

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

**COAL CITY, IL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2010**

Prepared by:

***Echols, Mack & Associates, P.C.
Certified Public Accountants
116 E. Washington Street, Suite One
Morris, IL 60450***



***Telephone: (815) 942-3306
Fax: (815) 942-9430***

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

ECHOLS, MACK & ASSOCIATES, P.C.

Certified Public Accountants

CARRIE E. ECHOLS, CPA

TAWNYA R. MACK, CPA

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, 2010, 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's 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. 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, as of June 30, 2010, 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 16, 2010, on our consideration of Coal City Community Unit School District No. 1's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts 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. The 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.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 9 and 37 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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's basic financial statements. The combining and individual nonmajor fund financial statements and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Coal City Community Unit School District No. 1, Illinois. The combining and individual fund financial statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Morris, Illinois
August 16, 2010

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2010

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, 2010. The analysis focuses on the District's financial performance as a whole. Please read it in conjunction with the District's financial statements that follow this section.

Financial Highlights

- Local revenue (82% of total revenue) continued to be delivered in a timely fashion (July, September).
- The majority of Federal Funding (2% of total revenue) generally comes in the form of various Title Grants and included the ARRA Grant beginning this fiscal year.
- The assessed valuation increased by 1.8% (\$14,094,570) from tax year 2008 to 2009. The assessed valuation increased by 3% (\$21,003,161) from tax year 2007 to 2008. The assessed valuation increased an average of 58% over the last three years. The drastic change over the past three years is due to the re-valuation of Dresden Station.

Comparison of Current Fund Balances

Fund	June 30, 2010	June 30, 2009
Educational Fund	\$ 10,232,103	\$ 9,481,031
Operations & Maintenance Fund	938,112	340,562
Bond & Interest	16,692	16,373
Transportation Fund	1,599,001	1,324,888
Social Security & IMRF	199,366	288,420
Working Cash Fund	2,374,682	2,365,719
Life Safety Fund	161,798	140,182
Tort Immunity and Judgment Fund	872,287	784,167
Site & Construction	7,969,622	24,177,083
Total	<u>\$ 24,363,662</u>	<u>\$38,918,425</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2010

Comparison of Budget vs. Actual Receipts and Disbursements for the Current Fiscal Year

<u>Fund</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Budgeted Disbursements</u>	<u>Actual Disbursements</u>
Education Fund	\$ 20,450,379	20,470,953	20,474,005	19,725,864
Operations & Maintenance Fund	3,003,803	3,001,885	2,875,590	2,404,335
Bond & Interest Fund	2,631,152	2,616,914	2,617,920	2,616,595
Transportation Fund	2,439,355	2,199,862	2,357,030	1,925,749
Social Security & IMRF Fund	487,003	490,254	573,625	579,308
Working Cash Fund	33,626	14,946	-	-
Life Safety Fund	22,674	21,616	-	-
Tort Immunity and Judgment Fund	246,057	238,831	145,500	150,711
Site & Construction Fund	484,478	102,845	23,057,500	16,310,306
Total	<u>\$ 29,798,527</u>	<u>29,158,106</u>	<u>52,101,170</u>	<u>43,712,868</u>

Current and Future Initiatives

Current initiatives will concentrate on the improvement of facilities. The District's architects have conducted a facilities assessment and have made recommendations for improving building systems.

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, 2010

The chart below includes revenues and expenditures.

Description	Budget	Actual	Variance	Percent Variance
Education Revenues	20,450,379	20,470,953	20,574	0.10%
Education Expenditures	20,474,005	19,725,864	748,141	3.79%
Operations & Maintenance Revenues	3,003,803	3,001,885	(1,918)	-0.06%
Operations & Maintenance Expenditures	2,875,590	2,404,335	471,255	19.60%
Bond & Interest Revenues	2,631,152	2,616,914	(14,238)	-0.54%
Bond & Interest Expenditures	2,617,920	2,616,595	1,325	0.05%
Transportation Revenues	2,439,355	2,199,862	(239,493)	-10.89%
Transportation Expenditures	2,357,030	1,925,749	431,281	22.40%
Social Security & IMRF Revenues	487,003	490,254	3,251	0.66%
Social Security & IMRF Expenditures	573,625	579,308	(5,683)	-0.98%
Working Cash Revenues	33,626	14,946	(18,680)	-124.98%
Working Cash Expenditures	-	-	-	N/A
Life Safety Revenues	22,674	21,616	(1,058)	-4.89%
Life Safety Expenditures	-	-	-	N/A
Tort Immunity Revenues	246,057	238,831	(7,226)	-3.03%
Tort Immunity Expenditures	145,500	150,711	(5,211)	-3.46%
Site & Construction Revenues	484,478	102,845	(381,633)	-371.08%
Site & Construction Expenditures	23,057,500	16,310,306	6,747,194	41.37%

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2010

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 on property taxes including fees, tuition, donations, and investment interest. The District also receives revenue from state and federal sources.

Condensed Financial Information

		Net Assets	
		Governmental Activities	
		2010	2009
<u>Assets</u>			
Current Assets	\$	25,424,991	\$ 38,913,448
Capital Assets		55,760,933	40,090,652
Accumulated Depreciation		(16,668,234)	(15,876,260)
Total Assets	\$	<u>64,517,690</u>	<u>\$ 63,127,840</u>
<u>Liabilities</u>			
Overdraft payable	\$	1,187,050	\$ -
Withholdings		(124,972)	(4,977)
IMRF Payable		(750)	-
Due within one year		580,000	490,000
Due in more than one year		<u>36,180,000</u>	<u>36,760,000</u>
Total Liabilities		<u>37,821,328</u>	<u>37,245,023</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt		2,332,699	(13,035,606)
Restricted		7,506,383	23,604,949
Unrestricted		<u>16,857,280</u>	<u>15,313,476</u>
Total Net Assets	\$	<u>26,696,362</u>	<u>\$ 25,882,819</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 \$16,857,280 for the year. Restricted Net Assets, \$7,506,383, is restricted for tort, insurance, facilities impact, and school site donation related expenditures.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2010

As seen in Table 2, total income stood at \$29,158,106 at the end of the fiscal year, of which \$3,410,064 was from program revenues. Total expenditures at the end of the fiscal year stood at \$28,344,563, including current year depreciation and excluding capital outlay purchases and debt.

Table 2
Change in Net Assets

	Governmental Activities	
	2010	2009
Revenues		
Program Revenues		
Fees and charges for services	\$ 719,700	\$ 744,390
Operating grants and contributions	2,115,184	1,810,961
Capital grants and contributions	575,180	499,620
General Revenues		
Property taxes	21,290,459	20,073,247
Tort immunity taxes	235,873	229,861
Special education taxes	235,873	229,100
Replacement taxes	1,224,118	1,474,271
Interest income	200,822	673,337
Unrestricted contributions & donations	-	24,802
Grants & entitlements not restricted	2,490,686	1,722,729
Site Donations	2,388	58,051
Miscellaneous	67,823	222,210
Special items:		
Prior Year Refund: Nicor Gas ECC	-	148,387
Loss on disposition of asset	-	-
Total Revenue	29,158,106	27,910,965
Program Expenditures		
Instruction	8,662,194	7,746,332
Supporting services	18,057,190	16,955,518
Community services	16,154	16,376
Payments to other schools	1,609,025	2,183,225
Total Expenditures	28,344,563	26,901,452
Change in Net Assets	813,543	1,009,513
Beginning Net Assets	25,882,819	24,873,306
Ending Net Assets	\$ 26,696,362	\$ 25,882,819

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Management's Discussion and Analysis - Unaudited For the Year Ended June 30, 2010

Debt Administration

The District continues to pay off the 2006 Building Bonds for the construction of the Early Childhood Center. The School Building Bonds were paid off in the current fiscal year. On November 1, 2008, the District issued \$32,880,000 in general obligation bonds for the construction of the High School Addition. As of June 30, 2010, the District's debt obligations were as follows:

	Beginning Balance	Additions	Retired	Ending Balance
General Obligation Bonds	\$ 32,880,000	-		32,880,000
General Obligation Bonds	4,370,000	-	490,000	3,880,000
Total	<u>\$ 37,250,000</u>	<u>-</u>	<u>490,000</u>	<u>36,760,000</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, 2010, the capital assets balance of the District amounted to \$39,092,699. This amount represents the actual and historical original cost of the assets net of accumulated depreciation.

	June 30, 2010	June 30, 2009
Land	\$ 5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607
Building	23,621,771	22,923,344
Equipment	4,212,927	4,147,447
Cafeteria Equipment	619,804	593,604
Construction In Progress	20,506,673	5,626,501
Accumulated Depreciation	<u>(16,668,234)</u>	<u>(15,876,260)</u>
Total	<u>\$ 39,092,699</u>	<u>24,214,394</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 (in which we are in year 1). 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, 2010

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, 2010.

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,

Kent Bugg

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, 2010

	Primary Government		
	Governmental Activities	Total 2010	2009
<u>Assets</u>			
Cash in bank	\$ 1,460,792	1,460,792	13,813,446
Investments	23,964,199	23,964,199	25,100,000
Capital Assets			
Land	5,466,151	5,466,151	5,466,151
Land Improvements	1,333,607	1,333,607	1,333,607
Building	23,621,771	23,621,771	22,923,344
Equipment	4,212,927	4,212,927	4,147,447
Cafeteria Equipment	619,804	619,804	593,604
Construction In Progress	20,506,673	20,506,673	5,626,501
Accumulated Depreciation	(16,668,234)	(16,668,234)	(15,876,260)
Total Assets	<u>\$ 64,517,690</u>	<u>64,517,690</u>	<u>63,127,840</u>
<u>Liabilities</u>			
Overdraft Payable	\$ 1,187,050	1,187,050	-
Withholdings	(124,972)	(124,972)	(4,977)
IMRF Payable	(750)	(750)	-
Long Term Liabilities			
Due Within One Year	580,000	580,000	490,000
Due in More Than One Year	36,180,000	36,180,000	36,760,000
Total Liabilities	<u>37,821,328</u>	<u>37,821,328</u>	<u>37,245,023</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	2,332,699	2,332,699	(13,035,606)
Restricted	7,506,383	7,506,383	23,604,949
Unrestricted	16,857,280	16,857,280	15,313,476
Total Net Assets	<u>\$ 26,696,362</u>	<u>26,696,362</u>	<u>25,882,819</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, 2010

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		2010	2009
Governmental Activities							
Instruction	8,662,194	128,578	1,265,418	575,180	(6,693,018)	(6,693,018)	(6,260,188)
Support Services	18,057,190	591,122	849,766	-	(16,616,302)	(16,616,302)	(15,386,693)
Community Services	16,154	-	-	-	(16,154)	(16,154)	(16,376)
Payments to Other Schools	1,609,025	-	-	-	(1,609,025)	(1,609,025)	(2,183,225)
Total Governmental Activities	\$ 28,344,563	719,700	2,115,184	575,180	(24,934,499)	(24,934,499)	(23,846,482)
General Revenues							
Taxes:							
Property Taxes					21,290,459	21,290,459	20,073,247
Tort Immunity					235,873	235,873	229,861
Special Education Taxes					235,873	235,873	229,100
Replacement Taxes					1,224,118	1,224,118	1,474,271
Payment in Lieu of Taxes					-	-	-
Grants and Entitlements not Restricted to Specific Programs					2,490,686	2,490,686	1,722,729
Refund of Prior Year Expenditures					-	-	148,387
Site Donations					2,388	2,388	58,051
Unrestricted Contributions and Donations					-	-	24,802
Interest on Investments					200,822	200,822	673,337
Miscellaneous					67,823	67,823	222,210
Total General Revenues					25,748,042	25,748,042	24,855,995
Change in Net Assets					813,543	813,543	1,009,513
Net Assets Beginning of Year					25,882,819	25,882,819	24,873,306
Net Assets End of Year					26,696,362	26,696,362	25,882,819

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

Statement of Assets, Liabilities and Changes in Fund Balances
 Governmental Funds
 June 30, 2010

	Educational Fund	Transportation Fund	Site & Construction Fund	Working Cash Fund	Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds	
							2010	2009
<u>Assets</u>								
Cash	\$ 1,065,347	-	216,854	124,339	677	53,575	1,460,792	13,813,446
Investments	10,713,393	1,701,451	7,972,250	2,250,343	16,015	1,310,747	23,964,199	25,100,000
Total Assets	<u>\$ 11,778,740</u>	<u>1,701,451</u>	<u>8,189,104</u>	<u>2,374,682</u>	<u>16,692</u>	<u>1,364,322</u>	<u>25,424,991</u>	<u>38,913,446</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Withholdings	(124,972)	-	-	-	-	-	(124,972)	(4,977)
IMRF Payable	-	-	-	-	-	(750)	(750)	-
Overdraft payable	733,497	102,450	219,482	-	-	131,621	1,187,050	-
Total Liabilities	608,525	102,450	219,482	-	-	130,871	1,061,328	(4,977)
Fund Balance:								
Reserved	-	-	6,617,404	-	16,692	872,287	7,506,383	23,604,949
Unreserved	11,170,215	1,599,001	1,352,218	2,374,682	-	361,164	16,857,280	15,313,476
Total Fund Balances	<u>11,170,215</u>	<u>1,599,001</u>	<u>7,969,622</u>	<u>2,374,682</u>	<u>16,692</u>	<u>1,233,451</u>	<u>24,363,663</u>	<u>38,918,425</u>
Total Liabilities and Fund Balance	<u>\$ 11,778,740</u>	<u>1,701,451</u>	<u>8,189,104</u>	<u>2,374,682</u>	<u>16,692</u>	<u>1,364,322</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 \$55,760,933 (net of accumulated depreciation of \$16,668,234),
 are not financial resources and therefore are not reported in the funds.

39,092,699 24,214,394

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

(36,760,000) (37,250,000)

Net Assets of Governmental Activities

\$ 26,696,362 \$ 25,882,819

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

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Transportation Fund	Site & Construction Fund	Working Cash Fund	Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds	
							2010	2009
Revenues Received								
Local Sources	\$ 19,142,341	1,350,096	102,845	14,946	2,616,914	750,701	23,977,843	23,877,655
Flow Through	35,140	-	-	-	-	-	35,140	23,672
State Sources	1,035,566	849,766	-	-	-	-	1,885,332	1,787,289
Federal Sources	769,105	-	-	-	-	-	769,105	499,620
On Behalf Payments	2,490,686	-	-	-	-	-	2,490,686	1,722,729
Total Revenues Received	23,472,838	2,199,862	102,845	14,946	2,616,914	750,701	29,158,106	27,910,965
Expenditures Disbursed								
Instructional	11,316,846	-	-	-	-	163,146	11,479,992	10,811,226
Support	6,698,635	1,925,749	16,310,306	-	676	565,726	25,501,092	16,260,380
Community Service	15,007	-	-	-	-	1,147	16,154	16,376
Payment to Other Schools	1,609,025	-	-	-	-	-	1,609,025	2,183,225
On Behalf Payments	2,490,686	-	-	-	-	-	2,490,686	1,722,729
Debt Service								
Interest	-	-	-	-	2,125,919	-	2,125,919	935,493
Principal	-	-	-	-	490,000	-	490,000	10,375,000
Total Expenditures Disbursed	22,130,199	1,925,749	16,310,306	-	2,616,595	730,019	43,712,868	42,304,428
Excess (Deficiency) of Revenues over (under) Expenditures	1,342,639	274,113	(16,207,461)	14,946	319	20,682	(14,554,762)	(14,393,463)
Other Financing Sources (Uses) -								
Bond Proceeds	-	-	-	-	-	-	-	32,880,000
Sale or Compensation for Fixed Assets	-	-	-	-	-	-	-	-
Transfer to/(from)	5,983	-	-	(5,983)	-	-	-	-
Total Other Financing Sources (Uses)	5,983	-	-	(5,983)	-	-	-	32,880,000
Net Change in Fund Balances	1,348,622	274,113	(16,207,461)	8,963	319	20,682	(14,554,762)	18,486,537
Fund balance, beginning of year	9,821,593	1,324,888	24,177,083	2,365,719	16,373	1,212,769	38,918,425	20,431,886
Fund balance, end of year	\$ 11,170,215	1,599,001	7,969,622	2,374,682	16,692	1,233,451	24,363,663	38,918,423
Reconciliation to the Statement of Activities:								
Net Change in Fund Balances - governmental activities							\$ (14,554,762)	18,486,537
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							-	(32,880,000)
General Obligation Bonds - Principal Paid							490,000	10,375,000
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							15,670,279	5,858,139
Disposition of assets							-	-
Depreciation expense							(791,974)	(830,165)
Change in Net Assets of Governmental Activities (Statement B)							\$ 813,543	1,009,512

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2010

	Student Activity Funds	June 30, 2010	2009
<u>Assets</u>			
Cash	\$ 659,177	659,177	663,937
<u>Liabilities</u>			
Due to Student Activity Organizations	\$ 659,177	659,177	663,937

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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 District prepares its basic financial statements in conformity with the modified cash basis of accounting.

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, also 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. These statements include the financial activities of the primary government, except for fiduciary funds.

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 expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

A. *Basis of Presentation (Continued)*

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 this 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, revenue, 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. 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

B. *Fund Accounting (Continued)*

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 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. They are:

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 State Aid.
2. Site & Construction Fund - The Site & Construction Fund is used to account for expenditures related to maintenance of District property. Main sources of revenue included bonds.
3. 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.

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

B. Fund Accounting (Continued)

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). 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

D. Budgetary Basis of Accounting

The District's budget for all governmental funds is prepared on 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. The budget was passed on September 21, 2009 and was not amended.

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 the same procedures required of its original adoption.

E. Cash and 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.

F. Capital Assets

All capital assets of the District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

F. Capital Assets (Continued)

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,500. 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.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	30 years
Equipment	10 years
Cafeteria Equipment	10 years

G. Compensated Absences

Full time teacher certified employees received 2 personal days per year and are allowed to accrue 4 days of personal leave total. Full time teacher certified employees receive 12 days of sick leave (13 sick days if they have 100 accumulated sick days, 20 sick days if they have 175 accumulated sick days) each school year to a maximum of 410 days. Unused personal days may be added to accumulated sick days.

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 statements.

The District prepares its fund financial statements on 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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

J. Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2: DEPOSITS

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 investments.

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 does not have a deposit policy for custodial credit risk. At June 30, 2010, the carrying amount of the District's deposits was \$24,897,085 and the bank balance was \$25,133,270. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

	Carrying Amount	Bank Balance
Category # 1	\$ -	-
Category # 2	24,225,149	24,461,334
Category # 3	671,936	671,936
Total	<u>\$ 24,897,085</u>	<u>25,133,270</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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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, 2010, the funds participating in the common bank account had the following cash balances (overdrafts):

<u>Fund</u>	<u>Balance</u>
Education Fund	\$ 1,065,347
Operations and Maint. Fund	(733,497)
Bond and Interest Fund	677
Transportation Fund	(102,450)
IMRF and Social Security Fund	(131,621)
Working Cash Fund	124,339
Tort Fund	41,899
Life Safety Fund	11,676
Site and Costruction Fund	(2,628)
Total	<u>\$ 273,742</u>

Overdrafts may result from disbursements made during the ordinary course of business for claims properly approved by the District Board of Education. However, because the funds are commingled, these overdrafts represent temporary loans from funds with excess monies.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 4: CAPITAL ASSETS

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
Capital Assets, not being depreciated:				
Land	\$ 5,466,151	-	-	5,466,151
Construction In Progress	5,626,501	14,880,172	-	20,506,673
Total Capital Assets, not being depreciated	11,092,652	14,880,172	-	25,972,824
Capital Assets, being depreciated:				
Land Improvements	1,333,607	-	-	1,333,607
Building	22,923,344	698,426	-	23,621,770
Equipment	4,147,447	65,481	-	4,212,928
Cafeteria Equipment	593,604	26,200	-	619,804
Total Capital Assets, being depreciated	28,998,002	790,107	-	29,788,109
Less Accumulated Depreciation:				
Land Improvements	1,167,162	66,681	-	1,233,843
Building	10,615,823	583,997	-	11,199,820
Equipment	3,639,833	118,605	-	3,758,438
Cafeteria Equipment	453,442	22,691	-	476,133
Total Accumulated Depreciation	15,876,260	791,974	-	16,668,234
Total Capital Assets being depreciated, net	13,121,742	(1,867)	-	13,119,875
Governmental Activities Capital Assets, Net	\$ 24,214,394	14,878,305	-	39,092,699

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 71,163
Support Service Expenditures	<u>720,811</u>
Total Current Year Depreciation	<u>\$791,974</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2010:

	Principal Outstanding 7/1/2009	Additions	Reductions	Principal Outstanding 6/30/2010	Amount Due in One Year
2006 4.25% - 5.00% \$14,940,000 General Obligation Bonds	4,370,000	-	490,000	3,880,000	580,000
2008 5.875% \$32,880,000 General Obligation Bonds	32,880,000	-	-	32,880,000	-
Total General Obligation Bonds	<u>\$ 37,250,000</u>	<u>-</u>	<u>490,000</u>	<u>36,760,000</u>	<u>580,000</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, 2010 is \$3,880,000.

Fiscal Year Ending	Principal	Interest	Total
2011	580,000	173,394	753,394
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>\$ 3,880,000</u>	<u>562,944</u>	<u>4,442,944</u>

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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 5: LONG-TERM OBLIGATIONS-(Continued)

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-	1,931,700	1,931,700
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>26,992,541</u>	<u>59,872,541</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 Bond and Interest to \$22,885,094 was passed by the Board on December 21, 2009. 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.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 6: PROPERTY TAXES-(continued)

Two specific levies that could result in restricted fund balances:

Special Education. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$235,873 was collected and all was spent, resulting in no restricted fund balance.

Tort Immunity. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Tort Immunity and Judgment Fund. A total of \$235,873 was collected and \$150,711 was spent in the current fiscal year. Prior year restricted fund balance was \$784,167. The current year unrestricted fund balance is \$872,287; refer to the table below:

	<u>Tort Immunity Fund</u>
Tort Revenues:	
Tax Collections	\$ 235,873
Interest	<u>2,958</u>
Total Tort Revenues	238,831
Tort Expenditures:	
Professional Services	103,355
Maintenance and Service	47,356
Insurance	-
Miscellaneous	-
Salaries	<u>-</u>
Total Tort Expenditures	<u>150,711</u>
Receipts Over/(Under) Expenditures	88,120
Transfer to Education Fund	-
Transfer from Education Fund	-
Restricted at July 1, 2009	<u>784,167</u>
Unrestricted at June 30, 2010	<u><u>\$ 872,287</u></u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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, 2010, was 9.4 percent of creditable earnings. 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, 2009 and 2008.

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

On behalf contributions to TRS- The state of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2010, state of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$2,404,304 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent \$1,641,976 and 13.11 percent \$1,129,792, 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, 2010 were \$59,645. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$55,758 and \$49,983, respectively.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

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, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$151,602 were paid from federal and special trust funds that required employer contributions of \$35,445. For the years ended June 30, 2009 and June 30, 2008, required district contributions were \$27,862 and \$28,013, 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the district paid \$0 and \$0 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave- Public Act 94-0004 added two additional employer contributions to TRS.

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

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

For the year ended June 30, 2010, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2009 and June 30, 2008, 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 (18.55 percent of salary during the year ended June 30, 2010).

For the year ended June 30, 2010, the district paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2009 and June 30, 2008, 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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010.

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

B. *THIS Fund Employer Contributions*

The district (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but 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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

B. THIS Fund Employer Contributions (Continued)

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 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$86,382, 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, 2009 and June 30, 2008 were also 0.84 percent of pay. State contributions on behalf of district employees were \$80,753 and \$72,389, respectively.

Employer contributions to THIS Fund

The employer (district) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the district paid \$64,787 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the district paid \$60,565 and \$54,292 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. *Illinois Municipal Retirement Fund (Continued)*

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 2009 was 14.95 percent of annual covered payroll. 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 fiscal year ending December 31, 2009, the employer's annual pension cost of \$268,210 for the Regular plan was equal to your employer's required and actual contributions.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$268,210	100%	\$ 0
12/31/08	201,015	100%	0
12/31/07	159,396	100%	0
12/31/06	156,647	100%	0
12/31/05	130,157	100%	0
12/31/04	124,776	100%	0
12/31/03	113,234	100%	0
12/31/02	116,910	100%	0
12/31/01	106,842	100%	0
12/31/00	101,088	100%	0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, 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,

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 7: RETIREMENT FUND COMMITMENTS- (Continued)

C. Illinois Municipal Retirement Fund (Continued)

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 15% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 43.35 percent funded. The actuarial accrued liability for benefits was \$3,404,916 and the actuarial value of assets was \$1,476,174, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,928,742. The covered payroll (annual payroll of active employees covered by the plan) was \$1,794,048 and the ratio of the UAAL to the covered payroll was 108 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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, 2010:

Assessed Valuation (2009)	<u>\$ 798,313,736</u>
Statutory debt limitation (13.8%)	\$ 110,167,296
Amount of debt applicable to debt limitation	<u>36,760,000</u>
Legal Debt Margin	<u>\$ 73,407,296</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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. At June 30, 2010, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2010, amounted to \$1,013,947.

NOTE 10: LEASE COMMITMENTS

A. Operating Leases

During the fiscal year, the District had no operating lease agreements.

B. Capital Leases

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

- PMA Leasing, Inc - 4 Bizhub 920 copy machines with monthly payments of \$2,197 ending during fiscal year 2012; and
- Canon Financial Services, Inc - 2 copy machines with monthly payments of \$734 ending during fiscal year 2011.

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

- Apple Financial Services – Miscellaneous computer equipment with yearly payments of \$91,388 ending during fiscal year 2014; and
- Martin Whalen - 11 copy machines with monthly payments of \$6,900 ending during fiscal year 2014.

Future minimum lease payments until expiration are as follows:

June 30, 2011	209,365
June 30, 2012	193,961
June 30, 2013	174,188
June 30, 2014	<u>174,188</u>
Total	<u>\$ 751,702</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

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:		
General Fund	\$ 5,983	-
Working Cash Fund	-	5,983
Site & Construction	-	-
Tort Immunity	-	-
Bond & Interest Fund	-	-
Total Transfers	\$ 5,983	5,983

The transfer was permanent which included:

- Interest transfer of \$5,983 from the Working Cash Fund to the General Fund.

NOTE 12: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District's risk management activities were recorded in the Education Fund and are now recorded in the Tort Fund. No liability has been recorded in the books for future expenses related to risk management; these expenses are reported as the expenditures 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 - The District is currently involved in pending litigation with relation to their tort levy. The cases are in regards to taxpayers seeking refunds due to the alleged unlawful use of funds from the District's tort levy for the fiscal years 2003 to 2005. The 2003 lawsuit was settled, the City winning its position. The outcome of the 2004 and 2005 litigations can not be determined at this time, but it is believed that the outcome will not have a material effect on the District's current financial condition.

NOTE 13: CONTINGENCIES

The School is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and related liability, if any, is not determinable at this time.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 14: GRANTS

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

NOTE 15: RESERVED FUND BALANCE

The Site and Construction Fund has a reserved fund balance of \$6,617,404 of which \$665,089 is for the School Site Donation Fund, (\$150,368) is for the Facilities Impact Fee Fund, and \$6,102,683 for the High School Addition Fund. In the Tort Immunity and Judgment Fund, \$872,287 is reserved for tort related expenditures and a reserved fund balance of \$16,692 is in the Bond and Interest Fund.

NOTE 16: 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 \$1,449,548 to the Cooperative. Financial information can be obtained by writing, Grundy County Special Education Cooperative, 725 School Street, Morris, IL 60450.

NOTE 17: EXPENDITURES IN EXCESS OF APPROPRIATIONS

<u>Fund</u>	<u>Excess</u>
Social Security & IMRF Fund	\$ 5,683
Tort Immunity and Judgment Fund	\$ 5,211

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Financial Statements For the Year Ended June 30, 2010

NOTE 18: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The District adopted 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, 2010, the District has not adopted a plan that would meet these criteria.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
June 30, 2010**

	Educational Fund	Operations & Maintenance Fund	Total
<u>Assets</u>			
Cash in bank	\$ 1,065,347	-	1,065,347
Investments	9,061,845	1,651,548	10,713,393
Total Assets	<u>\$ 10,127,192</u>	<u>1,651,548</u>	<u>11,778,740</u>
<u>Liabilities and Fund Balance</u>			
Liabilities			
Overdraft Payable	-	733,497	733,497
Withholdings	(104,911)	(20,061)	(124,972)
Total Liabilities	<u>(104,911)</u>	<u>713,436</u>	<u>608,525</u>
Fund balance			
Reserved	-	-	-
Unreserved	10,232,103	938,112	11,170,215
Total Fund Balance	<u>10,232,103</u>	<u>938,112</u>	<u>11,170,215</u>
Total Liabilities and Fund Balance	<u>\$ 10,127,192</u>	<u>1,651,548</u>	<u>11,778,740</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 Balance
For the Year Ended June 30, 2010

			Total General Fund	
			Year Ended	
			June 30,	
	Educational	Operations &	2010	2009
	Fund	Maintenance		
	Fund	Fund		
Revenues Received				
Local Revenues	\$ 16,140,456	3,001,885	19,142,341	18,976,023
Flow Through Revenues	35,140	-	35,140	23,672
State Revenues	1,035,566	-	1,035,566	840,270
Federal Revenues	769,105	-	769,105	499,620
On Behalf Payments	2,490,686	-	2,490,686	1,722,729
Total Revenues Received	20,470,953	3,001,885	23,472,838	22,062,314
Expenditures Disbursed				
Instruction	11,316,846	-	11,316,846	10,690,669
Support Services	4,458,545	2,240,090	6,698,635	6,822,782
Payments to Other Schools	1,444,780	164,245	1,609,025	2,183,226
Community Service	15,007	-	15,007	15,000
On Behalf Payments	2,490,686	-	2,490,686	1,722,729
Total Expenditures Disbursed	19,725,864	2,404,335	22,130,199	21,434,406
Excess (Deficiency) of Revenues over Expenditures	745,089	597,550	1,342,639	627,909
Other Financing Sources (Uses) -				
Transfer from Bond & Interest	-	-	-	-
Transfer from Other	-	-	-	(2,643,927)
Transfer (to) Operations and Maintenance Fund	-	-	-	(351,219)
Transfer to Transportation Fund	-	-	-	-
Transfer from Working Cash Fund	5,983	-	5,983	37,350
Proceeds from Sale of Land	-	-	-	-
Total Other Financing Sources (Uses)	5,983	-	5,983	(2,957,796)
Net Change in Fund Balance	751,072	597,550	1,348,622	(2,329,887)
Fund Balance, Beginning of Year	9,481,031	340,562	9,821,593	12,151,480
Fund Balance, End of Year	\$ 10,232,103	938,112	11,170,215	9,821,593

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Educational:			
Revenues Received			
Local Sources:			
Property Taxes	\$ 13,883,484	13,872,608	13,245,162
Special Education Taxes	236,049	235,873	229,100
Replacement Taxes	1,600,000	1,182,804	1,443,395
Payments in Lieu of Taxes	-	-	-
Tuition	14,000	45,521	33,515
Interest on Investments	150,000	72,109	291,138
Food Service	596,000	579,874	591,737
Pupil Activities	56,500	47,178	57,257
Textbook Rentals/Resale	25,000	25,389	25,261
Donations	5,000	-	24,802
Local Fees	70,000	10,490	6,550
Sale of Equipment	-	-	-
Refund of Prior Year Expenditures	-	28,921	13,003
Other Local Revenues	-	39,689	29,902
Total Local Sources	16,636,033	16,140,456	15,990,821
Flow-Through Revenue Received			
Career Development (State)	13,585	13,585	13,976
Medicaid Outreach (Federal)	8,000	21,555	9,696
Total Flow-Through Revenue Received	21,585	35,140	23,672
State Programs:			
General State Aid	550,000	453,199	406,131
Drivers Education	-	26,776	21,898
Learning Improvement - Change Grants	-	-	-
Reading Improvement - Block Grant	47,234	23,617	52,376
Special Education - Personnel	178,000	9,734	14,795
Special Education - Orphanage	5,000	2,416	-
State Free Lunch & Breakfast	3,000	5,084	3,828
Special Education - Extraordinary	190,000	205,512	199,973
Special Education - Summer School	500	478	306
Vocational Education - Formula	-	-	-
ADA Safety & Education Grant	69,000	8,998	69,477
Special Education - Private Facility Tuition	50,000	52,774	47,523

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
State Programs (continued)			
State Library Grant	\$ -	-	1,569
Board Certification	-	-	22,395
Other State Sources (Transition Assistance)	-	246,978	-
Total State Programs	1,092,734	1,035,566	840,270
Federal Programs:			
Title I - Low Income	141,571	155,176	133,014
Title II - Teacher Quality	46,726	46,726	46,029
National School Lunch Program	125,000	174,837	145,819
Special Milk Program	1,000	589	530
Title IV - Safe and Drug Free Schools	4,790	4,565	4,987
Title V - Innovation & Flexibility	-	-	458
Technology Enhancing Education	-	1,204	1,316
Special Education - IDEA	-	194,712	32
Federal Emergency Management Aid	-	-	-
ISBE Commodities & DoD Fruits & Vegetables	-	37,625	47,370
ARRA General State Aid - Ed SFSF	-	75,885	120,064
ARRA General State Aid - Title I Low Income	57,900	36,944	-
ARRA General State Aid - IDEA Part B Preschool	-	15,547	-
ARRA General State Aid - Government SFSF	-	25,295	-
Other Federal Revenue	-	-	-
Total Federal Programs	376,987	769,105	499,620
On Behalf Payments	2,323,040	2,490,686	1,722,729
Total Revenue Received	20,450,379	20,470,953	19,077,112
Expenditures Disbursed			
Instructional:			
Regular Programs:			
Salaries	6,584,380	6,586,051	6,507,572
Benefits	1,778,310	1,666,884	1,763,937
Purchased Services	52,500	27,304	28,099
Teaching Supplies	390,240	344,391	466,974
Capital Outlay	19,100	9,948	89,920
Other Objects	-	765	2,809
Total Regular Programs	8,824,530	8,635,343	8,859,310

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Special Education Programs:			
Salaries	\$ 1,120,363	882,101	146,958
Benefits	252,600	210,550	59,711
Purchased Services	29,514	26,370	-
Supplies	32,599	31,469	8,061
Capital Outlay	42,752	14,580	-
Tuition	204,000	191,975	224,013
Total Special Education Programs	1,681,828	1,357,045	438,742
Remedial Programs:			
Salaries	-	184,871	155,921
Employee Benefits	-	50,638	50,229
Purchased Services	-	1,025	6,511
Supplies	-	4,431	8,374
Capital Outlay	-	15,503	-
Total Remedial	-	256,468	221,034
Vocational Programs:			
Salaries	239,282	207,224	224,716
Benefits	81,410	61,751	79,410
Purchased Services	1,500	-	25,669
Supplies	30,700	19,341	17,452
Other Objects	300	-	-
Capital Outlay	40,800	37,870	21,290
Total Vocational	393,992	326,186	368,537
Interscholastic Programs:			
Salaries	383,505	374,701	405,253
Benefits	100,875	91,360	100,252
Purchased Services	73,490	64,163	59,581
Supplies	53,700	45,187	47,406
Capital Outlay	16,100	10,663	37,291
Other	18,880	15,377	14,965
Total Interscholastic	646,550	601,451	664,747
Summer School Programs:			
Salaries	30,000	30,688	30,206
Benefits	5,250	6,377	5,074
Supplies	15,000	13,608	14,289
Capital Outlay	-	-	-
Total Summer School	50,250	50,673	49,569

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Gifted Programs:			
Salaries	\$ 73,400	73,067	70,424
Benefits	15,650	14,576	15,197
Purchased Services	-	-	450
Supplies	2,200	2,037	2,658
Total Gifted	91,250	89,680	88,728
Total Instructional	11,688,400	11,316,846	10,690,669
Support:			
Attendance & Social Work Services			
Salaries	151,233	142,131	142,789
Benefits	34,895	34,476	36,316
Purchased Services	-	375	180
Supplies	2,850	1,311	1,943
Other Objects	-	48	-
Total Attendance & Social Work Services	188,978	178,341	181,227
Guidance Services			
Salaries	209,012	192,860	188,361
Benefits	58,170	50,296	58,173
Purchased Services	-	857	580
Supplies	2,000	646	777
Capital Outlay	-	-	-
Other	-	-	-
Total Guidance Services	269,182	244,659	247,891
Health Services:			
Salaries	114,459	111,923	109,565
Benefits	20,375	16,988	19,834
Purchased Services	-	512	260
Supplies	9,150	3,344	9,185
Capital Outlay	1,000	-	-
Total Health Services	144,984	132,767	138,845
Other Support Services - Pupils			
Salaries	-	-	-
Purchased Services	30,400	22,655	27,599
Supplies	7,700	7,003	5,962
Total Other Support Services - Pupils	38,100	29,658	33,561

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Instruction Improvement:			
Salaries	\$ 227,633	235,834	196,137
Benefits	52,260	63,750	52,974
Purchased Services	214,000	176,573	140,692
Supplies	13,664	9,177	11,450
Capital Outlay	7,500	3,144	7,276
Other	1,000	745	642
Total Instruction Improvement	516,057	489,223	409,171
Educational Media/Tech Services:			
Salaries	308,210	299,241	279,559
Benefits	86,345	76,590	80,950
Purchased Services	125,750	95,380	110,261
Supplies	79,300	73,291	54,232
Capital Outlay	83,500	60,811	54,584
Other	-	-	-
Total Educational Media Services	683,105	605,313	579,586
Assessment & Testing:			
Purchased Services	29,500	14,460	11,016
Supplies	33,000	31,837	22,102
Capital Outlay	5,000	-	-
Total Assessment & Testing	67,500	46,297	33,118
Board of Education Services:			
Salaries	-	-	-
Benefits	95,000	4,962	67,310
Purchased Services	313,500	276,470	110,344
Supplies	13,000	4,311	7,626
Capital Outlay	25,000	-	3,100
Other Objects	12,000	14,488	17,394
Total Board of Education Services	458,500	300,231	205,774
Superintendent Services:			
Salaries	205,000	201,353	198,398
Employee Benefits	40,300	39,211	40,794
Purchased Services	2,500	1,579	1,372
Supplies	2,250	570	1,874
Capital Outlay	1,000	2,566	863
Other Objects	2,000	3,524	1,221
Total Superintendent Services	253,050	248,803	244,522

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Principal Services:			
Salaries	\$ 818,334	822,916	790,408
Employee Benefits	252,975	225,094	224,282
Purchased Services	28,300	15,748	17,422
Supplies	39,500	31,720	35,637
Capital Outlay	8,250	535	785
Other Objects	2,550	1,893	1,819
Total Principal Services	1,149,909	1,097,906	1,070,353
Other Support Services - School Admin			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchase Services	8,000	5,100	7,200
Total Other Support Services - School Admin	8,000	5,100	7,200
Direction of Business Support Services			
Salaries	53,000	50,463	51,400
Benefits	18,200	14,494	14,806
Purchased Services	1,000	953	1,280
Supplies	2,000	830	747
Capital Outlay	1,000	894	-
Other Objects	1,000	310	240
Total Direction of Business Support Services	76,200	67,944	68,473
Fiscal Services:			
Bookkeeper Salaries	93,100	86,150	89,544
Benefits	9,600	2,447	8,106
Purchased Services	22,500	13,444	11,254
Supplies	9,500	9,946	14,111
Capital Outlay	4,000	4,396	1,108
Other Objects	3,000	571	472
Total Fiscal Services	141,700	116,954	124,595
Operation & Maintenance of Plant Services			
Salaries	-	-	-
Purchased Services	-	-	-
Supplies	5,000	2,674	3,562
Capital Outlay	-	-	-
Other Objects	-	-	-
Total Operation & Maintenance of Plant Services	5,000	2,674	3,562

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Food Services:			
Salaries	\$ 310,300	283,766	284,164
Benefits	56,750	68,823	57,574
Purchased Services	16,750	10,118	9,017
Supplies	375,500	420,349	402,511
Capital Outlay	70,000	30,072	50,185
Other	12,500	14,943	58,432
Total Food Services	841,800	828,071	861,883
Internal Services			
Purchased Services		8,886	
Capital Outlay	55,000	51,192	55,010
Total Internal Services	55,000	60,078	55,010
Information Services			
Purchased Services	10,000	4,526	4,931
Total Information Services	10,000	4,526	4,931
Total Support	4,907,065	4,458,545	4,269,702
Community Services			
Salaries	15,000	15,000	15,000
Benefits	-	-	-
Purchased Services	-	-	-
Supplies	500	7	-
Total Community Services	15,500	15,007	15,000
Payments to Other Schools			
Assessment	35,000	18,910	24,150
Tuition	1,505,000	1,425,870	2,030,030
Total Payments to Other Schools	1,540,000	1,444,780	2,054,180
On Behalf Payments	2,323,040	2,490,686	1,722,729
Total Expenditures Disbursed	20,474,005	19,725,864	18,752,280
Excess (Deficiency) of Revenues over Expenditures	(23,626)	745,089	324,832

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Educational (continued):</u>			
Other Financing Sources (Uses):			
Transfer from Bond & Interest	-	-	-
Transfer from Rent Fund	-	-	53,293
Transfer to Tort Immunity Fund	-	-	(697,220)
Transfer to Site & Construction	-	-	(2,000,000)
Transfer from Working Cash	20,000	5,983	37,350
Total Other Financing Sources (Uses)	20,000	5,983	(2,606,577)
Net Change in Fund Balance	<u>\$ (3,626)</u>	751,072	(2,281,745)
Fund Balance, Beginning of Year		9,481,031	11,762,776
Fund Balance, End of Year		<u>10,232,103</u>	<u>9,481,031</u>

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)

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
<u>Operations & Maintenance:</u>			
Revenues Received			
Local Sources:			
Property Taxes	\$ 2,986,303	2,984,066	2,793,343
Personal Property Replacement Taxes	-	-	-
Rental income	7,500	11,038	29,431
Interest Income	10,000	6,781	11,809
Site Donations	-	-	-
Facilities Fee	-	-	-
Refund	-	-	148,387
Other Revenues	-	-	2,232
Total Revenues Received	3,003,803	3,001,885	2,985,202
Expenditures Disbursed			
Other Support Services - Pupil			
Purchased Services	-	250	665
Facilities Acquisition & Construction Services			
Purchased Services	-	-	-
Capital Outlay	-	-	-
Operation/Maintenance of Plant			
Salaries	1,008,440	976,901	963,378
Employee Benefits	217,750	212,245	228,498
Purchased Services	284,650	243,151	242,401
Supplies	996,500	736,006	978,211
Custodial Equipment	128,000	71,067	139,636
Other	250	470	291
Contingencies	50,000	-	-
Payment to Other Governments			
Vocational Education Programs	190,000	164,245	129,046
Total Expenditures Disbursed	2,875,590	2,404,335	2,682,125
Excess (Deficiency) of Revenues over Expenditures	128,213	597,550	303,077
Other Financing Sources (Uses):			
Transfer to Site & Construction Fund	-	-	(351,219)
Sale or Compensation for Fixed Assets	-	-	-
Total Other Financing Sources (Uses)	-	-	(351,219)
Net Change in Fund Balance	\$ 128,213	597,550	(48,142)
Fund Balance, Beginning of Year		340,562	388,704
Fund Balance, End of Year		938,112	340,562

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, 2010**

	<u>Assets</u>	
Cash in bank		\$ -
Investments		1,701,451
Total Assets		<u>\$ 1,701,451</u>
	<u>Liabilities</u>	
Overdraft Payable		\$ 102,450
Total Liabilities		<u>\$ 102,450</u>
	<u>Fund Balance</u>	
Fund balance		\$ 1,599,001
Total Liabilities and Fund Balance		<u>\$ 1,701,451</u>

Schedule B-2

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Revenues Received			
Property Taxes	\$ 1,344,150	1,343,143	1,298,486
Fees from other Districts	2,000	210	639
Interest on Investments	20,000	6,743	26,343
Other revenue	-	-	-
Regular Transportation Aid	439,691	253,447	474,829
Special Education Aid	633,514	596,319	472,189
Total Revenues Received	<u>2,439,355</u>	<u>2,199,862</u>	<u>2,272,486</u>
Expenditures Disbursed			
Transportation Salaries	2,500	2,674	2,500
Employee Benefits	-	829	764
Purchased Services	2,194,530	1,913,477	2,079,622
Supplies	5,000	2,364	2,103
Capital Outlay	5,000	6,405	-
Contingencies	150,000	-	-
Other Objects	-	-	-
Total Expenditures Disbursed	<u>2,357,030</u>	<u>1,925,749</u>	<u>2,084,988</u>
Excess (Deficiency) of Revenues over Expenditures	<u>82,325</u>	<u>274,113</u>	<u>187,498</u>
Other Financing Sources (Uses):			
Transfer from Educational Fund	-	-	-
Net Change in Fund Balance	<u>\$ 82,325</u>	<u>274,113</u>	<u>187,498</u>
Fund Balance, Beginning of Year		<u>1,324,888</u>	<u>1,137,390</u>
Fund Balance, End of Year		<u>1,599,001</u>	<u>1,324,888</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, 2010

<u>Assets</u>	
Cash in bank	\$ 216,854
Investments	7,972,250
Total Assets	\$ 8,189,104
<u>Liabilities</u>	
Overdraft Payable	\$ 219,482
Total Liabilities	\$ 219,482
<u>Fund Balance</u>	
Reserved fund balance	\$ 6,617,404
Unreserved fund balance	1,352,218
Total Fund Balance	7,969,622
Total Liabilities and Fund Balance	\$ 8,189,104

Schedule B-4

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Revenues Received			
School Site Donations	\$ 85,000	2,388	58,051
Unrestricted Grants-In-Aid State Sources	246,978	-	-
Interest on Bonds Sold	-	-	177,073
Interest on Investments	152,500	100,457	269,369
Total Revenue Received	484,478	102,845	504,493
Expenditures Disbursed			
High School Addition	21,977,500	15,623,019	1,597,343
Facilities Impact Fee - Renovations	-	603,895	1,126,088
School Site Donation - Ground Improvements	-	5,388	174,720
Bonds Activity Costs	-	-	1,019,164
Bonds Retired	-	-	8,860,000
Support Services	1,080,000	78,004	2,797,570
Total Expenditures Disbursed	23,057,500	16,310,306	15,574,885
Excess (Deficiency) of Revenues over Expenditures	(22,573,022)	(16,207,461)	(15,070,392)
Other Financing Sources (Uses) -			
Transfer to Bond & Interest Fund	-	-	(177,909)
Transfer From General Fund	-	-	2,351,219
Bond Proceeds	-	-	32,880,000
Total Other Financing Sources (Uses)	-	-	35,053,310
Net Change in Fund Balance	\$ (22,573,022)	(16,207,461)	19,982,918
Fund balance, Beginning of Year		24,177,083	4,194,165
Fund balance, End of Year		7,969,622	24,177,083

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

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

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
June 30, 2010**

<u>Assets</u>	
Cash	\$ 124,339
Investments	2,250,343
Total Assets	<u>\$ 2,374,682</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 2,374,682</u>

Schedule B-6

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Revenues Received			
Property Taxes	\$ 8,626	8,620	9,134
Interest on Investments	25,000	6,326	37,650
Total Revenue Received	33,626	14,946	46,783
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues over Expenditures	33,626	14,946	46,783
Other Financing Sources (Uses) -			
Transfer in	-	-	-
Transfer out	(20,000)	(5,983)	(37,350)
Total Other Financing Sources (Uses)	(20,000)	(5,983)	(37,350)
Net Change in Fund Balance	<u>\$ 13,626</u>	8,963	9,433
Fund balance, Beginning of Year		<u>2,365,719</u>	<u>2,356,286</u>
Fund balance, End of Year		<u>2,374,682</u>	<u>2,365,719</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, 2010**

<u>Assets</u>	
Cash in bank	\$ 677
Investments	16,015
Total Assets	<u>\$ 16,692</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 16,692</u>

Schedule B-8

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Revenues Received			
Property Taxes	\$ 2,616,152	2,614,193	2,275,014
Interest Income	15,000	2,721	14,143
Total Revenues Received	<u>2,631,152</u>	<u>2,616,914</u>	<u>2,289,157</u>
Expenditures Disbursed			
Interest on Bonds	2,125,920	2,125,919	935,493
Miscellaneous	2,000	676	200
Bonds Retired	490,000	490,000	1,515,000
Total Expenditures Disbursed	<u>2,617,920</u>	<u>2,616,595</u>	<u>2,450,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 13,232</u>	319	(161,536)
Other Financing Sources (Uses):			
Transfer out		-	177,909
Transfer in		-	-
Total Other Financing Sources (Uses)		-	177,909
Net Change in Fund Balance		319	16,373
Fund Balance, Beginning of Year		<u>16,373</u>	<u>-</u>
Fund Balance, End of Year		<u>16,692</u>	<u>16,373</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 Balance Arising From Cash Transactions
June 30, 2010

				Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30, 2010	2009
<u>Assets</u>					
Cash	\$ 11,676	-	41,899	53,575	527,768
Investments	150,122	330,237	830,388	1,310,747	685,000
Total Assets	161,798	330,237	872,287	1,364,322	1,212,768
<u>Liabilities</u>					
Overdraft Payable	-	131,621	-	131,621	
IMRF Payable	-	(750)	-	(750)	-
Total Liabilities	-	130,871	-	130,871	-
<u>Fund Balances</u>					
Fund Balances:					
Unreserved	\$ 161,798	199,366	-	361,164	428,602
Reserved	-	-	872,287	872,287	784,167
Total Liabilities and Fund Balance	161,798	330,237	872,287	1,364,322	1,212,768

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 Balance
For the Year Ended June 30, 2010

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds	
				Year Ended June 30, 2010	2009
Revenues Received:					
Local Sources:					
Property Taxes	\$ 21,159	446,670	235,873	703,702	681,970
Replacement Tax	-	41,314	-	41,314	30,875
Interest on Investments	457	2,270	2,958	5,685	22,886
Total Revenues Received	21,616	490,254	238,831	750,701	735,731
Expenditures Disbursed:					
Instructional	-	163,146	-	163,146	120,555
Support	-	415,015	150,711	565,726	637,524
Community Services	-	1,147	-	1,147	1,377
Total Expenditures Disbursed	-	579,308	150,711	730,019	759,456
Excess (Deficiency) of Revenues over Expenditures	21,616	(89,054)	88,120	20,682	(23,724)
Transfers in (out)	-	-	-	-	643,927
Fund Balance, Beginning of Year	140,182	288,420	784,167	1,212,769	592,566
Fund Balance, End of Year	\$ 161,798	199,366	872,287	1,233,451	1,212,768

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

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
June 30, 2010**

<u>Assets</u>	
Cash in bank	\$ 11,676
Investments	<u>150,122</u>
Total Assets	<u>\$ 161,798</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 161,798</u>

Schedule C-4

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	<u>Original and Final Appropriations</u>	<u>Year Ended June 30, 2010</u>	<u>2009</u>
Revenues Received			
Property Taxes	\$ 21,174	21,159	19,789
Interest Income	<u>1,500</u>	<u>457</u>	<u>1,325</u>
Total Revenue Received	<u>22,674</u>	<u>21,616</u>	<u>21,114</u>
Expenditures Disbursed			
Purchased Services	-	-	1,000
Capital Outlay	<u>-</u>	<u>-</u>	<u>98,852</u>
Total Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>99,852</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 22,674</u>	21,616	(78,738)
Fund Balance, Beginning of Year		<u>140,182</u>	<u>218,920</u>
Fund Balance, End of Year		<u>161,798</u>	<u>140,182</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, 2010**

<u>Assets</u>	
Cash in bank	\$ -
Investments	330,237
Total assets	<u>\$ 330,237</u>
<u>Liabilities</u>	
Overdraft Payable	\$ 131,621
IMRF Payable	(750)
Total liabilities	<u>130,871</u>
<u>Fund Balance</u>	
Social Security Fund balance	164,546
IMRF Fund balance	34,820
Total Fund Balance	<u>199,366</u>
Total Liabilities and Fund Balance	<u>\$ 330,237</u>

Schedule C-6

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget & Actual
Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	Original and Final Appropriations	Year Ended June 30,	
		2010	2009
Revenues Received			
Property Taxes - IMRF	\$ 174,096	173,966	168,208
Property Taxes - FICA	272,907	272,704	264,112
Replacement Taxes	30,000	41,314	30,875
Interest Income	10,000	2,270	7,126
Total Revenue Received	<u>487,003</u>	<u>490,254</u>	<u>470,321</u>
Expenditures Disbursed			
Instructional	139,050	163,146	120,555
Supporting Services	429,575	415,015	380,322
Community Services	5,000	1,147	1,376
Total Expenditures Disbursed	<u>573,625</u>	<u>579,308</u>	<u>502,253</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (86,622)</u>	<u>(89,054)</u>	<u>(31,932)</u>
Fund Balance, Beginning of Year		<u>288,420</u>	<u>320,352</u>
Fund Balance, End of Year		<u>199,366</u>	<u>288,420</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, 2010**

<u>Assets</u>	
Cash in bank	\$ 41,899
Investments	<u>830,388</u>
Total Assets	<u>\$ 872,287</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 872,287</u>

Schedule C-8

**Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Figures for 2009)**

	Original and Final Appropriations	Year Ended June 30, 2010	2009
Revenues Received			
Property taxes	\$ 236,057	235,873	229,861
Interest income	<u>10,000</u>	<u>2,958</u>	<u>14,435</u>
Total Revenue Received	<u>246,057</u>	<u>238,831</u>	<u>244,296</u>
Expenditures Disbursed			
Attorney Fees	-	93,288	96,415
Building Maintenance	-	43,444	38,281
Phones Alarms	5,000	1,724	1,560
Building Security	-	482	4,372
Asbestos Training	2,500	1,706	845
Unemployment Insurance	-	-	4,282
Commercial Package	-	-	828
Treasurers Bonds	-	10,067	3,667
Purchased Services	<u>138,000</u>	<u>-</u>	<u>7,100</u>
Total Expenditures Disbursed	<u>145,500</u>	<u>150,711</u>	<u>157,350</u>
Excess (Deficiency) of Revenues over Expenditures Disbursed	<u>\$ 100,557</u>	88,120	86,946
Transfers In	-	-	697,220
Transfers Out	-	-	(53,293)
Fund Balance, Beginning of Year		<u>784,167</u>	<u>53,294</u>
Fund Balance, End of Year		<u>872,287</u>	<u>784,167</u>

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

Statement of Revenues and Expenditures
For the Year Ended June 30, 2010

	June 30, 2009	Revenues	Expenditures	June 30, 2010
Student Activity Funds:				
High School Activity Funds:				
All School Play Fund	\$ 1,676	597	1,662	611
Alumni	643	5,043	-	5,686
Art Club	54	400	341	113
Athletics	4,077	18,126	18,735	3,468
Baseball	4,074	7,869	9,129	2,814
Band	578	1,940	1,376	1,142
Boys Basketball	104	2,818	2,464	458
Boys Basketball Cheerleading	320	1,046	1,313	53
CCTV	52	-	-	52
Cheerleading	394	1,692	2,086	-
Class of 2005	150	-	150	-
Class of 2006	2,069	-	2,069	-
Class of 2007	2,825	-	2,825	-
Class of 2008	2,995	-	-	2,995
Class of 2009	3,244	-	-	3,244
Class of 2010	2,232	-	-	2,232
Class of 2011	859	62,320	60,030	3,149
Class of 2012	174	335	-	509
Class of 2013	-	1,588	-	1,588
Coaler Creation	2,813	8,109	6,096	4,826
Drama Club	3,101	-	-	3,101
FCCLA	532	1,379	1,486	425
Football	5,917	4,269	6,631	3,555
Freeman Trotter Scholarship	250	-	-	250
Foreign Language	-	1,177	1,176	1
General Activity	4,920	10,349	12,777	2,492
Girl's Basketball	61	1,788	798	1,051
Girl's Tennis	3,445	678	763	3,360
Girl's Soccer	1,070	707	482	1,295
Golf	1,322	514	1,062	774
Library	216	1,554	1,584	186
Link Leaders	324	64	334	54
Madrigals	-	1,730	743	987
NHS	1	578	231	348
Peer Helpers	238	-	-	238
Pepsi	3,460	2,860	4,029	2,291
Poms	8	6,083	5,086	1,005
Presidents Council	282	-	-	282
SADD	989	100	130	959
Science Club	525	1	40	486
Show Choir	2,387	4,185	6,359	213
Soccer	755	593	483	865
Softball	647	2,974	3,531	90
Speech	417	2,248	2,088	577
Student Council	11,355	5,304	4,148	12,511
Teachers Petty Cash	1,066	-	32	1,034
Tennis	59	1,291	1,349	1
Track	1	-	-	1
Varsity Club	1,262	563	405	1,420

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

Statement of Revenues and Expenditures
For the Year Ended June 30, 2010

	June 30, 2009	Revenues	Expenditures	June 30, 2010
High School Activity Funds: (continued)				
Volleyball Club	1,428	4,432	2,913	2,947
Wrestling	1,109	1,400	1,462	1,047
Wrestling Cheerleading	131	-	-	131
Yearbook	32,789	20,521	33,292	20,018
Total High School Activity Funds	109,400	189,225	201,690	96,935
Intermediate School Activity Funds:				
Art Fund	201	-	34	167
General Activity	780	3,726	4,415	91
Library Fund	1,392	5,397	5,160	1,629
Pepsi-Flower Fund	234	1,155	1,114	275
School Store Fund	1,805	3,506	3,193	2,118
Student Council	801	2,087	2,027	861
Yearbook	3,377	5,033	6,437	1,973
Total Intermediate School Activity Funds	8,590	20,904	22,380	7,114
Middle School Activity Funds:				
6th Grade Student Fund	1,401	610	-	2,011
8th Grade Dance	1,781	2,183	3,638	326
Art Club	793	798	1,026	565
Athletics	1,766	2,563	2,526	1,803
Band	867	64	59	872
Chorus	24	-	11	13
Garden Club	281	1,257	906	632
General Activity	4,386	11,111	9,509	5,988
Girl's Basketball	-	3,974	-	3,974
Library	982	729	1,166	545
Math Team	-	-	-	-
MS Girls Softball	5	-	-	5
MS Showchoir Chorus	-	-	-	-
Operation Snowflake	-	2,465	-	2,465
Pepsi Fund	661	397	575	483
Picture & Yearbook	4,422	7,324	5,941	5,805
Presidents Council	-	-	-	-
School Enrichment	321	-	-	321
Speech	413	-	-	413
Student Council	2,122	2,637	3,229	1,530
Student Enrichment	2,177	388	1,506	1,059
Wrestling	30	208	180	58
Total Middle School Activity Funds	22,432	36,708	30,272	28,868

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

Statement of Revenues and Expenditures
For the Year Ended June 30, 2010

	June 30, 2009	Revenues	Expenditures	June 30, 2010
Elementary School Activity Funds:				
Flower Fund	-	-	-	-
General Activity	1,147	11,429	11,279	1,297
Library Fund	607	14,125	13,939	793
Music Program	228	14	205	37
Pepsi-Cola Fund	228	999	657	570
Special Education	-	500	-	500
Yearbook & Picture Fund	2,922	3,992	4,119	2,795
Total Elementary School Activity Funds	5,132	31,059	30,199	5,992
Early Childhood Center:				
General Activity	2,986	7,950	6,930	4,006
Music Program	227	-	-	227
Pepsi-Cola Fund	243	2,441	2,556	128
Library	-	11,021	10,977	44
Yearbook & Picture Fund	2,483	3,645	3,807	2,321
Total Early Childhood Center Funds	5,939	25,057	24,270	6,726
Total Student Activity Funds	151,493	302,953	308,811	145,635
Memorial Activity Funds:				
High School Memorial	3,398	406	1,000	2,804
Kaplan Scholarship Fund	335,663	69,690	66,551	338,802
Freeman Trotter Scholarship Fund	3,489	60	250	3,299
Rashke Memorial	11,458	336	500	11,294
Anderson Memorial Fund	158,436	-	1,093	157,343
Total Memorial Activity Funds	512,444	70,492	69,394	513,542
Total Activity Accounts	\$ 663,937	373,445	378,205	659,177

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)
12/31/2009	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%
12/31/2000	1,889,488	2,078,866	189,378	90.89%	982,903	19.27%

On a market value basis, actuarial value of assets as of December 31, 2009 is \$1,363,251. On a market value basis, the funded ratio would be 40.04%

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule 1

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Tax Levy Year				
	2005	2006	2007	2008	2009
Assessed Valuations	<u>346,100,484</u>	<u>783,835,909</u>	<u>763,240,582</u>	<u>784,243,743</u>	<u>798,338,313</u>
Tax Rates:					
Educational	2.0000	1.7517	1.7402	1.7703	1.8378
Building	0.5000	0.3504	0.3670	0.3808	0.3915
Bond & Interest	0.9393	0.2876	0.2989	0.3336	0.3364
Transportation	0.2000	0.1802	0.1706	0.1714	0.1737
IMRF	0.0416	0.0221	0.0221	0.0222	0.0292
Working Cash	0.0500	0.0026	0.0012	0.0011	0.0011
Tort Immunity	0.5087	0.0301	0.0302	0.0301	0.0038
Special Education	0.0400	0.0331	0.0301	0.0301	0.0302
Social Security	0.0677	0.0346	0.0347	0.0348	0.0372
Lease PBC	0.0500	0.0026	-	-	-
Fire Prevention/Safety	<u>0.0500</u>	<u>0.0026</u>	<u>0.0026</u>	<u>0.0027</u>	<u>0.0021</u>
Totals	<u>4.4473</u>	<u>2.6976</u>	<u>2.6976</u>	<u>2.7771</u>	<u>2.8430</u>
Tax Extensions:					
Educational	6,922,026	13,730,469	13,281,929	13,883,484	14,671,862
Building	1,730,502	2,746,561	2,801,093	3,040,072	3,125,495
Bond & Interest	3,250,921	2,254,311	2,281,326	2,663,257	2,685,610
Transportation	692,201	1,412,472	1,302,088	1,368,352	1,386,714
IMRF	143,978	173,227	168,676	177,231	233,115
Working Cash	173,050	20,380	9,158	8,782	8,782
Tort Immunity	1,760,613	235,934	230,499	240,300	30,337
Special Education	138,440	259,449	229,735	240,300	241,098
Social Security	234,309	271,206	264,844	277,822	296,982
Lease PBC	173,050	20,380	-	-	-
Fire Prevention/Safety	<u>173,050</u>	<u>20,380</u>	<u>19,844</u>	<u>21,555</u>	<u>16,765</u>
Totals	<u>15,392,140</u>	<u>21,144,769</u>	<u>20,589,196</u>	<u>21,921,156</u>	<u>22,696,758</u>
Tax Collections	<u>15,111,118</u>	<u>21,028,831</u>	<u>20,532,208</u>	<u>21,762,205</u>	<u>-</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Legal Debt Margin

For the Year Ended June 30, 2010

Assessed Valuation - 2009 Tax Year		<u>\$ 798,338,313</u>
Statutory Debt Limitation (13.8% of Assessed Valuation)		\$ 110,170,687
Less Applicable Debt:		
General Obligation Bonds, Series 2008	32,880,000	
General Obligation Bonds, Series 2006	<u>3,880,000</u>	<u>36,760,000</u>
Legal Debt Margin		<u>\$ 73,410,687</u>

ECHOLS, MACK & ASSOCIATES, P.C.

Certified Public Accountants

CARRIE E. ECHOLS, CPA

TAWNYA R. MACK, CPA

**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, 2010, which collectively comprise the Coal City Community Unit School District No. 1's basic financial statements and have issued our report thereon dated August 16, 2010. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal that might be 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's 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 16, 2010.

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.

Echols, Mack & Associates, P.C.

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

Morris, Illinois
August 16, 2010

ECHOLS, MACK & ASSOCIATES, P.C.

Certified Public Accountants

CARRIE E. ECHOLS, CPA

TAWNYA R. MACK, CPA

Report on Compliance with Requirements
Applicable to Each Major Program and 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 the compliance of Coal City Community Unit School District No. 1, Illinois, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Coal City Community Unit School District No. 1, Illinois's 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's management. Our responsibility is to express an opinion on Coal City Community Unit School District No. 1, Illinois's 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Coal City Community Unit School District No. 1, Illinois's 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 are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

The 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's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's internal control over compliance.

A *control deficiency* in an entity's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects Coal City Community Unit School District No. 1, Illinois's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Coal City Community Unit School District No. 1, Illinois's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Coal City Community Unit School District No. 1, Illinois's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended solely for the information and use of management, School Board Members and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Echols, Mack & Associates, P.C.

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

Morris, Illinois
August 16, 2010

COAL CITY COMMUNITY UNIT DISTRICT NO.1

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying number	Award Amount Received	Award Amount Expended	Non- major Program	Major Program
Illinois State Board of Education						
National School Lunch Program	10.555		174,837	174,837		X
Special Milk Program	10.556		589	589		
Title I - Low Income	84.010A		155,176	155,176		X
Title IV - Safe & Drug Free	84.186A		4,565	4,419		
ARRA General State Aid - Ed SFSE	84.394A		75,885	75,885		X
ARRA General State Aid - Title I Low Income	84.389A		36,944	36,944		
ARRA General State Aid - IDEA Part B (Preschool)	84.392A		15,547	15,547		
ARRA General State Aid - Government SFSE	84.397A		25,295	25,295		
Title II - Teacher Quality	84.367A		46,726	46,726		
Technology - Enhancing Education	84.318X		1,204	1,204		
Fed - Special Ed - IDEA - Flow Through	84.027A		194,712	194,712		
ISBE Lanter Commodities	10.555/10.553		29,569	29,569		
DoD Fruits & Vegetables	10.555/10.553		8,056	8,056		
US Department of Health & Human Services						
Passed through Illinois Department of Public Aid Medicaid Program Administration	93.778		21,555	21,555		
Total Federal Assistance			<u>\$ 790,660</u>	<u>790,514</u>		

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unqualified opinion on the primary government's financial statements of Coal City Community Unit School District No. 1, Illinois.
2. No reportable conditions relating to the audit of the general government's financial statements are reported in the Report on Compliance and on Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the general government's financial statements of the Coal City Community Unit School District No. 1, Illinois were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With OMB Circular A-133.
5. The Auditor's Report on Compliance for the major federal award programs for Coal City Community Unit School District No. 1, Illinois expresses an unqualified opinion.
6. The programs tested as major programs include the Title 1 – Low Income, CFDA 84.010A, National School Lunch Program, CFDA 10.555, and ARRA General State Aid – Ed SFSF, CFDA 84.394A.
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Coal City Community Unit School District No. 1, Illinois was not 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, 2010

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coal City Community Unit School District No. 1, Illinois and is presented using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B: Sub recipients

Coal City Community Unit School District No. 1, Illinois did not provide federal awards to sub recipients.

Note C: Other Disclosures

Amount of federal insurance in effect during the year—None.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2010**

There were no prior audit findings.