building Maintenance	1,634,836	-	-	-	-	-	-	-	1,634,836
Educational Fund	10,447,383	-	-	-	-	-	-	-	10,447,383
	<u>13,484,085</u>	<u>2,349,074</u>	<u>746,300</u>	<u>2,383,906</u>	<u>175,567</u>	<u>765,563</u>	<u>194,647</u>	<u>24,952</u>	<u>20,124,094</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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

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. 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, 2012, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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

B. Restricted Fund Balance- Continued

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2012, revenues received from federal grants exceeded expenditures disbursed for those specific purposes in the Educational Fund, resulting in a restricted balance of \$3,619. This balance is included in the financial statements as Reserved in the Educational Fund.

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, resulting in a restricted balance of \$189,294. This balance is included in the financial statements as reserved in the IMRF and Social Security Fund.

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.

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, 2012, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2012 amounted to \$1,084,442. This amount is shown as unreserved in the Educational Fund. The District also has committed \$313,805 insurance reserve in the Educational Fund.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

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

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. The IMRF and Social Security Fund had expenditures disbursed exceed revenues received for IMRF, resulting in a deficit fund balance of \$13,727 which must be shown as unassigned.

NOTE 15: INTERGOVERNMENTAL AGREEMENTS

Grundy County Special Education Cooperative - The Grundy County Special Education Cooperative is a jointly governed organization that was formed for the purpose of providing special education for the handicapped 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 current fiscal year, the District paid \$525,422 to the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450.

During the prior fiscal year, 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 will 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to Financial Statements For the Year Ended June 30, 2012

NOTE 16: EXPENDITURES IN EXCESS OF APPROPRIATIONS

<u>Fund</u>	<u>Excess</u>
Bond and Interest Fund	\$ 1,150

During the current fiscal year, the District's Bond and Interest Fund exceeded appropriations by \$1,150. The District's expenditures were greater than appropriations because the District did not budget for Agency Fees.

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, 2012, 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 \$5,454 was collected and \$98,701 was spent, resulting in a restricted fund balance of \$765,563. Refer to the following table:

	<u>Tort Fund</u>
Tort Revenues:	
Tax Collections	\$ 7,955
Interest Income	(2,501)
Total Tort Revenues:	<u>5,454</u>
Tort Expenditures:	
Building Maintenance	4,105
Commercial Package	78,744
Treasurers Bonds	10,360
Purchased Services	<u>5,492</u>
Total Tort Expenditures	<u>98,701</u>
Revenues Over/(Under) Expenditures	(93,247)
Restricted at July 1, 2011	<u>858,810</u>
Restricted at June 30, 2012	<u><u>\$ 765,563</u></u>

REQUIRED SUPPLEMENTARY 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, 2012

	<u>Educational Fund</u>	<u>Operations & Maintenance Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash in bank	\$ 12,030,886	1,614,981	13,645,867
Total Assets	<u>12,030,886</u>	<u>1,614,981</u>	<u>13,645,867</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Withholdings	<u>181,637</u>	<u>(19,855)</u>	<u>161,782</u>
Total Liabilities	<u>181,637</u>	<u>(19,855)</u>	<u>161,782</u>
<u>Fund balance</u>			
Committed	1,398,247	-	1,398,247
Restricted	3,619	-	3,619
Unassigned	<u>10,447,383</u>	<u>1,634,836</u>	<u>12,082,219</u>
Total Fund Balance	<u>11,849,249</u>	<u>1,634,836</u>	<u>13,484,085</u>
Total Liabilities and Fund Balance	<u>\$ 12,030,886</u>	<u>1,614,981</u>	<u>13,645,867</u>

**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, 2012**

			Total General Fund	
			Year Ended	
			June 30,	
	Educational	Operations &	2012	2011
	Fund	Maintenance		
	Fund	Fund		
Revenues Received				
Local Revenues	\$ 17,140,628	3,203,047	20,343,675	20,269,677
Flow Through Revenues	84,875	-	84,875	104,082
State Revenues	1,336,950	-	1,336,950	1,219,708
Federal Revenues	618,881	7,038	625,919	620,786
On Behalf Payments	2,880,536	-	2,880,536	2,620,975
Total Revenues Received	22,061,870	3,210,085	25,271,955	24,835,228
Expenditures Disbursed				
Instruction	12,642,391	-	12,642,391	12,094,453
Support Services	5,241,959	2,660,112	7,902,071	7,588,429
Payments to Other Schools	1,049,981	240,573	1,290,554	1,057,656
Community Service	15,045	-	15,045	15,008
On Behalf Payments	2,880,536	-	2,880,536	2,620,975
Total Expenditures Disbursed	21,829,912	2,900,685	24,730,597	23,376,521
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	231,958	309,400	541,358	1,458,707
Other Financing Sources (Uses) - Transfer from Working Cash Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	231,958	309,400	541,358	1,458,707
Fund Balance, Beginning of Year	11,617,291	1,325,436	12,942,727	11,484,020
Fund Balance, End of Year	\$ 11,849,249	1,634,836	13,484,085	12,942,727

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, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
<u>Educational:</u>			
Revenues Received			
Local Sources:			
Property Taxes	\$ 14,627,205	14,634,281	14,672,982
Special Education Taxes	278,069	278,261	241,115
Replacement Taxes	1,500,000	1,279,057	1,460,636
Payment in Lieu of Taxes	-	4,996	-
Tuition	37,500	37,559	32,752
Interest on Investments	50,000	39,269	54,296
Food Service	578,000	530,793	543,907
Pupil Activities	63,500	61,639	50,322
Textbook Rentals/Resale	25,000	-	17,584
Donations	5,000	540	6,000
Local Fees	95,000	4,800	6,040
Sale of Equipment	-	-	-
Refund of Prior Year Expenditures	150,000	192,274	13,899
Other Local Revenues	6,000	77,159	31,528
Total Local Sources	17,415,274	17,140,628	17,131,061
Flow-Through Revenues Received			
Career Development (State)	14,118	14,118	8,742
Special Education - IDEA (Federal)	100,000	55,675	51,241
Medicaid Outreach (Federal)	-	15,082	44,099
Total Flow-Through Revenues Received	114,118	84,875	104,082
State Programs:			
General State Aid	600,000	594,944	596,039
Drivers Education	-	17,380	33,022
Reading Improvement - Block Grant	-	-	23,617
Special Education - Personnel	250,000	298,652	93,353
Special Education - Orphanage	2,500	33,133	-
Special Education - Orphanage - Summer	-	10,694	-
State Free Lunch & Breakfast	5,000	5,649	5,962
Special Education - Extraordinary	280,000	288,202	352,893
Special Education - Summer School	-	602	468
ADA Safety & Education Grant	-	-	8,998
Special Education - Private Facility Tuition	75,000	85,381	98,495
Technology - Learning Technology Centers	1,500	-	-
State Library Grant	-	1,574	1,578
Board Certification	-	739	5,283
Total State Programs	\$ 1,214,000	1,336,950	1,219,708

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
<u>Educational (continued):</u>			
Revenues Received (continued):			
Federal Programs:			
Title I - Low Income	\$ 125,000	106,342	139,844
Title II - Teacher Quality	43,000	13,678	43,977
National School Lunch Program	180,000	199,510	189,805
Special Milk Program	1,000	446	352
Title IV - Safe and Drug Free Schools	-	-	99
Title IV - 21st Century	125,000	-	-
Special Education - IDEA Room & Board	-	-	175
ISBE Commodities	-	37,993	32,246
DoD Fruits & Vegetables	-	10,249	6,433
ARRA General State Aid - Title I Low Income	-	-	20,888
ARRA General State Aid - IDEA Part B Flow-Through	-	104,462	-
ARRA - McKinney - Vento Homeless Education	-	200	-
ARRA General State Aid - Education Jobs	-	-	54,269
Medicaid Fee for Service	-	14,821	-
E-rate Reimbursement	-	-	28,905
ISU Reimbursement	-	131,180	103,793
Other Federal Revenue	-	-	-
Total Federal Programs	474,000	618,881	620,786
On Behalf Payments	2,600,000	2,880,536	2,620,975
Total Revenues Received	21,817,392	22,061,870	21,696,612
Expenditures Disbursed			
Instructional:			
Regular Programs:			
Salaries	5,614,110	7,030,652	6,820,122
Benefits	1,500,900	1,872,082	2,028,803
Purchased Services	64,550	107,318	86,731
Teaching Supplies	259,200	359,508	224,639
Capital Outlay	18,000	16,234	28,227
Other Objects	-	650	-
Total Regular Programs	7,456,760	9,386,444	9,188,522
Pre-K Programs:			
Salaries	1,698,164	-	-
Benefits	550,000	-	-
Purchased Services	33,100	-	-
Teaching Supplies	131,050	-	-
Capital Outlay	3,500	-	-
Other Objects	-	-	-
Total Pre-K Programs	\$ 2,415,814	-	-

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Educational (continued):			
Special Education Programs:			
Salaries	\$ 1,241,000	1,237,356	1,023,824
Benefits	274,500	266,460	264,887
Purchased Services	26,000	14,446	17,523
Supplies	30,000	22,326	27,314
Capital Outlay	15,000	10,144	18,236
Tuition	453,000	376,950	221,858
Total Special Education Programs	2,039,500	1,927,682	1,573,642
Remedial Programs:			
Salaries	107,000	111,512	162,365
Employee Benefits	43,250	48,054	73,284
Purchased Services	9,469	9,447	9,380
Supplies	2,800	9,618	4,025
Capital Outlay	-	-	4,839
Total Remedial	162,519	178,631	253,893
Vocational Programs:			
Salaries	247,334	197,310	220,423
Benefits	78,705	58,748	68,382
Purchased Services	1,500	571	977
Supplies	33,200	30,240	15,543
Other Objects	200	42	-
Capital Outlay	25,200	18,267	8,777
Total Vocational	386,139	305,178	314,102
Interscholastic Programs:			
Salaries	382,541	450,313	375,663
Benefits	105,540	110,612	98,369
Purchased Services	79,450	68,496	61,886
Supplies	49,350	44,413	48,055
Capital Outlay	30,400	17,509	13,868
Other	19,650	16,942	14,956
Total Interscholastic	666,931	708,285	612,797
Summer School Programs:			
Salaries	40,000	31,498	37,163
Benefits	7,350	6,453	7,308
Purchased services	-	90	-
Supplies	15,000	7,628	19,059
Capital Outlay	-	-	-
Total Summer School	62,350	45,669	63,530
Gifted Programs:			
Salaries	65,000	65,728	63,745
Benefits	21,150	23,099	21,924
Purchased Services	-	-	207
Supplies	2,000	1,675	2,091
Total Gifted	88,150	90,502	87,967
Total Instructional	\$ 13,278,163	12,642,391	12,094,453

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Educational (continued):			
Support:			
Attendance & Social Work Services:			
Salaries	\$ 208,918	200,249	183,646
Benefits	77,250	50,775	49,281
Purchased Services	-	-	-
Supplies	2,150	1,428	1,753
Other Objects	-	-	-
Total Attendance & Social Work Services	288,318	252,452	234,680
Guidance Services:			
Salaries	217,874	210,249	197,447
Benefits	66,150	61,757	59,936
Purchased Services	-	-	-
Supplies	1,500	33	942
Capital Outlay	-	-	-
Other	500	-	-
Total Guidance Services	286,024	272,039	258,325
Health Services:			
Salaries	94,600	92,700	93,507
Benefits	10,375	7,069	6,331
Purchased Services	-	135	40
Supplies	3,750	4,539	4,612
Capital Outlay	-	-	939
Total Health Services	108,725	104,443	105,429
Psychological Services:			
Salaries	101,434	91,101	80,255
Benefits	31,450	25,678	28,471
Supplies	4,500	-	19,129
Total Psychological Services	137,384	116,779	127,855
Speech Pathology & Audiology Services:			
Salaries	108,054	119,798	90,736
Benefits	21,100	27,616	20,997
Supplies	1,000	800	1,809
Total Speech Pathology & Audiology Services	130,154	148,214	113,542
Other Support Services - Pupils:			
Salaries	-	35,645	7,639
Purchased Services	54,450	65,988	43,571
Supplies	6,800	9,880	6,076
Total Other Support Services - Pupils	61,250	111,513	57,286
Instruction Improvement:			
Salaries	210,600	276,025	224,720
Benefits	76,400	72,519	62,679
Purchased Services	224,000	146,167	151,309
Supplies	32,000	17,715	5,494
Capital Outlay	5,000	13,820	4,163
Other	1,200	573	367
Total Instruction Improvement	\$ 549,200	526,819	448,732

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
<u>Educational (continued):</u>			
Educational Media/Tech Services:			
Salaries	\$ 332,430	325,396	305,784
Benefits	95,400	86,020	86,359
Purchased Services	316,125	236,948	232,970
Supplies	57,100	45,550	61,146
Capital Outlay	107,200	92,296	80,391
Other	-	-	-
Total Educational Media/Tech Services	908,255	786,210	766,650
Assessment & Testing:			
Purchased Services	16,500	12,148	12,364
Supplies	42,500	35,138	18,556
Capital Outlay	5,000	-	8,675
Total Assessment & Testing	64,000	47,286	39,595
Board of Education Services:			
Benefits	106,000	5,211	10,249
Purchased Services	297,000	319,242	361,234
Supplies	26,000	3,088	16,669
Capital Outlay	20,000	11,250	-
Other Objects	15,000	12,770	14,107
Total Board of Education Services	464,000	351,561	402,259
Superintendent Services:			
Salaries	209,000	209,044	202,055
Employee Benefits	40,300	39,908	39,297
Purchased Services	2,500	1,187	1,262
Supplies	1,500	920	705
Capital Outlay	2,000	-	-
Other Objects	4,000	1,528	1,742
Total Superintendent Services	259,300	252,587	245,061
Special Area Administration Services:			
Salaries	-	270	811
Employee Benefits	-	32	188
Total Special Area Administration Services	-	302	999
Principal Services:			
Salaries	923,200	915,087	805,297
Employee Benefits	290,150	279,206	242,695
Purchased Services	21,500	15,464	15,192
Supplies	34,500	17,550	28,145
Capital Outlay	5,000	1,000	1,003
Other Objects	2,250	1,830	1,655
Total Principal Services	1,276,600	1,230,137	1,093,987
Other Support Services - School Admin:			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchased Services	3,500	2,700	6,000
Total Other Support Services - School Admin	\$ 3,500	2,700	6,000

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Educational (continued):			
Direction of Business Support Services:			
Salaries	\$ 55,000	55,030	53,041
Benefits	20,150	16,641	16,674
Purchased Services	1,000	276	205
Supplies	1,000	891	306
Capital Outlay	2,500	1,896	-
Other Objects	1,000	1,002	1,091
Total Direction of Business Support Services	80,650	75,736	71,317
Fiscal Services:			
Bookkeeper Salaries	76,000	72,212	74,843
Benefits	11,600	1,910	6,359
Purchased Services	12,500	2,102	6,811
Supplies	15,000	8,256	13,903
Capital Outlay	1,500	5,479	4,270
Other Objects	2,000	434	240
Total Fiscal Services	118,600	90,393	106,426
Operation & Maintenance of Plant Services:			
Salaries	-	-	-
Purchased Services	-	-	-
Supplies	5,000	5,171	3,010
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Operation & Maintenance of Plant Services	5,000	5,171	3,010
Food Services:			
Salaries	310,800	311,259	298,995
Benefits	83,500	80,004	84,960
Purchased Services	14,200	5,998	7,848
Supplies	415,500	430,639	408,132
Capital Outlay	24,000	11,624	32,497
Other	17,500	21,745	20,593
Total Food Services	865,500	861,269	853,025
Internal Services:			
Purchased Services	-	-	9,548
Capital Outlay	-	-	-
Total Internal Services	-	-	9,548
Information Services:			
Purchased Services	5,000	6,348	4,464
Total Information Services	5,000	6,348	4,464
Total Support	5,611,460	5,241,959	4,948,190
Community Services:			
Salaries	15,000	15,000	15,000
Benefits	-	-	-
Purchased Services	-	-	-
Supplies	500	45	8
Total Community Services	\$ 15,500	15,045	15,008

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

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Educational (continued):			
Payments to Other Schools:			
Assessment	\$ 35,000	137,683	204,532
Tuition	1,246,000	912,298	742,071
Total Payments to Other Schools	1,281,000	1,049,981	946,603
On Behalf Payments	2,600,000	2,880,536	2,620,975
Total Expenditures Disbursed	22,786,123	21,829,912	20,625,229
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(968,731)	231,958	1,071,383
Other Financing Sources (Uses):			
Transfer from Working Cash	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	\$ (968,731)	231,958	1,071,383
Fund Balance, Beginning of Year		11,617,291	10,545,908
Fund Balance, End of Year		11,849,249	11,617,291

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, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
<u>Operations & Maintenance:</u>			
Revenues Received			
Local Sources:			
Property Taxes	\$ 3,177,432	3,179,158	3,125,711
Rental income	10,000	14,551	10,749
Interest Income	5,000	(400)	2,156
Other Revenues	5,000	9,738	-
Other Federal Revenue	-	7,038	-
Total Revenues Received	3,197,432	3,210,085	3,138,616
Expenditures Disbursed			
Other Support Services - Pupil			
Purchased Services	500	-	250
Facilities Acquisition & Construction Services			
Purchased Services	10,000	1,380	11,721
Capital Outlay	-	-	-
Operation/Maintenance of Plant			
Salaries	1,098,000	1,062,314	1,047,362
Employee Benefits	258,200	234,995	243,162
Purchased Services	385,750	460,568	347,613
Supplies	912,500	841,104	873,318
Custodial Equipment	75,000	59,601	116,227
Other	-	150	586
Contingencies	50,000	-	-
Payments to Other Governments			
Vocational Education Programs	150,000	240,573	111,053
Total Expenditures Disbursed	2,939,950	2,900,685	2,751,292
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	\$ 257,482	309,400	387,324
Fund Balance, Beginning of Year		1,325,436	938,112
Fund Balance, End of Year		1,634,836	1,325,436

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

**Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2012**

	<u>Assets</u>	
Cash in bank		\$ 2,349,074
Total Assets		<u>2,349,074</u>
	<u>Fund Balance</u>	
Fund Balance		<u>2,349,074</u>
Total Fund Balance		<u>\$ 2,349,074</u>

Schedule B-2

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)**

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Revenues Received			
Property Taxes	\$ 1,469,791	1,470,614	1,386,810
Fees from other Districts	1,000	3,025	2,052
Interest on Investments	2,500	-	2,325
Other revenue	-	-	483
Regular/Vocational Transportation	250,000	192,649	425,136
Special Education	750,000	650,320	585,607
Total Revenues Received	<u>2,473,291</u>	<u>2,316,608</u>	<u>2,402,413</u>
Expenditures Disbursed			
Transportation Salaries	3,000	6,013	5,673
Employee Benefits	1,000	1,915	2,681
Purchased Services	2,172,300	1,940,906	1,998,470
Supplies	5,000	1,015	2,275
Capital Outlay	5,000	5,000	5,000
Contingencies	100,000	-	-
Other Objects	-	-	-
Total Expenditures Disbursed	<u>2,286,300</u>	<u>1,954,849</u>	<u>2,014,099</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	186,991	361,759	388,314
Other Financing Sources (Uses):			
Transfer from Educational Fund	-	-	-
Net Change in Fund Balance	<u>\$ 186,991</u>	361,759	388,314
Fund Balance, Beginning of Year		<u>1,987,315</u>	<u>1,599,001</u>
Fund Balance, End of Year		<u>2,349,074</u>	<u>1,987,315</u>

**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, 2012**

<u>Assets</u>	
Cash	\$ 2,383,906
Total Assets	<u>2,383,906</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 2,383,906</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)**

	<u>Original and Final Appropriations</u>	<u>Year Ended June 30, 2012</u>	<u>2011</u>
Revenues Received			
Property Taxes	\$ 7,945	7,955	8,782
Interest on Investments	5,000	(12,185)	4,672
Total Revenues Received	12,945	(4,230)	13,454
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	12,945	(4,230)	13,454
Other Financing Sources (Uses) -			
Transfer in	-	-	-
Transfer out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	<u>\$ 12,945</u>	<u>(4,230)</u>	<u>13,454</u>
Fund balance, Beginning of Year		<u>2,388,136</u>	<u>2,374,682</u>
Fund balance, End of Year		<u>2,383,906</u>	<u>2,388,136</u>

**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, 2012**

<u>Assets</u>	
Cash in bank	\$ 746,300
Total Assets	<u>746,300</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>746,300</u>
Total Fund Balance	<u>746,300</u>
Total Liabilities and Fund Balance	<u>\$ 746,300</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)**

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Revenues Received			
Impact Fees	\$ 10,000	6,910	9,509
Unrestricted Grants-In-Aid State Sources	-	-	16,623
Federal- ARRA IDEA Part B Flow-through	-	-	219,800
Replacement Taxes	10,000	-	-
Interest on Investments	-	281	3,362
Total Revenues Received	<u>20,000</u>	<u>7,191</u>	<u>249,294</u>
Expenditures Disbursed			
High School Addition	585,000	527,541	10,453,875
Facilities Impact Fee - Renovations	-	-	-
School Site Donation - Ground Improvements	-	-	-
Support Services	-	-	-
Total Expenditures Disbursed	<u>585,000</u>	<u>527,541</u>	<u>10,453,875</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>(565,000)</u>	<u>(520,350)</u>	<u>(10,204,581)</u>
Other Financing Sources (Uses) -			
Bond Proceeds	-	-	3,680,000
Discount on Bonds Sold	-	-	(69,920)
Bond Issuance Costs	-	-	(42,728)
Transfer to Bond & Interest Fund	-	-	(65,743)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,501,609</u>
Net Change in Fund Balance	<u>\$ (565,000)</u>	<u>(520,350)</u>	<u>(6,702,972)</u>
Fund balance, Beginning of Year		<u>1,266,650</u>	<u>7,969,622</u>
Fund balance, End of Year		<u>746,300</u>	<u>1,266,650</u>

**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, 2012**

<u>Assets</u>	
Cash in bank	\$ 24,952
Total Assets	<u>24,952</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 24,952</u>

Schedule B-8

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)**

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Revenues Received			
Property Taxes	\$ 2,898,894	2,900,499	2,685,797
Interest Income	2,500	-	505
Total Revenues Received	<u>2,901,394</u>	<u>2,900,499</u>	<u>2,686,302</u>
Expenditures Disbursed			
Interest on Bonds	675,000	2,223,894	2,163,565
Miscellaneous	-	1,150	675
State Aid Anticipation Certificates	2,223,894	-	-
Bonds Retired	-	675,000	580,000
Total Expenditures Disbursed	<u>2,898,894</u>	<u>2,900,044</u>	<u>2,744,240</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 2,500</u>	455	(57,938)
Other Financing Sources (Uses):			
Transfer from Site & Construction Fund		-	65,743
Discount on Bonds		-	-
Total Other Financing Sources (Uses)		<u>-</u>	<u>65,743</u>
Net Change in Fund Balance		455	7,805
Fund Balance, Beginning of Year		<u>24,497</u>	<u>16,692</u>
Fund Balance, End of Year		<u>24,952</u>	<u>24,497</u>

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)
12/31/2011	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%
12/31/2001	2,243,009	2,374,577	131,568	94.46%	1,134,117	11.60%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$2,270,118.

On a market basis, the funded ratio would be 52.76%.

OTHER 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, 2012

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				2012	June 30, 2011
<u>Assets</u>					
Cash	\$ 194,647	176,529	765,563	1,136,739	1,192,285
Total Assets	194,647	176,529	765,563	1,136,739	1,192,285
<u>Liabilities</u>					
Overdraft Payable	-	-	-	-	-
IMRF Payable	-	962	-	962	(750)
Total Liabilities	-	962	-	962	(750)
<u>Fund Balances</u>					
Fund Balances:					
Unassigned	-	(13,727)	-	(13,727)	-
Restricted	194,647	189,294	765,563	1,149,504	1,193,035
Total Fund Balances	194,647	175,567	765,563	1,135,777	1,193,035
Total Liabilities and Fund Balance	\$ 194,647	176,529	765,563	1,136,739	1,192,285

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, 2012

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				2012	Year Ended June 30, 2011
Revenues Received:					
Local Sources:					
Property Taxes	\$ 15,909	616,103	7,955	639,967	577,244
Replacement Tax	-	52,789	-	52,789	49,440
Interest on Investments	(1)	-	(2,501)	(2,502)	3,452
Total Revenues Received	15,908	668,892	5,454	690,254	630,136
Expenditures Disbursed:					
Instructional	-	198,948	-	198,948	176,691
Support	-	448,947	98,701	547,648	492,484
Community Services	-	916	-	916	1,377
Total Expenditures Disbursed	-	648,811	98,701	747,512	670,552
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	15,908	20,081	(93,247)	(57,258)	(40,416)
Fund Balance, Beginning of Year	178,739	155,486	858,810	1,193,035	1,233,451
Fund Balance, End of Year	\$ 194,647	175,567	765,563	1,135,777	1,193,035

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, 2012

<u>Assets</u>	
Cash in bank	\$ 194,647
Total Assets	<u>194,647</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 194,647</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30, 2012	2011
Revenues Received			
Property Taxes	\$ 15,890	15,909	16,766
Interest Income	-	(1)	175
Total Revenues Received	15,890	15,908	16,941
Expenditures Disbursed			
Purchased Services	-	-	-
Capital Outlay	-	-	-
Total Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 15,890</u>	15,908	16,941
Fund Balance, Beginning of Year		<u>178,739</u>	<u>161,798</u>
Fund Balance, End of Year		<u>194,647</u>	<u>178,739</u>

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, 2012

<u>Assets</u>	
Cash in bank	\$ 176,529
Total assets	<u>176,529</u>
<u>Liabilities</u>	
IMRF Payable	<u>962</u>
Total liabilities	<u>962</u>
<u>Fund Balance</u>	
Social Security Fund Balance	189,294
IMRF Fund Balance (deficit)	<u>(13,727)</u>
Total Fund Balance	<u>175,567</u>
Total Liabilities and Fund Balance	<u>\$ 176,529</u>

Schedule C-6

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	Original and Final Appropriations	Year Ended June 30,	
		2012	2011
Revenues Received			
Property Taxes - IMRF	\$ 278,069	278,261	233,131
Property Taxes - FICA	337,655	337,842	297,002
Replacement Taxes	49,000	52,789	49,440
Interest Income	-	-	430
Total Revenues Received	<u>664,724</u>	<u>668,892</u>	<u>580,003</u>
Expenditures Disbursed			
Instructional	222,150	198,948	176,691
Supporting Services	520,000	448,947	445,815
Community Services	500	916	1,377
Total Expenditures Disbursed	<u>742,650</u>	<u>648,811</u>	<u>623,883</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (77,926)</u>	20,081	(43,880)
Fund Balance, Beginning of Year		<u>155,486</u>	<u>199,366</u>
Fund Balance, End of Year		<u>175,567</u>	<u>155,486</u>

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, 2012

<u>Assets</u>	
Cash in bank	\$ 765,563
Total Assets	<u>765,563</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 765,563</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Figures for 2011)

	<u>Original and Final Appropriations</u>	<u>Year Ended June 30, 2012</u>	<u>2011</u>
Revenues Received			
Property taxes	\$ 7,944	7,955	30,345
Interest income	-	(2,501)	2,847
Total Revenues Received	<u>7,944</u>	<u>5,454</u>	<u>33,192</u>
Expenditures Disbursed			
Attorney Fees	25,000	-	12,205
Building Maintenance	44,500	4,105	23,980
Phones Alarms	-	-	2,000
Building Security	-	-	-
Asbestos Training	-	-	-
Unemployment Insurance	35,000	-	-
Commercial Package	2,500	78,744	-
Treasurers Bonds	82,500	10,360	936
Purchased Services	-	5,492	7,548
Total Expenditures Disbursed	<u>189,500</u>	<u>98,701</u>	<u>46,669</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (181,556)</u>	<u>(93,247)</u>	<u>(13,477)</u>
Fund Balance, Beginning of Year		<u>858,810</u>	<u>872,287</u>
Fund Balance, End of Year		<u>765,563</u>	<u>858,810</u>

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

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	June 30, 2011	Revenues	Expenditures	June 30, 2012
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ 611	1,622	997	1,235
Alumni	5,686	-	-	5,686
Art Club	5	669	424	250
Athletics	5,748	33,178	35,351	3,576
Baseball	1,234	7,399	7,347	1,286
Band	840	609	725	724
Boys Basketball	194	5,743	5,141	795
Boys Basketball Cheerleading	58	4,151	4,187	22
CCTV	52	-	-	52
Cheerleading	367	4,113	4,377	103
Class of 2010	2,232	-	-	2,232
Class of 2011	1,484	-	-	1,484
Class of 2012	4,350	-	2,762	1,588
Class of 2013	1,649	51,036	46,445	6,240
Class of 2014	280	100	-	380
Class of 2015	-	652	-	652
Coaler Creations	1,818	5,070	4,777	2,112
Drama Club	3,051	-	-	3,051
FCCLA	294	2,895	2,946	243
Football	5,134	6,147	5,468	5,813
Freeman Trotter Scholarship	-	250	-	250
Foreign Language	1	-	-	1
General Activity	3,198	91,689	91,939	2,948
Girl's Basketball	351	1,418	1,076	692
Girl's Soccer	3,092	1,776	2,072	2,796
Golf	633	1,745	2,377	-
Library	62	496	355	203
Link Leaders	221	576	727	69
Madrigals	931	421	857	495
NHS	55	668	529	193
Pepsi	952	1,446	2,260	137
Poms	2,034	3,934	4,750	1,218
Ruth Allen Scholarship	-	10,000	-	10,000
SADD	309	100	-	409
Science Club	397	184	109	471
Show Choir	2,505	9,372	11,040	837
Soccer	1,400	629	1,784	245
Softball	897	3,132	3,865	163
Speech	1,578	2,158	1,827	1,909
Student Council	13,622	8,524	4,668	17,479
Teachers Petty Cash	1,284	-	57	1,226
Tennis	3,061	2,084	2,561	2,584
Track	1,551	1,191	2,739	3
Varsity Club	1,712	714	861	1,565

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

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	June 30, 2011	Revenues	Expenditures	June 30, 2012
High School Activity Funds: (continued)				
VFW Scholarship	\$ -	5,000	5,000	-
Volleyball Club	1,821	4,008	3,180	2,648
Wrestling	1,306	4,286	3,255	2,337
Wellness	-	346	335	11
Wrestling Cheerleading	131	-	-	131
Yearbook	11,604	22,445	25,535	8,513
Total High School Activity Funds	89,795	301,976	294,705	97,057
Intermediate School Activity Funds:				
Art Fund	21	915	759	176
General Activity	1,056	5,185	3,855	2,388
Library Fund	1,628	9,390	8,193	2,824
Pepsi-Flower Fund	265	1,174	1,144	296
School Store Fund	2,310	4,663	4,631	2,342
Student Council	244	1,901	1,745	399
Yearbook	2,132	5,173	3,572	3,733
Total Intermediate School Activity Funds	7,656	28,401	23,899	12,158
Middle School Activity Funds:				
6th Grade Student Fund	2,711	680	105	3,286
8th Grade Dance	749	2,065	2,350	464
Art Club	398	-	213	186
Athletics	1,398	13,510	13,717	1,192
Band	873	243	254	862
Chorus	351	3,984	4,237	98
Garden Club	1,154	2,727	2,373	1,508
General Activity	8,673	10,454	9,610	9,519
Girl's Basketball	1,441	5,879	6,035	1,285
Library	496	7,063	7,155	404
Musical	-	2,340	2,261	79
MS Girls Softball	249	44	60	233
Shop for Free	750	-	710	40
Pepsi Fund	255	2,222	2,192	285
Picture & Yearbook	4,479	5,135	6,200	3,414
School Enrichment	341	-	341	-
Speech	443	-	115	328
Student Council	1,415	4,820	4,959	1,276
Student Enrichment	720	3,384	2,947	1,156
Wrestling	1,450	1,785	3,209	26
Total Middle School Activity Funds	\$ 28,346	66,335	69,043	25,641

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

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>June 30, 2011</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>June 30, 2012</u>
Elementary School Activity Funds:				
General Activity	\$ 2,562	9,974	7,923	4,613
Library Fund	542	12,616	13,005	153
Music Program	44	137	-	181
Pepsi-Cola Fund	517	643	643	517
School Store	-	1,563	927	637
Special Education	723	400	88	1,036
Yearbook & Picture Fund	2,423	3,900	4,421	1,902
Total Elementary School Activity Funds	<u>6,811</u>	<u>29,233</u>	<u>27,007</u>	<u>9,039</u>
Early Childhood Center Activity Funds:				
General Activity	5,742	14,788	9,724	10,806
Music Program	227	740	737	230
Pepsi-Cola Fund	50	2,051	1,625	476
Library	602	11,847	12,268	181
Youth Baseball Camp	-	9,025	5,915	3,110
Yearbook & Picture Fund	3,133	5,410	3,807	4,736
Total Early Childhood Center Activity Funds	<u>9,754</u>	<u>43,861</u>	<u>34,076</u>	<u>19,539</u>
Athletic Boosters	27,034	57,278	57,527	26,785
Total Student Activity Funds	<u>169,396</u>	<u>527,084</u>	<u>506,257</u>	<u>190,219</u>
Memorial Activity Funds:				
High School Memorial	2,374	1,532	-	3,906
Kaplan Scholarship Fund	371,200	33,885	53,713	351,372
Freeman Trotter Scholarship Fund	3,090	9	250	2,849
Rashke Memorial	11,047	89	-	11,136
VFW Scholarship	-	5,000	-	5,000
Anderson Memorial Fund	156,346	8	122	156,232
Total Memorial Activity Funds	<u>544,057</u>	<u>40,523</u>	<u>54,085</u>	<u>530,495</u>
Total Activity Accounts	<u>\$ 713,453</u>	<u>567,607</u>	<u>560,342</u>	<u>720,714</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule 2

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Tax Year				
	2007	2008	2009	2010	2011
Assessed Valuations	763,240,582	784,243,743	798,338,313	795,039,932	791,459,775
Tax Rates:					
Educational	1.7402	1.7703	1.8378	1.8398	1.8712
Building	0.3670	0.3808	0.3915	0.3997	0.4101
Bond & Interest	0.2989	0.3336	0.3364	0.3646	0.3759
Transportation	0.1706	0.1714	0.1737	0.1849	0.1975
IMRF	0.0221	0.0222	0.0292	0.0350	0.0375
Working Cash	0.0012	0.0011	0.0011	0.0010	0.0010
Tort Immunity	0.0302	0.0301	0.0038	0.0010	0.0010
Special Education	0.0301	0.0301	0.0302	0.0350	0.0355
Social Security	0.0347	0.0348	0.0372	0.0425	0.0432
Lease PBC	-	-	-	-	-
Fire Prevention/Safety	0.0026	0.0027	0.0021	0.0020	0.0020
Totals	2.6976	2.7771	2.8430	2.9053	2.9749
Tax Extensions:					
Educational	13,281,929	13,883,484	14,671,862	14,626,827	14,809,400
Building	2,801,093	3,040,072	3,125,495	3,177,377	3,245,777
Bond & Interest	2,281,326	2,663,257	2,685,610	2,898,875	2,975,176
Transportation	1,302,088	1,368,352	1,386,714	1,469,790	1,563,133
IMRF	168,676	177,231	233,115	278,105	296,797
Working Cash	9,158	8,782	8,782	7,950	7,915
Tort Immunity	230,499	240,300	30,337	7,950	7,915
Special Education	229,735	240,300	241,098	278,105	280,968
Social Security	264,844	277,822	296,982	337,653	341,911
Lease PBC	-	-	-	-	-
Fire Prevention/Safety	19,844	21,555	16,765	15,901	15,829
Totals	20,589,196	21,921,156	22,696,758	23,098,534	23,544,821
Tax Collections	20,532,208	21,762,205	22,692,388	23,110,735	-

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Legal Debt Margin

For the Year Ended June 30, 2012

Assessed Valuation - 2011 Tax Year		<u>\$ 791,459,775</u>
Statutory Debt Limitation (13.8% of Assessed Valuation)		\$ 109,221,449
Less Applicable Debt:		
General Obligation Bonds, Series 2010	3,680,000	
General Obligation Bonds, Series 2008	32,880,000	
General Obligation Bonds, Series 2006	<u>2,625,000</u>	<u>39,185,000</u>
Legal Debt Margin		<u>\$ 70,036,449</u>



CERTIFIED PUBLIC ACCOUNTANTS

116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
CHRISTY A. ELY, CPA
MATT MELVIN
LINDA HUNT
BROCK RIGGI
STEPHANIE HEISNER

**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 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, Illinois, as of and for the year ended June 30, 2012, which collectively comprise the Coal City Community Unit School District No. 1, Illinois' basic financial statements and have issued our report thereon dated August 20, 2012. 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.

Internal Control over Financial Reporting

Management of Coal City Community Unit School District No.1, Illinois, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Coal City Community Unit School District No. 1, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coal City Community Unit School District No. 1, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1, Illinois' internal control over financial reporting.

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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coal City Community Unit School District No. 1, Illinois' financial statements are free of 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*.

We noted certain matters that we reported to management of Coal City Community Unit School District No. 1, Illinois, in a separate letter dated August 20, 2012.

This report is intended solely for the information and use of management, the School Board, and others within the entity 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.

Mack & Associates, P.C.

Certified Public Accountants

Morris, Illinois
August 20, 2012

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS

116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
CHRISTY A. ELY, CPA
MATT MELVIN
LINDA HUNT
BROCK RIGGI
STEPHANIE HEISNER

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, 2012. 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, 2012.

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
August 20, 2012

Coal City Community Unit School District 1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture Direct Programs			
Special Milk Program for Children	10.556		446
United States Department of Agriculture Pass-Through Programs From			
National School Lunch Program	10.555		247,752
<i>Total National School Lunch Program</i>			<u>247,752</u>
<i>Total United States Department of Agriculture</i>			<u>248,198</u>
Total Child Nutrition Cluster-Cluster			<u>248,198</u>
Medicaid Cluster-Cluster			
Department of Health and Human Services Pass-Through Programs From			
Medical Assistance Program	93.778		15,082
<i>Total Medical Assistance Program</i>			<u>15,082</u>
<i>Total Department of Health and Human Services</i>			<u>15,082</u>
Total Medicaid Cluster-Cluster			<u>15,082</u>
Special Education Cluster (IDEA)-Cluster			
Department of Education Pass-Through Programs From			
Special Education_Grants to States	84.027		160,137
<i>Total Special Education_Grants to States</i>			<u>160,137</u>
<i>Total Department of Education</i>			<u>160,137</u>
Total Special Education Cluster (IDEA)-Cluster			<u>160,137</u>
Title I, Part A Cluster-Cluster			
Department of Education Direct Programs			
Title I Grants to Local Educational Agencies	84.010		106,342
<i>Total Department of Education</i>			<u>106,342</u>
Total Title I, Part A Cluster-Cluster			<u>106,342</u>
Other Programs			
Department of Homeland Security Pass-Through Programs From			
Presidential Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households	97.049		7,038
<i>Total Presidential Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households</i>			<u>7,038</u>
<i>Total Department of Homeland Security</i>			<u>7,038</u>
Department of Education Direct Programs			
ARRA-Education for Homeless Children and Youth, Recovery Act	84.387		200
Department of Education Pass-Through Programs From			

Improving Teacher Quality State Grants	84.367	144,858
<i>Total Improving Teacher Quality State Grants</i>		<u>144,858</u>
<i>Total Department of Education</i>		<u>145,058</u>
<i>Total Other Programs</i>		<u>152,096</u>
<i>Total Expenditures of Federal Awards</i>		<u>681,855</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2012

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 Improving Teacher Quality State Grants – CFDA #84.367.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Coal City Community Unit School District No. 1, Illinois was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

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

None.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2012**

There were no prior audit findings.