

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

COAL CITY, IL

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2011**

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CERTIFIED PUBLIC ACCOUNTANTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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Independent Auditor's 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, 2011, 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, 2011, 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 9, 2011, 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 and budgetary comparison information on pages 3 through 12 and 41 through 54 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 nonmajor 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 nonmajor 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 nonmajor 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 9, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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, 2011. 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 \$1,165,325 to \$27,861,687 in 2011 from \$26,696,362 in 2010. The increase in net assets indicates the District's financial position improved during the current year. However, the District's cash balance decreased and long-term liabilities increased as a result of the completion of the High School addition.
- For the fiscal year ended June 30, 2011, the District's total revenues were less than total expenditures, on the modified cash basis of accounting, by \$4,875,108.
- As of June 30, 2011, the General Fund, which is comprised of the Educational and Operations and Maintenance Funds, has a Fund Balance of \$12,628,922 (\$11,303,488 Unassigned and \$1,325,436 Assigned for Operations and Maintenance), the Transportation Fund has a Fund Balance of \$1,987,315 Restricted for Student Transportation, the Working Cash Fund has an Assigned Fund Balance of \$2,388,136, the Site & Construction Fund has a Fund Balance of \$1,266,650 Restricted for Capital Projects, the Bond & Interest Fund has a Fund Balance of \$24,497 Restricted for Debt Service, and overall, the District has a Fund Balance of \$19,488,555.
- Local revenue (81% of total revenue) continued to be delivered in a timely fashion (July, September). The majority of Federal Funding (2.7% of total revenue) generally comes in the form of various Title Grants and ARRA (Recovery Act) Grants.
- The assessed valuation decreased by 0.4% (\$3,298,381) from tax year 2009 to 2010. The assessed valuation increased by 1.8% (\$14,094,570) from tax year 2008 to 2009. The assessed valuation increased an average of 2% over the last five years.

Comparison of Current Fund Balances

Fund	June 30, 2011	June 30, 2010
Educational Fund	\$ 11,303,486	\$ 10,232,103
Operations & Maintenance Fund	1,325,436	938,112
Bond & Interest	24,497	16,692
Transportation Fund	1,987,315	1,599,001
Social Security & IMRF	155,486	199,366
Working Cash Fund	2,388,136	2,374,682
Life Safety Fund	178,739	161,798
Tort Immunity and Judgment Fund	858,810	872,287
Site & Construction Fund	1,266,650	7,969,622
Total	<u>\$ 19,488,555</u>	<u>\$ 24,363,663</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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 E) 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

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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

Coal City Community Unit School District No. 1's 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

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

Current and Future Initiatives

In the current fiscal year, we have completed an 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 address increased growth in our residential community.

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

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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

Description	Budget	Actual	Variance	Percent Variance
Education Revenues	19,548,599	21,800,405	2,251,806	10.33%
Education Expenditures	18,991,895	20,729,022	(1,737,127)	-8.38%
Operations & Maintenance Revenues	3,138,898	3,138,616	(282)	-0.01%
Operations & Maintenance Expenditures	2,918,950	2,751,292	167,658	6.09%
Bond & Interest Revenues	2,748,998	2,686,302	(62,696)	-2.33%
Bond & Interest Expenditures	2,745,565	2,744,240	1,325	0.05%
Transportation Revenues	2,476,425	2,402,413	(74,012)	-3.08%
Transportation Expenditures	2,399,350	2,014,099	385,251	19.13%
Social Security & IMRF Revenues	570,079	580,003	9,924	1.71%
Social Security & IMRF Expenditures	695,200	623,883	71,317	11.43%
Working Cash Revenues	16,281	13,454	(2,827)	-21.01%
Working Cash Expenditures	-	-	-	N/A
Life Safety Revenues	17,764	16,941	(823)	-4.86%
Life Safety Expenditures	-	-	-	N/A
Tort Immunity Revenues	35,335	33,192	(2,143)	-6.46%
Tort Immunity Expenditures	168,500	46,669	121,831	261.05%
Site & Construction Revenues	102,500	249,294	146,794	58.88%
Site & Construction Expenditures	11,025,000	10,453,875	571,125	5.46%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

General Governmental Accounting Functions

The general governmental activities include all services provided by the District. Included are the general, special revenue 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

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

Condensed Financial Information

	Net Assets	
	Governmental Activities 2011	2010
<u>Assets</u>		
Current Assets	\$ 19,657,736	\$ 25,424,991
Capital Assets	66,420,139	55,760,933
Accumulated Depreciation	(18,187,007)	(16,668,234)
Total Assets	<u>\$ 67,890,868</u>	<u>\$ 64,517,690</u>
<u>Liabilities</u>		
Overdraft payable	\$ -	\$ 1,187,050
Withholdings	169,931	(124,972)
IMRF Payable	(750)	(750)
Due within one year	675,000	580,000
Due in more than one year	39,185,000	36,180,000
Total Liabilities	<u>40,029,181</u>	<u>37,821,328</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	8,373,132	2,332,699
Restricted	4,471,497	7,506,383
Unrestricted	15,017,058	16,857,280
Total Net Assets	<u>\$ 27,861,687</u>	<u>\$ 26,696,362</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 \$15,017,058 for the year. Restricted Net Assets, \$4,471,497, is restricted for Transportation, Tort, Social Security, Medicare, IMRF, Life Safety, and Capital related expenditures.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

As seen in Table 2, total income stood at \$30,807,972 at the end of the fiscal year, of which \$3,958,941 was from program revenues. Total expenditures at the end of the fiscal year stood at \$29,642,647, including current year depreciation and excluding capital outlay purchases and debt principal payments.

Table 2
Change in Net Assets

	Governmental Activities	
	2011	2010
Revenues		
Program Revenues		
Fees and charges for services	\$ 663,406	\$ 719,700
Operating grants and contributions	2,438,326	2,115,184
Capital grants and contributions	857,209	575,180
General Revenues		
Property taxes	22,426,981	21,290,459
Tort immunity taxes	30,345	235,873
Special education taxes	241,115	235,873
Replacement taxes	1,510,076	1,224,118
Interest income	70,768	200,822
Unrestricted contributions & donations	6,000	-
Grants & entitlements not restricted	2,620,975	2,490,686
Site Donations	9,509	2,388
Miscellaneous	32,011	67,823
Special items:		
Prior Year Refund: Nicor Gas ECC	13,899	-
Discount/Issuance of Bonds	(112,648)	-
Total Revenue	30,807,972	29,158,106
Program Expenditures		
Instruction	10,855,792	8,662,194
Supporting services	17,712,814	18,057,190
Community services	16,385	16,154
Payments to other schools	1,057,656	1,609,025
Total Expenditures	29,642,647	28,344,563
Change in Net Assets	1,165,325	813,543
Beginning Net Assets	26,696,362	25,882,819
Ending Net Assets	\$ 27,861,687	\$ 26,696,362

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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, 2011, the District's debt obligations were as follows:

	Beginning Balance	Additions	Retired	Ending Balance
General Obligation Bonds - 2006	\$ 3,880,000	-	580,000	3,300,000
General Obligation Bonds - 2008	\$ 32,880,000	-	-	32,880,000
General Obligation Bonds - 2010	-	3,680,000	-	3,680,000
Total	<u>\$ 36,760,000</u>	<u>3,680,000</u>	<u>580,000</u>	<u>39,860,000</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, 2011, the capital assets balance of the District amounted to \$48,233,132. This amount represents the actual and historical original cost of the assets net of accumulated depreciation.

	June 30, 2011	June 30, 2010
Land	\$ 5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607
Building	54,582,318	23,621,771
Equipment	4,391,164	4,212,927
Cafeteria Equipment	646,899	619,804
Construction In Progress	-	20,506,673
Accumulated Depreciation	<u>(18,187,007)</u>	<u>(16,668,234)</u>
Total	<u>\$ 48,233,132</u>	<u>39,092,698</u>

Refer to Note 4 for additional detail regarding capital assets.

Economic Outlook

The outlook for the District is dependant upon the valuation of Dresden Nuclear Station. At the present time, we do have a 5 year term agreement with Exelon. As that agreement comes to a close with the 2011 levy, the District will continue 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

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2011

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, 2011.

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

Government-wide Financial Statement

Statement of Net Assets - Modified Cash Basis

June 30, 2011

	Primary Government		
	Governmental Activities	Total 2011	2010
<u>Assets</u>			
Cash in bank	\$ 19,657,736	19,657,736	25,424,991
Capital Assets			
Land	5,466,151	5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607	1,333,607
Building	54,582,318	54,582,318	23,621,771
Equipment	4,391,164	4,391,164	4,212,927
Cafeteria Equipment	646,899	646,899	619,804
Construction In Progress	-	-	20,506,673
Accumulated Depreciation	(18,187,007)	(18,187,007)	(16,668,234)
Total Assets	<u>\$ 67,890,868</u>	<u>67,890,868</u>	<u>64,517,690</u>
<u>Liabilities</u>			
Overdraft Payable	\$ -	-	1,187,050
Withholdings	169,931	169,931	(124,972)
IMRF Payable	(750)	(750)	(750)
Long Term Liabilities			
Due Within One Year	675,000	675,000	580,000
Due in More Than One Year	39,185,000	39,185,000	36,180,000
Total Liabilities	<u>40,029,181</u>	<u>40,029,181</u>	<u>37,821,328</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	8,373,132	8,373,132	2,332,699
Restricted	4,471,497	4,471,497	10,818,766
Unrestricted	15,017,058	15,017,058	13,544,897
Total Net Assets	<u>\$ 27,861,687</u>	<u>27,861,687</u>	<u>26,696,362</u>

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

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2011

Program Activities	Expenses	Program Revenues			Governmental Activities	Net Expense and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		2011	2010
Governmental Activities							
Instruction	10,855,792	106,698	1,427,583	857,209	(8,464,302)	(8,464,302)	(6,693,018)
Support Services	17,712,814	556,708	1,010,743	-	(16,145,363)	(16,145,363)	(16,616,302)
Community Services	16,385	-	-	-	(16,385)	(16,385)	(16,154)
Payments to Other Schools	1,057,656	-	-	-	(1,057,656)	(1,057,656)	(1,609,025)
Total Governmental Activities	\$ 29,642,647	663,406	2,438,326	857,209	(25,683,706)	(25,683,706)	(24,934,499)
General Revenues							
Taxes:							
Property Taxes					22,426,981	22,426,981	21,290,459
Tort Immunity					30,345	30,345	235,873
Special Education Taxes					241,115	241,115	235,873
Replacement Taxes					1,510,076	1,510,076	1,224,118
Grants and Entitlements not Restricted to Specific Programs					2,620,975	2,620,975	2,490,686
Refund of Prior Year Expenditures					13,899	13,899	-
Site Donations					9,509	9,509	2,388
Unrestricted Contributions and Donations					6,000	6,000	-
Interest on Investments					70,768	70,768	200,822
Discount on Bonds					(69,920)	(69,920)	-
Bond Issuance Costs					(42,728)	(42,728)	-
Miscellaneous					32,011	32,011	67,823
Total General Revenues					26,849,031	26,849,031	25,748,042
Change in Net Assets					1,165,325	1,165,325	813,543
Net Assets Beginning of Year					26,696,362	26,696,362	25,882,819
Net Assets End of Year					27,861,687	27,861,687	26,696,362

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

Statement of Assets, Liabilities and Changes in Fund Balances
 Modified Cash Basis- Governmental Funds
 June 30, 2011

	Educational 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 2011	2010
<u>Assets</u>								
Cash	\$ 12,798,853	1,987,315	2,388,136	1,266,650	24,497	1,192,285	19,657,736	25,424,991
Total Assets	<u>\$ 12,798,853</u>	<u>1,987,315</u>	<u>2,388,136</u>	<u>1,266,650</u>	<u>24,497</u>	<u>1,192,285</u>	<u>19,657,736</u>	<u>25,424,991</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Withholdings	169,931	-	-	-	-	-	169,931	(124,972)
IMRF Payable	-	-	-	-	-	(750)	(750)	(750)
Overdraft payable	-	-	-	-	-	-	-	1,187,050
Total Liabilities	169,931	-	-	-	-	(750)	169,181	1,061,328
Fund Balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	1,987,315	-	1,266,650	24,497	1,193,035	4,471,497	10,818,766
Committed	-	-	-	-	-	-	-	-
Assigned	1,325,436	-	2,388,136	-	-	-	3,713,572	3,312,794
Unassigned	11,303,486	-	-	-	-	-	11,303,486	10,232,103
Total Fund Balances	<u>12,628,922</u>	<u>1,987,315</u>	<u>2,388,136</u>	<u>1,266,650</u>	<u>24,497</u>	<u>1,193,035</u>	<u>19,488,555</u>	<u>24,363,663</u>
Total Liabilities and Fund Balance	<u>\$ 12,798,853</u>	<u>1,987,315</u>	<u>2,388,136</u>	<u>1,266,650</u>	<u>24,497</u>	<u>1,192,285</u>		

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 \$66,420,139 (net of accumulated depreciation of \$18,187,007),
 are not financial resources and therefore are not reported in the funds.

48,233,132 39,092,699

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

(39,860,000) (36,760,000)

Net Assets of Governmental Activities

\$ 27,861,687 \$ 26,696,362

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, 2011

	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	
							2011	2010
Revenues Received								
Local Sources	\$ 20,269,677	1,391,670	13,454	12,871	2,686,302	630,136	25,004,110	23,977,843
Flow Through	207,875	-	-	-	-	-	207,875	35,140
State Sources	1,219,708	1,010,743	-	16,623	-	-	2,247,074	1,885,332
Federal Sources	620,786	-	-	219,800	-	-	840,586	769,105
On Behalf Payments	2,620,975	-	-	-	-	-	2,620,975	2,490,686
Total Revenues Received	24,939,021	2,402,413	13,454	249,294	2,686,302	630,136	30,920,620	29,158,106
Expenditures Disbursed								
Instructional	12,124,299	-	-	-	-	176,691	12,300,990	11,391,428
Support	7,456,491	2,009,099	-	-	675	492,484	9,958,749	9,115,568
Community Service	15,008	-	-	-	-	1,377	16,385	16,154
Payment to Other Schools	1,057,656	-	-	-	-	-	1,057,656	1,609,025
On Behalf Payments	2,620,975	-	-	-	-	-	2,620,975	2,490,686
Capital Outlay	205,885	5,000	-	10,453,875	-	-	10,664,760	16,474,088
Debt Service								
Interest	-	-	-	-	2,163,565	-	2,163,565	2,125,919
Principal	-	-	-	-	580,000	-	580,000	490,000
Total Expenditures Disbursed	23,480,314	2,014,099	-	10,453,875	2,744,240	670,552	39,363,080	43,712,868
Excess (Deficiency) of Revenues over (under) Expenditures	1,458,707	388,314	13,454	(10,204,581)	(57,938)	(40,416)	(8,442,460)	(14,554,762)
Other Financing Sources (Uses) -								
Bond Proceeds	-	-	-	3,680,000	-	-	3,680,000	-
Discount on Bonds	-	-	-	(69,920)	-	-	(69,920)	-
Bond Issuance Costs	-	-	-	(42,728)	-	-	(42,728)	-
Transfer to/(from)	-	-	-	(65,743)	65,743	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,501,609	65,743	-	3,567,352	-
Net Change in Fund Balances	1,458,707	388,314	13,454	(6,702,972)	7,805	(40,416)	(4,875,108)	(14,554,762)
Fund balance, beginning of year	11,170,215	1,599,001	2,374,682	7,969,622	16,692	1,233,451	24,363,663	38,918,425
Fund balance, end of year	\$ 12,628,922	1,987,315	2,388,136	1,266,650	24,497	1,193,035	19,488,555	24,363,663
Reconciliation to the Statement of Activities:								
Net Change in Fund Balances - governmental activities							\$ (4,875,108)	(14,554,762)
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							580,000	490,000
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							10,659,206	15,670,279
Disposition of assets							-	-
Depreciation expense							(1,518,773)	(791,974)
Change in Net Assets of Governmental Activities (Statement B)							\$ 1,165,325	813,543

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2011

	Student Activity Funds	June 30, 2011	2010
<u>Assets</u>			
Cash	\$ 713,453	713,453	659,177
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 713,453	713,453	659,177

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

NOTES TO FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coal City Community Unit School District No. 1 (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

Notes to Financial Statements For the Year Ended June 30, 2011

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. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. *Fund Accounting*

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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 and Lease taxes are 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. Three 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

Notes to Financial Statements For the Year Ended June 30, 2011

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 fund is an agency fund which reports resources that belong to the student bodies of the District.

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

Notes to Financial Statements For the Year Ended June 30, 2011

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

C. Measurement Focus and Basis of Accounting

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 (in other ways) by performing the same procedures required of its original adoption.

The District's budget was adopted on September 20, 2010 and was not amended.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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. The District does not possess any infrastructure. 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

Notes to Financial Statements For the Year Ended June 30, 2011

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

Notes to Financial Statements For the Year Ended June 30, 2011

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, 2011, the carrying amount of the District's deposits was \$19,657,736 and the bank balance was \$20,005,527. The deposits are categorized in accordance with risk factors created by governmental reporting standards:

	Carrying Amount	Bank Balance
Category # 1	\$ -	-
Category # 2	956,833	1,304,624
Category # 3	250,000	250,000
ISDLAF	18,450,903	18,450,903
Total	<u>\$ 19,657,736</u>	<u>20,005,527</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

Notes to Financial Statements For the Year Ended June 30, 2011

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, 2011, the funds participating in the common bank account had the following cash balances (overdrafts):

<u>Fund</u>	<u>Balance</u>
Educational Fund	\$ 11,493,243
Operations and Maint. Fund	1,305,610
Bond & Interest Fund	24,497
Transportation Fund	1,987,315
IMRF and Social Security Fund	154,736
Working Cash Fund	2,388,136
Tort Fund	858,810
Life Safety Fund	178,739
Site and Construction Fund	1,266,650
Total	<u><u>\$ 19,657,736</u></u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 4: CAPITAL ASSETS

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Capital Assets, not being depreciated:				
Land	\$ 5,466,151	-	-	5,466,151
Construction In Progress	<u>20,506,673</u>	<u>-</u>	<u>20,506,673</u>	<u>-</u>
Total Capital Assets, not being depreciated	<u>25,972,824</u>	<u>-</u>	<u>20,506,673</u>	<u>5,466,151</u>
Capital Assets, being depreciated:				
Land Improvements	1,333,607	-	-	1,333,607
Building	23,621,770	30,960,548	-	54,582,318
Equipment	4,212,928	198,236	20,000	4,391,164
Cafeteria Equipment	<u>619,804</u>	<u>27,095</u>	<u>-</u>	<u>646,899</u>
Total Capital Assets, being depreciated	<u>29,788,109</u>	<u>31,185,879</u>	<u>20,000</u>	<u>60,953,988</u>
Less Accumulated Depreciation:				
Land Improvements	1,233,843	66,680	-	1,300,523
Building	11,199,820	1,303,441	-	12,503,261
Equipment	3,758,439	145,968	20,000	3,884,407
Cafeteria Equipment	<u>476,133</u>	<u>22,683</u>	<u>-</u>	<u>498,816</u>
Total Accumulated Depreciation	<u>16,668,235</u>	<u>1,538,773</u>	<u>20,000</u>	<u>18,187,007</u>
Total Capital Assets being depreciated, net	<u>13,119,875</u>	<u>29,647,106</u>	<u>-</u>	<u>42,766,981</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,092,699</u>	<u>29,647,106</u>	<u>20,506,673</u>	<u>48,233,132</u>

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 87,581
Support Service Expenditures	<u>1,451,192</u>
Total Current Year Depreciation	<u>\$1,538,773</u>

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

• Completion of the high school addition	\$10,453,875
• 2 Ford F-250 Trucks	50,551
• New Condenser	29,000
• Switch Gear – Tech Equipment	32,911
• Dishwasher/Heater	27,095

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2011:

	Principal Outstanding 7/1/2010	Additions	Reductions	Principal Outstanding 6/30/2011	Amount Due in One Year
2006 4.25% - 5.00% \$14,940,000 General Obligation Bonds	3,880,000	-	580,000	3,300,000	675,000
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>\$ 36,760,000</u>	<u>3,680,000</u>	<u>580,000</u>	<u>39,860,000</u>	<u>675,000</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, 2011 is \$3,300,000.

Fiscal Year Ending	Principal	Interest	Total
2012	675,000	144,994	819,994
2013	780,000	116,306	896,306
2014	870,000	83,156	953,156
2015	975,000	45,094	1,020,094
Totals	<u>\$ 3,300,000</u>	<u>389,550</u>	<u>3,689,550</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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>
2012	-	1,931,700	1,931,700
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>25,060,841</u>	<u>57,940,841</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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>
2012	-	147,200	147,200
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>2,796,800</u>	<u>6,476,800</u>

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The levy, in the amount of \$20,200,000, increased by the Bond & Interest levy to \$23,097,580 was passed by the Board on December 20, 2010. 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

Notes to Financial Statements For the Year Ended June 30, 2011

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 \$241,115 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, 2011, 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, 2010 and 2009.

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

Notes to Financial Statements For the Year Ended June 30, 2011

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, 2011, state of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$2,524,793 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent \$2,404,304 and 17.108 percent \$1,641,976, 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, 2011 were \$63,393. Contributions for the years ending June 30, 2010 and June 30, 2009, were \$59,645 and \$55,758, 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, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$148,644 were paid from federal and special trust funds that required employer contributions of \$34,337. For the years ended June 30, 2010 and June 30, 2009, required district contributions were \$35,445 and \$27,862, 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

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

For the year ended June 30, 2011, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, 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, 2011, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2010 and June 30, 2009, 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 used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the district paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2010 and June 30, 2009, 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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

Notes to Financial Statements For the Year Ended June 30, 2011

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. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and 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, 2011. State of Illinois contributions were \$96,182, 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, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of district employees were \$86,382 and \$80,753, 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 year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the district paid \$72,137 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the district paid \$64,787 and \$60,565 to the THIS Fund, respectively, which was 100 percent of the required contribution.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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 contribution rate for calendar year 2010 was 15.88 percent of annual covered payroll. The employer annual contribution rate for calendar year 2010 was 16.24 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. For calendar year ending December 31, 2010, the employer's annual pension cost for the Regular employees were \$312,823. Its required contribution for calendar year 2010 was \$319,915.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$319,915	98%	\$ 0
12/31/09	268,210	100%	0
12/31/08	201,015	100%	0

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. Illinois Municipal Retirement Fund

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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, 2008 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, 2010, the most recent actuarial valuation date, the Regular plan was 49.43 percent funded. The actuarial accrued liability for benefits was \$3,903,658 and the actuarial value of assets was \$1,929,666, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,973,992. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,969,920 and the ratio of the UAAL to the covered payroll was 100 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, 2011:

Assessed Valuation (2010)	<u>\$ 795,039,932</u>
Statutory debt limitation (13.8%)	\$ 109,715,511
Amount of debt applicable to debt limitation	<u>39,860,000</u>
Legal Debt Margin	<u>\$ 69,855,511</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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, 2011, amounted to \$1,052,040.

NOTE 10: LEASE COMMITMENTS

Capital Leases

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

- PMA Leasing, Inc - 4 Bizhub 920 copy machines with monthly payments of \$2,197. The District made a final payment on July 7, 2010.
- Canon Financial Services, Inc - 2 copy machines with monthly payments of \$734. The District made a final payment on the lease in June 2011.
- 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.

Subsequently, the District entered into two additional capital lease agreements. They are as follows:

- American Capital – Server lease with annual payments of \$46,712. The first payment is due in fiscal year 2012.

Future minimum lease payments until expiration are as follows:

June 30, 2012	\$ 220,900
June 30, 2013	220,900
June 30, 2014	46,712
June 30, 2015	<u>46,712</u>
Total	<u>\$ 535,224</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 11: TRANSFERS

During the current fiscal year the District made the following transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
Bond & Interest Fund	\$ 65,743	-
Site & Construction Fund	-	65,743
Total Transfers	<u>\$ 65,743</u>	<u>65,743</u>

The District made a permanent transfer during the current fiscal year:

- Transferred capital interest on bond issuance to the Bond & Interest Fund from the Site & Construction Fund.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2011

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:									
Transportation	-	1,987,315	-	-	-	-	-	-	1,987,315
Capital projects	-	-	1,266,650	-	-	-	-	-	1,266,650
Social Security/Medicare	-	-	-	-	152,175	-	-	-	152,175
IMRF Retirement Cont.	-	-	-	-	3,311	-	-	-	3,311
Tort related insurance	-	-	-	-	-	858,810	-	-	858,810
Debt Service Reserve	-	-	-	-	-	-	-	24,497	24,497
Life Safety	-	-	-	-	-	-	178,739	-	178,739
Committed To:									
Building Maintenance	1,325,436	-	-	-	-	-	-	-	1,325,436
Working Cash	-	-	-	2,388,136	-	-	-	-	2,388,136
Assigned To:	-	-	-	-	-	-	-	-	-
Unassigned:									
Educational Fund	11,303,486	-	-	-	-	-	-	-	11,303,486
	<u>12,628,922</u>	<u>1,987,315</u>	<u>1,266,650</u>	<u>2,388,136</u>	<u>155,486</u>	<u>858,810</u>	<u>178,739</u>	<u>24,497</u>	<u>19,488,555</u>

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 \$696,868 to the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450.

During the current 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

Notes to Financial Statements For the Year Ended June 30, 2011

NOTE 16: EXPENDITURES IN EXCESS OF APPROPRIATIONS

<u>Fund</u>	<u>Excess</u>
Education Fund	\$ 1,633,334

During the current fiscal year, the District's Education Fund exceeded appropriations by \$1,633,334. The District's expenditures were greater than appropriations because the District did not budget for TRS on-behalf payments. The District expended \$2,620,975 for TRS on-behalf payments.

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, 2011, the District has not adopted a plan that would meet these criteria.

REQUIRED SUPPLEMENTARY INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Combining Statement of Assets, Liabilities and Fund Balances
Arising from Cash Transactions
June 30, 2011

	<u>Educational Fund</u>	<u>Operations & Maintenance Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash in bank	<u>\$ 11,493,243</u>	<u>1,305,610</u>	<u>12,798,853</u>
Total Assets	<u><u>\$ 11,493,243</u></u>	<u><u>1,305,610</u></u>	<u><u>12,798,853</u></u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Withholdings	<u>189,757</u>	<u>(19,826)</u>	<u>169,931</u>
Total Liabilities	<u><u>189,757</u></u>	<u><u>(19,826)</u></u>	<u><u>169,931</u></u>
<u>Fund balance</u>			
Assigned	-	1,325,436	1,325,436
Unassigned	<u>11,303,486</u>	<u>-</u>	<u>11,303,486</u>
Total Fund Balance	<u><u>11,303,486</u></u>	<u><u>1,325,436</u></u>	<u><u>12,628,922</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 11,493,243</u></u>	<u><u>1,305,610</u></u>	<u><u>12,798,853</u></u>

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Educational Fund	Operations & Maintenance Fund	Total General Fund	
			Year Ended June 30,	
			2011	2010
Revenues Received				
Local Revenues	\$ 17,131,061	3,138,616	20,269,677	19,142,341
Flow Through Revenues	207,875	-	207,875	35,140
State Revenues	1,219,708	-	1,219,708	1,035,566
Federal Revenues	620,786	-	620,786	769,105
On Behalf Payments	2,620,975	-	2,620,975	2,490,686
Total Revenues Received	21,800,405	3,138,616	24,939,021	23,472,838
Expenditures Disbursed				
Instruction	12,198,246	-	12,198,246	11,316,846
Support Services	4,948,190	2,640,239	7,588,429	6,698,635
Payments to Other Schools	946,603	111,053	1,057,656	1,609,025
Community Service	15,008	-	15,008	15,007
On Behalf Payments	2,620,975	-	2,620,975	2,490,686
Total Expenditures Disbursed	20,729,022	2,751,292	23,480,314	22,130,199
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	1,071,383	387,324	1,458,707	1,342,639
Other Financing Sources (Uses) -				
Transfer from Working Cash Fund	-	-	-	5,983
Proceeds from Sale	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	5,983
Net Change in Fund Balance	1,071,383	387,324	1,458,707	1,348,622
Fund Balance, Beginning of Year	10,232,103	938,112	11,170,215	9,821,593
Fund Balance, End of Year	\$ 11,303,486	1,325,436	12,628,922	11,170,215

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
<u>Educational:</u>			
Revenues Received			
Local Sources:			
Property Taxes	\$ 14,671,409	14,672,982	13,872,608
Special Education Taxes	241,090	241,115	235,873
Replacement Taxes	1,600,000	1,460,636	1,182,804
Tuition	22,000	32,752	45,521
Interest on Investments	100,000	54,296	72,109
Food Service	599,800	543,907	579,874
Pupil Activities	53,500	50,322	47,178
Textbook Rentals/Resale	25,000	17,584	25,389
Donations	5,000	6,000	-
Local Fees	25,000	6,040	10,490
Sale of Equipment	-	-	-
Refund of Prior Year Expenditures	-	13,899	28,921
Other Local Revenues	76,000	31,528	39,689
Total Local Sources	17,418,799	17,131,061	16,140,456
Flow-Through Revenues Received			
Career Development (State)	13,500	8,742	13,585
Special Education - IDEA (Federal)	-	155,034	-
Medicaid Outreach (Federal)	12,000	44,099	21,555
Total Flow-Through Revenues Received	25,500	207,875	35,140
State Programs:			
General State Aid	596,000	596,039	453,199
Drivers Education	-	33,022	26,776
Reading Improvement - Block Grant	90,000	23,617	23,617
Special Education - Personnel	350,000	93,353	9,734
Special Education - Orphanage	5,000	-	2,416
State Free Lunch & Breakfast	5,000	5,962	5,084
Special Education - Extraordinary	280,000	352,893	205,512
Special Education - Summer School	-	468	478
Vocational Education - Formula	1,500	-	-
ADA Safety & Education Grant	50,000	8,998	8,998
Special Education - Private Facility Tuition	160,000	98,495	52,774
State Library Grant	-	1,578	-
Board Certification	-	5,283	-
Other State Sources (Transition Assistance)	-	-	246,978
Total State Programs	1,537,500	1,219,708	1,035,566

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
<u>Educational (continued):</u>			
Revenues Received (continued):			
Federal Programs:			
Title I - Low Income	\$ 120,000	139,844	155,176
Title II - Teacher Quality	43,000	147,770	46,726
National School Lunch Program	160,000	189,805	174,837
Special Milk Program	1,000	352	589
Title IV - Safe and Drug Free Schools	-	99	4,565
Technology Enhancing Education	-	-	1,204
Special Education - IDEA Room & Board	-	175	-
Special Education - IDEA Flow-Through	-	-	194,712
ISBE Commodities	-	32,246	37,625
DoD Fruits & Vegetables	-	6,433	-
ARRA General State Aid - Ed SFSF	23,000	-	75,885
ARRA General State Aid - Title I Low Income	-	20,888	36,944
ARRA General State Aid - IDEA Part B Flow-Through	-	-	15,547
ARRA General State Aid - Education Jobs	-	54,269	-
E-rate Reimbursement	-	28,905	-
Other Federal Revenue	219,800	-	25,295
Total Federal Programs	566,800	620,786	769,105
On Behalf Payments	-	2,620,975	2,490,686
Total Revenues Received	19,548,599	21,800,405	20,470,953
Expenditures Disbursed			
Instructional:			
Regular Programs:			
Salaries	5,356,700	6,820,122	6,586,051
Benefits	1,403,050	2,028,803	1,666,884
Purchased Services	73,300	86,731	27,304
Teaching Supplies	181,515	224,639	344,391
Capital Outlay	31,800	28,227	9,948
Other Objects	-	-	765
Total Regular Programs	7,046,365	9,188,522	8,635,343
Pre-K Programs:			
Salaries	1,682,500	-	-
Benefits	324,300	-	-
Purchased Services	32,100	-	-
Teaching Supplies	56,850	-	-
Capital Outlay	10,000	-	-
Other Objects	-	-	-
Total Pre-K Programs	2,105,750	-	-

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Educational (continued):			
Special Education Programs:			
Salaries	\$ 1,168,900	1,127,617	882,101
Benefits	232,000	264,887	210,550
Purchased Services	26,000	17,523	26,370
Supplies	43,600	27,314	31,469
Capital Outlay	11,000	18,236	14,580
Tuition	204,000	221,858	191,975
Total Special Education Programs	1,685,500	1,677,435	1,357,045
Remedial Programs:			
Salaries	158,000	162,365	184,871
Employee Benefits	55,800	73,284	50,638
Purchased Services	-	9,380	1,025
Supplies	-	4,025	4,431
Capital Outlay	-	4,839	15,503
Total Remedial	213,800	253,893	256,468
Vocational Programs:			
Salaries	253,000	220,423	207,224
Benefits	76,660	68,382	61,751
Purchased Services	1,500	977	-
Supplies	26,000	15,543	19,341
Other Objects	200	-	-
Capital Outlay	8,500	8,777	37,870
Total Vocational	365,860	314,102	326,186
Interscholastic Programs:			
Salaries	410,300	375,663	374,701
Benefits	109,080	98,369	91,360
Purchased Services	82,540	61,886	64,163
Supplies	59,170	48,055	45,187
Capital Outlay	21,700	13,868	10,663
Other	20,010	14,956	15,377
Total Interscholastic	702,800	612,797	601,451
Summer School Programs:			
Salaries	40,000	37,163	30,688
Benefits	7,950	7,308	6,377
Supplies	10,000	19,059	13,608
Capital Outlay	-	-	-
Total Summer School	57,950	63,530	50,673
Gifted Programs:			
Salaries	48,000	63,745	73,067
Benefits	15,100	21,924	14,576
Purchased Services	-	207	-
Supplies	2,100	2,091	2,037
Total Gifted	65,200	87,967	89,680
Total Instructional	12,243,225	12,198,246	11,316,846

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Educational (continued):			
Support:			
Attendance & Social Work Services			
Salaries	\$ 197,400	183,646	142,131
Benefits	55,175	49,281	34,476
Purchased Services	-	-	375
Supplies	7,800	1,753	1,311
Other Objects	-	-	48
Total Attendance & Social Work Services	260,375	234,680	178,341
Guidance Services			
Salaries	209,000	197,447	192,860
Benefits	69,990	59,936	50,296
Purchased Services	-	-	857
Supplies	1,500	942	646
Capital Outlay	-	-	-
Other	550	-	-
Total Guidance Services	281,040	258,325	244,659
Health Services:			
Salaries	92,500	93,507	111,923
Benefits	15,175	6,331	16,988
Purchased Services	-	40	512
Supplies	4,400	4,612	3,344
Capital Outlay	-	939	-
Total Health Services	112,075	105,429	132,767
Psychological Services			
Salaries	88,000	80,255	-
Benefits	41,850	28,471	-
Supplies	13,000	19,129	-
Total Psychological Services	142,850	127,855	-
Speech Pathology & Audiology Services			
Salaries	88,000	90,736	-
Benefits	25,000	20,997	-
Supplies	2,000	1,809	-
Total Speech Pathology & Audiology Services	115,000	113,542	-
Other Support Services - Pupils			
Salaries	-	7,639	-
Purchased Services	32,850	43,571	22,655
Supplies	7,300	6,076	7,003
Total Other Support Services - Pupils	40,150	57,286	29,658
Instruction Improvement:			
Salaries	231,500	224,720	235,834
Benefits	63,500	62,679	63,750
Purchased Services	227,000	151,309	176,573
Supplies	9,000	5,494	9,177
Capital Outlay	6,500	4,163	3,144
Other	1,200	367	745
Total Instruction Improvement	538,700	448,732	489,223

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30,	
		2011	2010
Educational (continued):			
Educational Media/Tech Services:			
Salaries	\$ 306,600	305,784	299,241
Benefits	89,420	86,359	76,590
Purchased Services	252,050	232,970	95,380
Supplies	85,200	61,146	73,291
Capital Outlay	129,000	80,391	60,811
Other	-	-	-
Total Educational Media Services	862,270	766,650	605,313
Assessment & Testing:			
Purchased Services	19,500	12,364	14,460
Supplies	42,500	18,556	31,837
Capital Outlay	10,000	8,675	-
Total Assessment & Testing	72,000	39,595	46,297
Board of Education Services:			
Salaries	-	-	-
Benefits	106,000	10,249	4,962
Purchased Services	387,500	361,234	276,470
Supplies	26,000	16,669	4,311
Capital Outlay	15,000	-	-
Other Objects	12,000	14,107	14,488
Total Board of Education Services	546,500	402,259	300,231
Superintendent Services:			
Salaries	201,500	202,055	201,353
Employee Benefits	40,300	39,297	39,211
Purchased Services	2,500	1,262	1,579
Supplies	1,700	705	570
Capital Outlay	1,000	-	2,566
Other Objects	4,000	1,742	3,524
Total Superintendent Services	251,000	245,061	248,803
Special Area Administration Services:			
Salaries	-	811	-
Employee Benefits	-	188	-
Total Special Area Administration Services	-	999	-
Principal Services:			
Salaries	801,810	805,297	822,916
Employee Benefits	244,650	242,695	225,094
Purchased Services	26,050	15,192	15,748
Supplies	33,000	28,145	31,720
Capital Outlay	8,450	1,003	535
Other Objects	2,150	1,655	1,893
Total Principal Services	1,116,110	1,093,987	1,097,906
Other Support Services - School Admin			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchase Services	8,000	6,000	5,100
Total Other Support Services - School Admin	8,000	6,000	5,100

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30,	
		2011	2010
Educational (continued):			
Direction of Business Support Services			
Salaries	\$ 52,000	53,041	50,463
Benefits	20,150	16,674	14,494
Purchased Services	1,000	205	953
Supplies	1,000	306	830
Capital Outlay	1,000	-	894
Other Objects	1,000	1,091	310
Total Direction of Business Support Services	76,150	71,317	67,944
Fiscal Services:			
Bookkeeper Salaries	78,000	74,843	86,150
Benefits	9,600	6,359	2,447
Purchased Services	22,500	6,811	13,444
Supplies	10,000	13,903	9,946
Capital Outlay	4,500	4,270	4,396
Other Objects	2,000	240	571
Total Fiscal Services	126,600	106,426	116,954
Operation & Maintenance of Plant Services			
Salaries	-	-	-
Purchased Services	-	-	-
Supplies	5,000	3,010	2,674
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Operation & Maintenance of Plant Services	5,000	3,010	2,674
Food Services:			
Salaries	294,200	298,995	283,766
Benefits	82,450	84,960	68,823
Purchased Services	18,700	7,848	10,118
Supplies	427,000	408,132	420,349
Capital Outlay	50,000	32,497	30,072
Other	15,000	20,593	14,943
Total Food Services	887,350	853,025	828,071
Internal Services			
Purchased Services	5,000	9,548	8,886
Capital Outlay	25,000	-	51,192
Total Internal Services	30,000	9,548	60,078
Information Services			
Purchased Services	10,000	4,464	4,526
Total Information Services	10,000	4,464	4,526
Total Support	5,481,170	4,948,190	4,458,545
Community Services			
Salaries	15,000	15,000	15,000
Benefits	-	-	-
Purchased Services	-	-	-
Supplies	500	8	7
Total Community Services	15,500	15,008	15,007

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30,	
		2011	2010
<u>Educational (continued):</u>			
Payments to Other Schools			
Assessment	\$ 35,000	-	18,910
Tuition	1,217,000	946,603	1,425,870
Total Payments to Other Schools	1,252,000	946,603	1,444,780
On Behalf Payments	-	2,620,975	2,490,686
Total Expenditures Disbursed	18,991,895	20,729,022	19,725,864
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	556,704	1,071,383	745,089
Other Financing Sources (Uses):			
Transfer from Working Cash	10,000	-	5,983
Total Other Financing Sources (Uses)	10,000	-	5,983
Net Change in Fund Balance	\$ 566,704	1,071,383	751,072
Fund Balance, Beginning of Year		10,232,103	9,481,031
Fund Balance, End of Year		11,303,486	10,232,103

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
<u>Operations & Maintenance:</u>			
Revenues Received			
Local Sources:			
Property Taxes	\$ 3,125,398	3,125,711	2,984,066
Rental income	7,500	10,749	11,038
Interest Income	6,000	2,156	6,781
Other Revenues	-	-	-
Total Revenues Received	3,138,898	3,138,616	3,001,885
Expenditures Disbursed			
Other Support Services - Pupil			
Purchased Services	500	250	250
Facilities Acquisition & Construction Services			
Purchased Services	-	11,721	-
Capital Outlay	-	-	-
Operation/Maintenance of Plant			
Salaries	1,097,500	1,047,362	976,901
Employee Benefits	275,950	243,162	212,245
Purchased Services	327,000	347,613	243,151
Supplies	883,500	873,318	736,006
Custodial Equipment	134,500	116,227	71,067
Other	-	586	470
Contingencies	50,000	-	-
Payment to Other Governments			
Vocational Education Programs	150,000	111,053	164,245
Total Expenditures Disbursed	2,918,950	2,751,292	2,404,335
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed)	\$ 219,948	387,324	597,550
Fund Balance, Beginning of Year		938,112	340,562
Fund Balance, End of Year		1,325,436	938,112

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRANSPORTATION FUND

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011

	<u>Assets</u>	
Cash in bank		\$ 1,987,315
Total Assets		<u>\$ 1,987,315</u>
	<u>Fund Balance</u>	
Fund Balance		\$ 1,987,315
Total Fund Balance		<u>\$ 1,987,315</u>

Schedule B-2

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Revenues Received			
Property Taxes	\$ 1,386,670	1,386,810	1,343,143
Fees from other Districts	11,000	2,052	210
Interest on Investments	5,000	2,325	6,743
Other revenue	-	483	-
Regular Transportation Aid	521,388	425,136	253,447
Special Education Aid	552,367	585,607	596,319
Total Revenues Received	2,476,425	2,402,413	2,199,862
Expenditures Disbursed			
Transportation Salaries	2,500	5,673	2,674
Employee Benefits	-	2,681	829
Purchased Services	2,236,850	1,998,470	1,913,477
Supplies	5,000	2,275	2,364
Capital Outlay	5,000	5,000	6,405
Contingencies	150,000	-	-
Other Objects	-	-	-
Total Expenditures Disbursed	2,399,350	2,014,099	1,925,749
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	77,075	388,314	274,113
Other Financing Sources (Uses):			
Transfer from Educational Fund	-	-	-
Net Change in Fund Balance	<u>\$ 77,075</u>	388,314	274,113
Fund Balance, Beginning of Year		1,599,001	1,324,888
Fund Balance, End of Year		<u>1,987,315</u>	<u>1,599,001</u>

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

**Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011**

<u>Assets</u>	
Cash	\$ 2,388,136
Total Assets	<u>\$ 2,388,136</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 2,388,136</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)**

	Original and Final Appropriations	Year Ended June 30,	
		2011	2010
Revenues Received			
Property Taxes	\$ 8,781	8,782	8,620
Interest on Investments	<u>7,500</u>	<u>4,672</u>	<u>6,326</u>
Total Revenues Received	16,281	13,454	14,946
Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>16,281</u>	<u>13,454</u>	<u>14,946</u>
Other Financing Sources (Uses) -			
Transfer in	-	-	-
Transfer out	<u>(10,000)</u>	<u>-</u>	<u>(5,983)</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>-</u>	<u>(5,983)</u>
Net Change in Fund Balance	<u>\$ 6,281</u>	13,454	8,963
Fund balance, Beginning of Year		<u>2,374,682</u>	<u>2,365,719</u>
Fund balance, End of Year		<u>2,388,136</u>	<u>2,374,682</u>

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

**Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011**

<u>Assets</u>	
Cash in bank	\$ 1,266,650
Total Assets	<u>\$ 1,266,650</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 1,266,650
Total Fund Balance	<u>1,266,650</u>
Total Liabilities and Fund Balance	<u>\$ 1,266,650</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)**

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Revenues Received			
School Site Donations	\$ 25,000	9,509	2,388
Unrestricted Grants-In-Aid State Sources	-	16,623	-
Federal- ARRA IDEA Part B Flow-through	-	219,800	-
Other Payments in Lieu of Taxes	10,000	-	-
Interest on Bonds Sold	-	-	-
Interest on Investments	67,500	3,362	100,457
Total Revenues Received	102,500	249,294	102,845
Expenditures Disbursed			
High School Addition	11,025,000	10,453,875	15,623,019
Facilities Impact Fee - Renovations	-	-	603,895
School Site Donation - Ground Improvements	-	-	5,388
Support Services	-	-	78,004
Total Expenditures Disbursed	11,025,000	10,453,875	16,310,306
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(10,922,500)	(10,204,581)	(16,207,461)
Other Financing Sources (Uses) -			
Bond Proceeds	3,501,608	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)	3,501,608	3,501,609	-
Net Change in Fund Balance	<u>\$ (7,420,892)</u>	<u>(6,702,972)</u>	<u>(16,207,461)</u>
Fund balance, Beginning of Year		7,969,622	24,177,083
Fund balance, End of Year		<u>1,266,650</u>	<u>7,969,622</u>

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011

<u>Assets</u>	
Cash in bank	\$ 24,497
Total Assets	<u>\$ 24,497</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 24,497</u>

Schedule B-8

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Revenues Received			
Property Taxes	\$ 2,685,527	2,685,797	2,614,193
Interest income	5,000	505	2,721
Other revenues	58,471	-	-
Total Revenues Received	2,748,998	2,686,302	2,616,914
Expenditures Disbursed			
Interest on Bonds	753,394	2,163,565	2,125,919
Miscellaneous	2,000	675	676
State Aid Anticipation Certificates	1,990,171	-	-
Bonds Retired	-	580,000	490,000
Total Expenditures Disbursed	2,745,565	2,744,240	2,616,595
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 3,433</u>	(57,938)	319
Other Financing Sources (Uses):			
Transfer from Site & Construction Fund		65,743	-
Discount on Bonds		-	-
Total Other Financing Sources (Uses)		65,743	-
Net Change in Fund Balance		7,805	319
Fund Balance, Beginning of Year		16,692	16,373
Fund Balance, End of Year		<u>24,497</u>	<u>16,692</u>

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

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

Schedule C-1

Combining Statement of Assets, Liabilities and Fund Balances Arising From Cash Transactions
June 30, 2011

				Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30, 2011	2010
<u>Assets</u>					
Cash	\$ 178,739	154,736	858,810	1,192,285	1,364,322
Total Assets	<u>178,739</u>	<u>154,736</u>	<u>858,810</u>	<u>1,192,285</u>	<u>1,364,322</u>
<u>Liabilities</u>					
Overdraft Payable	-	-	-	-	131,621
IMRF Payable	-	(750)	-	(750)	(750)
Total Liabilities	<u>-</u>	<u>(750)</u>	<u>-</u>	<u>(750)</u>	<u>130,871</u>
<u>Fund Balances</u>					
Fund Balances:					
Unassigned	\$ -	-	-	-	-
Restricted	<u>178,739</u>	<u>155,486</u>	<u>858,810</u>	<u>1,193,035</u>	<u>1,233,451</u>
Total Fund Balances	<u>178,739</u>	<u>155,486</u>	<u>858,810</u>	<u>1,193,035</u>	<u>1,233,451</u>
Total Liabilities and Fund Balance	<u>178,739</u>	<u>154,736</u>	<u>858,810</u>	<u>1,192,285</u>	<u>1,364,322</u>

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

Schedule C-2

Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
For the Year Ended June 30, 2011

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				Year Ended June 30,	
				2011	2010
Revenues Received:					
Local Sources:					
Property Taxes	\$ 16,766	530,133	30,345	577,244	703,702
Replacement Tax	-	49,440	-	49,440	41,314
Interest on Investments	175	430	2,847	3,452	5,685
Total Revenues Received	16,941	580,003	33,192	630,136	750,701
Expenditures Disbursed:					
Instructional	-	176,691	-	176,691	163,146
Support	-	445,815	46,669	492,484	565,726
Community Services	-	1,377	-	1,377	1,147
Total Expenditures Disbursed	-	623,883	46,669	670,552	730,019
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	16,941	(43,880)	(13,477)	(40,416)	20,682
Fund Balance, Beginning of Year	161,798	199,366	872,287	1,233,451	1,212,769
Fund Balance, End of Year	\$ 178,739	155,486	858,810	1,193,035	1,233,451

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011

<u>Assets</u>	
Cash in bank	\$ 178,739
Total Assets	<u>\$ 178,739</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 178,739</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30, 2011	2010
Revenues Received			
Property Taxes	\$ 16,764	16,766	21,159
Interest Income	1,000	175	457
Total Revenues Received	17,764	16,941	21,616
Expenditures Disbursed			
Purchased Services	-	-	-
Capital Outlay	-	-	-
Total Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 17,764</u>	16,941	21,616
Fund Balance, Beginning of Year		<u>161,798</u>	<u>140,182</u>
Fund Balance, End of Year		<u>178,739</u>	<u>161,798</u>

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011

<u>Assets</u>	
Cash in bank	\$ 154,736
Total assets	<u>\$ 154,736</u>
<u>Liabilities</u>	
IMRF Payable	\$ (750)
Total liabilities	<u>(750)</u>
<u>Fund Balance</u>	
Social Security Fund Balance	152,175
IMRF Fund Balance	<u>3,311</u>
Total Fund Balance	<u>155,486</u>
Total Liabilities and Fund Balance	<u>\$ 154,736</u>

Schedule C-6

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
Year Ended June 30, 2011
(With Comparative Figures for 2010)

	Original and Final Appropriations	Year Ended June 30,	
		2011	2010
Revenues Received			
Property Taxes - IMRF	\$ 530,079	233,131	173,966
Property Taxes - FICA	-	297,002	272,704
Replacement Taxes	30,000	49,440	41,314
Interest Income	<u>10,000</u>	<u>430</u>	<u>2,270</u>
Total Revenues Received	570,079	580,003	490,254
Expenditures Disbursed			
Instructional	181,100	176,691	163,146
Supporting Services	513,600	445,815	415,015
Community Services	<u>500</u>	<u>1,377</u>	<u>1,147</u>
Total Expenditures Disbursed	<u>695,200</u>	<u>623,883</u>	<u>579,308</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (125,121)</u>	(43,880)	(89,054)
Fund Balance, Beginning of Year		<u>199,366</u>	<u>288,420</u>
Fund Balance, End of Year		<u>155,486</u>	<u>199,366</u>

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

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2011

<u>Assets</u>	
Cash in bank	\$ 858,810
Total Assets	<u>\$ 858,810</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 858,810</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Figures for 2010)

	<u>Original and Final Appropriations</u>	<u>Year Ended June 30, 2011</u>	<u>2010</u>
Revenues Received			
Property taxes	\$ 30,335	30,345	235,873
Interest income	5,000	2,847	2,958
Total Revenues Received	35,335	33,192	238,831
Expenditures Disbursed			
Attorney Fees	-	12,205	93,288
Building Maintenance	61,000	23,980	43,444
Phones Alarms	2,500	2,000	1,724
Building Security	-	-	482
Asbestos Training	-	-	1,706
Unemployment Insurance	-	-	-
Commercial Package	-	-	-
Treasurers Bonds	-	936	10,067
Purchased Services	105,000	7,548	-
Total Expenditures Disbursed	168,500	46,669	150,711
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (133,165)</u>	(13,477)	88,120
Fund Balance, Beginning of Year		<u>872,287</u>	<u>784,167</u>
Fund Balance, End of Year		<u>858,810</u>	<u>872,287</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRUST AND AGENCY FUNDS

Statement of Revenues and Expenditures
For the Year Ended June 30, 2011

	<u>June 30, 2010</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>June 30, 2011</u>
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ 611	230	230	611
Alumni	5,686	-	-	5,686
Art Club	113	106	214	5
Athletics	3,468	26,142	23,862	5,748
Baseball	2,814	5,760	7,340	1,234
Band	1,142	486	788	840
Boys Basketball	458	1,031	1,295	194
Boys Basketball Cheerleading	53	105	100	58
CCTV	52	-	-	52
Cheerleading	-	2,108	1,741	367
Class of 2008	2,995	-	2,995	-
Class of 2009	3,244	-	3,244	-
Class of 2010	2,232	-	-	2,232
Class of 2011	3,149	-	1,665	1,484
Class of 2012	509	39,599	35,758	4,350
Class of 2013	1,588	100	39	1,649
Class of 2014	-	319	39	280
Coaler Creation	4,826	7,230	10,238	1,818
Drama Club	3,101	-	50	3,051
FCCLA	425	1,234	1,365	294
Football	3,555	5,981	4,402	5,134
Freeman Trotter Scholarship	250	-	250	-
Foreign Language	1	-	-	1
General Activity	2,492	17,243	16,537	3,198
Girl's Basketball	1,051	2,011	2,711	351
Girl's Tennis	3,360	361	1,688	2,033
Girl's Soccer	1,295	2,301	504	3,092
Golf	774	687	828	633
Library	186	930	1,054	62
Link Leaders	54	587	420	221
Madrigals	987	1,118	1,174	931
NHS	348	999	1,292	55
Peer Helpers	238	-	238	-
Pepsi	2,291	2,175	3,514	952
Poms	1,005	4,543	3,514	2,034
Presidents Council	282	-	282	-
SADD	959	100	750	309
Science Club	486	111	200	397
Show Choir	213	5,409	3,117	2,505
Soccer	865	849	314	1,400
Softball	90	3,775	2,968	897
Speech	577	4,605	3,604	1,578
Student Council	12,511	6,959	5,848	13,622
Teachers Petty Cash	1,034	338	88	1,284
Tennis	1	1,027	-	1,028
Track	1	1,550	-	1,551
Varsity Club	1,420	749	457	1,712

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRUST AND AGENCY FUNDS

Statement of Revenues and Expenditures
For the Year Ended June 30, 2011

	June 30, 2010	Revenues	Expenditures	June 30, 2011
High School Activity Funds: (continued)				
Volleyball Club	2,947	2,000	3,126	1,821
Wrestling	1,047	2,027	1,768	1,306
Wrestling Cheerleading	131	-	-	131
Yearbook	20,018	27,266	35,680	11,604
Total High School Activity Funds	96,935	180,151	187,291	89,795
Intermediate School Activity Funds:				
Art Fund	167	31	177	21
General Activity	91	1,807	842	1,056
Library Fund	1,629	10,078	10,079	1,628
Pepsi-Flower Fund	275	1,030	1,040	265
School Store Fund	2,118	5,491	5,299	2,310
Student Council	861	3,464	4,081	244
Yearbook	1,973	5,475	5,316	2,132
Total Intermediate School Activity Funds	7,114	27,376	26,834	7,656
Middle School Activity Funds:				
6th Grade Student Fund	2,011	700	-	2,711
8th Grade Dance	326	6,604	6,181	749
Art Club	565	-	167	398
Athletics	1,803	29,320	29,725	1,398
Band	872	54	53	873
Chorus	13	37,272	36,934	351
Garden Club	632	2,597	2,075	1,154
General Activity	5,988	11,816	9,131	8,673
Girl's Basketball	3,974	1,829	4,362	1,441
Library	545	5,397	5,446	496
Math Team	-	-	-	-
MS Girls Softball	5	244	-	249
Shop for Free	-	750	-	750
Operation Snowflake	2,465	4,457	6,922	-
Pepsi Fund	483	1,884	2,112	255
Picture & Yearbook	5,805	6,630	7,956	4,479
Presidents Council	-	-	-	-
School Enrichment	321	20	-	341
Speech	413	30	-	443
Student Council	1,530	4,251	4,366	1,415
Student Enrichment	1,059	1,486	1,825	720
Wrestling	58	2,488	1,096	1,450
Total Middle School Activity Funds	28,868	117,829	118,351	28,346

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRUST AND AGENCY FUNDS

Statement of Revenues and Expenditures
For the Year Ended June 30, 2011

	June 30, 2010	Revenues	Expenditures	June 30, 2011
Elementary School Activity Funds:				
General Activity	1,297	10,360	9,095	2,562
Library Fund	793	12,525	12,776	542
Music Program	37	7	-	44
Pepsi-Cola Fund	570	942	995	517
Special Education	500	350	127	723
Yearbook & Picture Fund	2,795	3,625	3,997	2,423
Total Elementary School Activity Funds	5,992	27,809	26,990	6,811
Early Childhood Center Activity Funds:				
General Activity	4,006	27,380	25,644	5,742
Music Program	227	-	-	227
Pepsi-Cola Fund	128	2,645	2,723	50
Library	44	11,710	11,152	602
Yearbook & Picture Fund	2,321	6,120	5,308	3,133
Total Early Childhood Center Activity Funds	6,726	47,855	44,827	9,754
Athletic Boosters	-	75,070	48,036	27,034
Total Student Activity Funds	145,635	476,090	452,329	169,396
Memorial Activity Funds:				
High School Memorial	2,804	70	500	2,374
Kaplan Scholarship Fund	338,802	52,092	19,694	371,200
Freeman Trotter Scholarship Fund	3,299	41	250	3,090
Rashke Memorial	11,294	253	500	11,047
Anderson Memorial Fund	157,343	5	1,002	156,346
Total Memorial Activity Funds	513,542	52,461	21,946	544,057
Total Activity Accounts	\$ 659,177	528,551	474,275	713,453

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

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)
12/31/2010	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, 2010 is \$2,191,332.

On a market value basis, the funded ratio would be 56.14%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
Schedule 1
**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	Tax Levy Year				
	2006	2007	2008	2009	2010
Assessed Valuations	<u>783,835,909</u>	<u>763,240,582</u>	<u>784,243,743</u>	<u>798,338,313</u>	<u>795,039,932</u>
Tax Rates:					
Educational	1.7517	1.7402	1.7703	1.8378	1.8398
Building	0.3504	0.3670	0.3808	0.3915	0.3997
Bond & Interest	0.2876	0.2989	0.3336	0.3364	0.3646
Transportation	0.1802	0.1706	0.1714	0.1737	0.1849
IMRF	0.0221	0.0221	0.0222	0.0292	0.0350
Working Cash	0.0026	0.0012	0.0011	0.0011	0.0010
Tort Immunity	0.0301	0.0302	0.0301	0.0038	0.0010
Special Education	0.0331	0.0301	0.0301	0.0302	0.0350
Social Security	0.0346	0.0347	0.0348	0.0372	0.0425
Lease PBC	0.0026	-	-	-	-
Fire Prevention/Safety	0.0026	0.0026	0.0027	0.0021	0.0020
Totals	<u>2.6976</u>	<u>2.6976</u>	<u>2.7771</u>	<u>2.8430</u>	<u>2.9053</u>
Tax Extensions:					
Educational	13,730,469	13,281,929	13,883,484	14,671,862	14,626,827
Building	2,746,561	2,801,093	3,040,072	3,125,495	3,177,377
Bond & Interest	2,254,311	2,281,326	2,663,257	2,685,610	2,898,875
Transportation	1,412,472	1,302,088	1,368,352	1,386,714	1,469,790
IMRF	173,227	168,676	177,231	233,115	278,105
Working Cash	20,380	9,158	8,782	8,782	7,950
Tort Immunity	235,934	230,499	240,300	30,337	7,950
Special Education	259,449	229,735	240,300	241,098	278,105
Social Security	271,206	264,844	277,822	296,982	337,653
Lease PBC	20,380	-	-	-	-
Fire Prevention/Safety	20,380	19,844	21,555	16,765	15,901
Totals	<u>21,144,769</u>	<u>20,589,196</u>	<u>21,921,156</u>	<u>22,696,758</u>	<u>23,098,534</u>
Tax Collections	<u>21,028,831</u>	<u>20,532,208</u>	<u>21,762,205</u>	<u>22,692,388</u>	<u>-</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Legal Debt Margin

For the Year Ended June 30, 2011

Assessed Valuation - 2010 Tax Year		<u>\$ 795,039,932</u>
Statutory Debt Limitation (13.8% of Assessed Valuation)		\$ 109,715,511
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>3,300,000</u>	<u>39,860,000</u>
Legal Debt Margin		<u>\$ 69,855,511</u>

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, 2011, which collectively comprise the Coal City Community Unit School District No. 1, Illinois' basic financial statements and have issued our report thereon dated August 9, 2011. 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

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 9, 2011.

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.
Certified Public Accountants

Morris, Illinois
August 9, 2011

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, 2011. 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; and 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, 2011.

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 9, 2011

CC CUSD 1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<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>
<i>Child Nutrition Cluster-Cluster</i>			
United States Department of Agriculture Direct Programs			
National School Lunch Program	10.555		228,485
ARRA-National School Lunch Program	10.555		0
<i>Total National School Lunch Program</i>			228,485
Special Milk Program for Children	10.556		351
ARRA-Special Milk Program for Children	10.556		0
<i>Total Special Milk Program for Children</i>			351
<i>Total United States Department of Agriculture Direct Programs</i>			228,836
United States Department of Agriculture Pass-Through Programs From			
<i>Total United States Department of Agriculture Pass-Through Programs</i>			0
<i>Total United States Department of Agriculture</i>			228,836
<i>Total Child Nutrition Cluster-Cluster</i>			228,836
<i>Medicaid Cluster-Cluster</i>			
Department of Health and Human Services Direct Programs			
Medical Assistance Program	93.778		44,099
ARRA-Medical Assistance Program	93.778		0
<i>Total Medical Assistance Program</i>			44,099
<i>Total Department of Health and Human Services Direct Programs</i>			44,099
Department of Health and Human Services Pass-Through Programs From			
<i>Total Department of Health and Human Services Pass-Through Programs</i>			0
<i>Total Department of Health and Human Services</i>			44,099
<i>Total Medicaid Cluster-Cluster</i>			44,099
<i>Special Education Cluster (IDEA)-Cluster</i>			
Department of Education Direct Programs			
Special Education Grants to States, Recovery Act	84.391		0
ARRA-Special Education Grants to States, Recovery Act	84.391		219,800
<i>Total Special Education Grants to States, Recovery Act</i>			219,800
Special Education_Grants to States	84.027		155,034
ARRA-Special Education_Grants to States	84.027		0
<i>Total Special Education_Grants to States</i>			155,034
<i>Total Department of Education Direct Programs</i>			374,834
Department of Education Pass-Through Programs From			
<i>Total Department of Education Pass-Through</i>			0

<i>Programs</i>			
<i>Total Department of Education</i>			374,834
Total Special Education Cluster (IDEA)-Cluster			374,834
Title I, Part A Cluster-Cluster			
Department of Education Direct Programs			
Title I Grants to Local Educational Agencies	84,010		139,844
ARRA-Title I Grants to Local Educational Agencies	84,010		0
<i>Total Title I Grants to Local Educational Agencies</i>			139,844
Title I Grants to Local Educational Agencies, Recovery Act	84,389		0
ARRA-Title I Grants to Local Educational Agencies, Recovery Act	84,389		23,297
<i>Total Title I Grants to Local Educational Agencies, Recovery Act</i>			23,297
<i>Total Department of Education Direct Programs</i>			163,141
Department of Education Pass-Through Programs From			
<i>Total Department of Education Pass-Through Programs</i>			0
<i>Total Department of Education</i>			163,141
Total Title I, Part A Cluster-Cluster			163,141
Other Programs			
Default Agency Direct Programs			
ARRA Education Job Funds	84,410		54,269
ARRA-ARRA Education Job Funds	84,410		54,269
<i>Total ARRA Education Job Funds</i>			54,269
<i>Total Default Agency Direct Programs</i>			54,269
Default Agency Pass-Through Programs From			
<i>Total Default Agency Pass-Through Programs</i>			0
<i>Total Default Agency</i>			54,269
Department of Commerce Direct Programs			
Public Telecommunications Facilities Planning and Construction	11,550		28,905
ARRA-Public Telecommunications Facilities Planning and Construction	11,550		0
<i>Total Public Telecommunications Facilities Planning and Construction</i>			28,905
<i>Total Department of Commerce Direct Programs</i>			28,905
Department of Commerce Pass-Through Programs From			
<i>Total Department of Commerce Pass-Through Programs</i>			0
<i>Total Department of Commerce</i>			28,905
Department of Education Direct Programs			
Improving Teacher Quality State Grants	84,367		147,770
ARRA-Improving Teacher Quality State Grants	84,367		0
<i>Total Improving Teacher Quality State Grants</i>			147,770
Safe and Drug-Free Schools and Communities_State Grants	84,186		325
ARRA-Safe and Drug-Free Schools and Communities_State Grants	84,186		0
<i>Total Safe and Drug-Free Schools and Communities_State Grants</i>			325

<i>Total Department of Education Direct Programs</i>	148,095
Department of Education Pass-Through Programs From	
<i>Total Department of Education Pass-Through Programs</i>	0
<i>Total Department of Education</i>	148,095
<i>Total Other Programs</i>	231,269
<i>Total Expenditures of Federal Awards</i>	1,042,179

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditor's Report expresses an unqualified opinion on the combined 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 combining 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 combined 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 ARRA- Special Education IDEA Flow-Through - CFDA #84.391, and Federal Special Education I.D.E.A. – Flow Through – CFDA #84.027.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Coal City Community Unit School District No. 1, Illinois was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

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

None.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

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

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

There were no prior audit findings.