

**COAL CITY COMMUNITY
UNIT SCHOOL DISTRICT NO. 1
COAL CITY, ILLINOIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2026**

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position 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, 2026, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coal City Community Unit School District No. 1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental activities, each major fund, and the aggregate remaining fund information are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other and Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coal City Community Unit School District No. 1's basic financial statements. The combining and individual fund financial statements and notes to other information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the custodial funds, the pension schedules and the assessed valuations, tax rates, tax extensions, and tax collections schedule, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited Coal City Community Unit School District No. 1's June 30, 2025, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 3, 2025. The summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 2, 2026, on our consideration of the 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 2, 2026

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
June 30, 2026

	Governmental Activities	
	2026	2025
<u>Assets</u>		
Cash in bank	\$ 10,686,685	3,900,468
Investments	23,492,990	34,248,649
Capital Assets		
Land	6,457,620	6,457,620
Construction in Progress	4,228,414	-
Land Improvements	11,934,522	11,934,522
Building	89,762,901	88,858,924
Equipment	3,069,690	3,018,178
Cafeteria Equipment	606,811	558,595
Accumulated Depreciation	(54,252,767)	(51,130,047)
Total Assets	95,986,866	97,846,909
<u>Liabilities</u>		
Withholdings	83,672	112,207
Long-Term Liabilities:		
Due Within One Year	2,260,805	2,184,523
Due in More Than One Year	29,240,000	31,500,805
Total Liabilities	31,584,477	33,797,535
<u>Net Position</u>		
Net Investment in Capital Assets	30,306,386	26,012,464
Restricted	3,685,134	4,045,285
Unrestricted	30,410,869	33,991,625
Total Net Position	\$ 64,402,389	64,049,374

The Notes to Basic 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, 2026

Program Activities	Expenditures	Program Receipts			Net Expenditures, Receipts, and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2026	2025
Governmental Activities						
Instruction	\$ 24,254,555	442,715	1,375,776	-	(22,436,064)	(22,598,528)
Support Services	17,516,753	726,195	1,926,968	-	(14,863,590)	(12,517,397)
Community Services	6,409	-	-	-	(6,409)	(6,309)
Payments to Other Schools	678,935	-	-	-	(678,935)	(620,240)
On-Behalf Payments	1,940,051	-	1,940,051	-	-	-
Unallocated Interest	1,569,727	-	-	-	(1,569,727)	(1,667,727)
Total Governmental Activities	\$ 45,966,430	1,168,910	5,242,795	-	(39,554,725)	(37,410,201)
General Revenues						
Taxes:						
Property Taxes					\$ 32,222,434	31,334,524
Payment in Lieu of Taxes					1,459,560	1,385,276
Replacement Taxes					2,091,883	2,138,625
Grants and Entitlements not Restricted to Specific Programs					1,356,962	1,355,082
Refund of Prior Year Expenditures					16,230	2,493
Site Donations					43,491	29,388
Unrestricted Contributions and Donations					124,434	103,532
Interest on Investments					1,798,261	2,407,616
Miscellaneous					794,485	1,092,836
Total General Revenues					39,907,740	39,849,372
Change in Net Position					353,015	2,439,171
Net Position Beginning of Year					64,049,374	61,610,203
Net Position End of Year					\$ 64,402,389	64,049,374

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

Statement of Assets, Liabilities, and Changes in Fund Balances
Modified Cash Basis- Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		Transportation Fund	Site & Construction Fund	Bond & Interest Fund		2026	2025
<u>Assets</u>							
Cash	\$ 5,007,442	-	5,906,677	160,877	123,323	11,198,319	5,333,547
Investments	16,556,961	2,865,343	1,000,000	100,000	2,970,686	23,492,990	34,248,649
Total Assets	<u>\$ 21,564,403</u>	<u>2,865,343</u>	<u>6,906,677</u>	<u>260,877</u>	<u>3,094,009</u>	<u>34,691,309</u>	<u>39,582,196</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Overdraft Payable	\$ -	511,634	-	-	-	511,634	1,433,079
Withholdings	53,889	-	-	-	29,783	83,672	112,207
Total Liabilities	<u>53,889</u>	<u>511,634</u>	<u>-</u>	<u>-</u>	<u>29,783</u>	<u>595,306</u>	<u>1,545,286</u>
Fund Balance:							
Restricted	360,031	-	-	260,877	3,064,226	3,685,134	4,045,285
Committed	951,159	-	6,906,677	-	-	7,857,836	3,310,352
Assigned	190,825	2,353,709	-	-	-	2,544,534	2,830,898
Unassigned	20,008,499	-	-	-	-	20,008,499	27,850,375
Total Fund Balances	<u>21,510,514</u>	<u>2,353,709</u>	<u>6,906,677</u>	<u>260,877</u>	<u>3,064,226</u>	<u>34,096,003</u>	<u>38,036,910</u>
Total Liabilities and Fund Balance	<u>\$ 21,564,403</u>	<u>2,865,343</u>	<u>6,906,677</u>	<u>260,877</u>	<u>3,094,009</u>		

Reconciliation to Statement of Net Position:

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

Capital assets used in governmental activities of \$116,059,958 (net of accumulated depreciation of \$54,252,767),
are not financial resources and therefore are not reported in the funds.

\$ 61,807,191 59,697,792

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 (31,480,000) (33,685,328)
Capital Leases (20,805) -

Net Position of Governmental Activities

\$ 64,402,389 64,049,374

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

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

Governmental Funds

For the Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund Site & Construction Fund	Debt Service Fund Bond & Interest Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		Transportation Fund				2026	2025
Revenues Received:							
Local Sources	\$ 31,011,193	1,927,670	1,293,689	3,776,764	1,659,987	39,669,303	39,510,363
Flow Through	50,385	-	-	-	-	50,385	48,210
State Sources	1,976,117	1,160,459	-	-	-	3,136,576	3,279,928
Federal Sources	1,523,130	-	-	-	-	1,523,130	1,379,219
On Behalf Payments	1,940,051	-	-	-	-	1,940,051	1,830,645
Total Revenues Received	36,500,876	3,088,129	1,293,689	3,776,764	1,659,987	46,319,445	46,048,365
Expenditures Disbursed:							
Current:							
Instructional	21,496,640	-	-	-	466,597	21,963,237	22,417,811
Support	11,991,332	3,335,101	466,781	-	1,743,062	17,536,276	15,104,424
Community Service	6,409	-	-	-	-	6,409	6,309
Intergovernmental:							
Payments to Other Schools	678,935	-	-	-	-	678,935	620,240
On Behalf Payments	1,940,051	-	-	-	-	1,940,051	1,830,645
Capital Outlay	1,311,193	-	3,089,524	-	-	4,400,717	7,530,432
Debt Service:							
Interest & service charges	-	-	-	1,569,727	-	1,569,727	1,667,727
Principal	-	-	-	2,165,000	-	2,165,000	2,065,000
Total Expenditures Disbursed	37,424,560	3,335,101	3,556,305	3,734,727	2,209,659	50,260,352	51,242,588
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(923,684)	(246,972)	(2,262,616)	42,037	(549,672)	(3,940,907)	(5,194,223)
Other Financing Sources (Uses):							
Transfers in (out)	(7,000,000)	-	7,000,000	-	-	-	-
Total Other Financing Sources (Uses)	(7,000,000)	-	7,000,000	-	-	-	-
Net Changes in Fund Balances	(7,923,684)	(246,972)	4,737,384	42,037	(549,672)	(3,940,907)	(5,194,223)
Fund Balance, Beginning of Year	29,434,198	2,600,681	2,169,293	218,840	3,613,898	38,036,910	43,231,133
Fund Balance, End of Year	\$ 21,510,514	2,353,709	6,906,677	260,877	3,064,226	34,096,003	38,036,910

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

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2026

	Total Governmental Funds	
	2026	2025
Reconciliation to the Statement of Activities:		
Net Change in Fund Balances - governmental activities	\$ (3,940,907)	(5,194,223)
Amount reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Principal on Debt	2,184,523	2,083,319
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	5,232,119	8,613,818
Depreciation expense	(3,122,720)	(3,063,743)
Change in Net Position of Governmental Activities (Statement B)	<u>\$ 353,015</u>	<u>2,439,171</u>

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

Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2026

		June 30,	
		2026	2025
<u>Assets</u>			
Cash		\$ 608,639	571,787
<u>Liabilities</u>			
Due to Memorial / Scholarship Funds		\$ 608,639	571,787

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

NOTES TO BASIC FINANCIAL STATEMENTS

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coal City Community Unit School District No. 1 (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Illinois. It is governed by a seven-member Board of Education (the "Board") elected by registered voters of the District. The financial statements of the District have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below:

Reporting Entity

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

A. Basis of Presentation

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

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

A. Basis of Presentation (Continued)

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

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

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

B. Fund Accounting

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

B. Fund Accounting (Continued)

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

There are two categories of funds utilized by the District: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

General Fund - The General Fund, which consists of the Educational Fund, the Operations and Maintenance Fund, and the Working Cash Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Special Education and Lease levies 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. One special revenue fund is considered to be a major fund:

1. Transportation Fund - The Transportation Fund is used to account for expenditures related to transporting the students of the District. Main sources of revenue include property taxes and transportation state aid.

Capital Project Funds - Capital Project Funds are used to account for the accumulation of financial resources for, and the payment of maintenance/capital additions. The District has one capital project fund that is considered a major fund:

1. Site & Construction Fund - The Site & Construction Fund is used to account for expenditures related to maintenance/improvements of District property.

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

B. Fund Accounting (Continued)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. The District has one debt service fund that is considered a major fund.

1. Bond and Interest - The Bond and Interest Fund is used to account for principal and interest related to long-term debt issued by the District. The fund balance in this fund is restricted for debt service-related expenditures.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The District's only fiduciary funds are custodial funds which report resources that belong to various scholarship and memorial funds.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This means that only balances resulting from previous cash transactions are shown on the Statement of Net Position, with two modifications: capital assets net of related depreciation and long-term liabilities resulting from debt issuances are also included. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenditures) in total net position, with three modifications: capital acquisitions are not reported as expenditures but rather capitalized and shown as assets on the Statement of Net Position, depreciation expense is reported in the Statement of Activities, and long-term debt principal payments are shown as a reduction of long-term liabilities on the Statement of Net Position rather than as a disbursement on the Statement of Activities.

Fund Financial Statements All governmental funds are accounted for using the current financial resources measurement focus and the cash basis of accounting. This means that only current assets, liabilities, and fund balances resulting from previous cash transactions are shown in 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).

While GASB 87 was in effect on June 30, 2026, the financial statements have not been adjusted for this as they are reported on the cash basis of accounting. The expenditures are reported in the applicable funds when incurred. See Note 11 for further information on leases.

While GASB 96 was in effect as of June 30, 2026, there are no agreements that met the requirements of this pronouncement.

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

C. Measurement Focus and Basis of Accounting (Continued)

Revenues are recognized when cash is received. Expenditures are recognized when checks are written. Allocations of cost, such as depreciation, are not recognized in governmental funds. This approach differs from the manner in which the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual funds are also considered cash equivalents.

To improve cash management, the District utilizes a pooled account. Monies for all funds, excluding fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "cash."

Investments

During the fiscal year, investments were limited to certificates of deposit, money market mutual funds, and the Illinois School District Liquid Asset Fund. Investments are stated at cost which approximates market value. Gains or losses on the sale of investments are recognized upon realization. The institutions in which investments are made must be approved by the Board of Education.

E. Capital Assets

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if the actual cost is unavailable. Estimated historical cost was used to value a majority of the assets acquired prior to July 1, 2004. Assets acquired since July 1, 2004, are recorded at cost.

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

E. Capital Assets (Continued)

Depreciation of exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method over the following useful lives:

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

F. Compensated Absences

Each full-time teacher shall be granted twelve (12) sick leave days per school year without loss of pay. Each full-time teacher who has accumulated one hundred (100) unused sick days at the end of the previous year shall receive fourteen (14) sick days the next school year. Each full-time teacher who has accumulated one hundred fifty (150) unused sick days at the end of the previous year shall receive sixteen (16) days the next school year. Each full-time teacher who has accumulated two hundred (200) unused sick days at the end of the previous year shall receive (25) sick days the next school year.

**Notes to Basic Financial Statements
For the Year Ended June 30, 2026**

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

G. Net Position

In the government-wide financial statements net position represents the difference between assets and liabilities, and is displayed in three components:

1. Net Position invested in capital assets - 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. At June 30, 2026, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 116,059,958
Less: Accumulated depreciation	<u>(54,252,767)</u>
Capital assets, net	61,807,191
Less:	
Capital leases	(20,805)
General obligation bonds	<u>(31,480,000)</u>
Net investment in capital assets	<u>\$ 30,306,386</u>

2. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

H. Insurance Liability

The District's employees are covered by a health insurance policy under which the District's total premium is based on actual claims incurred. As of June 30, 2026, total premiums paid by District employees have exceeded the premium invoices by \$53,889. This amount is included in the payroll withholdings liability reported in the Educational and Operations & Maintenance Fund on the accompanying financial statements.

I. Estimates

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

J. Reclassifications

Certain prior year balances may have been reclassified to conform to the current year presentation.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 2: DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 85, Sections 902 and 906; and Chapter 122, Section 8-7 and is limited by its 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.

Deposits

Custodial Credit Risk - is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's custodial credit risk policy is included in a formal written investment and cash management policy.

The District's deposits and certificates of deposits are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution.

At June 30, 2026, the carrying amount of the District's deposits was \$10,686,685, and the bank balance was \$11,842,138. All the District's deposits in excess of FDIC limits (\$11,592,138) are fully collateralized by securities held with the pledging financial institution.

Investments

Investments consist of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>
Illinois School District Liquid Asset Fund	\$ 23,492,990	23,492,990
	<u>\$ 23,492,990</u>	<u>23,492,990</u>

The Illinois School District Liquid Asset Fund The Illinois School District Liquid Asset Fund is an external investment pool sponsored by the Illinois Association of School Boards, the Illinois Association of School Administrators, and the Illinois Association of School Business Officials. PMA Securities, Inc. administers the fund. A thirteen-member Board of Trustees oversees the actions of the Administrator and decides on general policies. The fund invests in high-quality, short-term debt instruments guaranteed by the full faith and credit of the United States, certain U.S. government agency obligations, commercial paper, bank obligations, and other obligations permitted by Illinois law. The monies invested in the Illinois School District Liquid Asset Funds are reported at cost which represents market value.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investing activities are managed under the custody of the District Superintendent and Treasurer. Investing is performed in accordance with investment policies adopted by the Board of Education complying with the School Code of Illinois.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 2: DEPOSITS AND INVESTMENTS - (Continued)

Investments (Continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's procedures provide that to the extent practicable, investments are matched with anticipated cash flows. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

Concentration Risk is the risk that is a result of the Board placing no limit on the amount that can be invested with any single issuer.

NOTE 3: COMMON BANK ACCOUNT

Separate bank and investment accounts are not maintained for all District funds; instead, cash and investments of certain funds is combined in common bank and investment accounts. Individual accounting records are maintained showing the balances attributed to each fund. As of June 30, 2026, the funds participating in the common accounts had the following balances (overdrafts):

Fund	Pooled Checking	Pooled Investments	Total
General Fund:			
Educational Fund	\$ 2,944,116	11,125,290	14,069,406
Operations and Maint. Fund	71,693	3,419,459	3,491,152
Working Cash Fund	1,991,633	2,012,212	4,003,845
Total General Fund	5,007,442	16,556,961	21,564,403
Bond & Interest Fund	160,877	100,000	260,877
Transportation Fund	(511,634)	2,865,343	2,353,709
IMRF and Social Security Fund	47,006	1,331,786	1,378,792
Tort Fund	18,816	1,224,097	1,242,913
Life Safety Fund	57,501	414,803	472,304
Site and Construction Fund	5,906,677	1,000,000	6,906,677
Total	\$ 10,686,685	23,492,990	34,179,675

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1**Notes to Basic Financial Statements
For the Year Ended June 30, 2026****NOTE 4: CAPITAL ASSETS**

	July 1, 2025	Additions	Deletions	June 30, 2026
Capital Assets, not being depreciated:				
Land	\$ 6,457,620	-	-	6,457,620
Construction in Progress	-	4,228,414	-	4,228,414
Total Capital Assets, not being depreciated	6,457,620	4,228,414	-	10,686,034
Capital Assets, being depreciated:				
Land Improvements	11,934,522	-	-	11,934,522
Building	88,858,924	903,977	-	89,762,901
Equipment	3,018,178	51,512	-	3,069,690
Cafeteria Equipment	558,595	48,216	-	606,811
Total Capital Assets, being depreciated	104,370,219	1,003,705	-	105,373,924
Total Capital Assets	110,827,839	5,232,119	-	116,059,958
Less Accumulated Depreciation:				
Land Improvements	(5,735,750)	(426,819)	-	(6,162,569)
Buildings	(42,369,087)	(2,527,408)	-	(44,896,495)
Equipment	(2,529,699)	(148,091)	-	(2,677,790)
Cafeteria Equipment	(495,511)	(20,402)	-	(515,913)
Total Accumulated Depreciation	(51,130,047)	(3,122,720)	-	(54,252,767)
Total Capital Assets being depreciated, net	53,240,172	(2,119,015)	-	51,121,157
Governmental Activities Capital Assets, net	\$ 59,697,792	2,109,399	-	61,807,191

Current year depreciation is allocated as follows:

Instructional Expenditures	\$ 84,439
Support Service Expenditures	<u>3,038,281</u>
Total Current Year Depreciation	<u>\$ 3,122,720</u>

Assets originating from capital leases have a cost of \$99,982 and accumulated depreciation of \$57,133 as of June 30, 2026.

The District's significant capital purchases during the fiscal year included several boiler replacements (\$283,884), sink stations (\$30,682), door project (\$43,479), softball field fence (\$14,750), band room flooring project (\$19,191), roofing project (\$511,990), Intermediate School renovations (\$4,228,414), sousaphone (\$5,300), sound and video control system (\$16,957), several floor scrubbers (\$29,255), and convection steamers (\$48,216).

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2026:

	Principal Outstanding 7/1/2025	Additions	Refunding	Reductions	Principal Outstanding 6/30/2026	Amount Due in One Year
General Obligation Bonds:						
2010 4.00% \$3,680,000	\$ 345,000	-	-	-	345,000	-
2016 3.50-4.00% \$7,105,000	6,100,000	-	-	-	6,100,000	-
2017 3.50-4.00% \$19,625,000	5,020,000	-	-	1,575,000	3,445,000	1,650,000
2018 3.50-4.00% \$8,480,000	4,155,000	-	-	590,000	3,565,000	590,000
2023A 5.00-5.50% \$15,000,000	15,000,000	-	-	-	15,000,000	-
2023B 6.00-6.225% \$3,025,000	3,025,000	-	-	-	3,025,000	-
Total General Obligation Bonds	33,645,000	-	-	2,165,000	31,480,000	2,240,000
2023 Micro Bird Bus Capital Lease	40,328	-	-	19,523	20,805	20,805
Total Debt	\$ 33,685,328	-	-	2,184,523	31,500,805	2,260,805

All of the District's debt service payments are made from the Bond and Interest Fund except for the Micro Bus capital lease which is paid out of the Transportation Fund.

On September 8, 2010, the District issued \$3,680,000 in general obligation school bonds for the high school addition. In December 2012, the District authorized the provision for partial defeasance of \$3,335,000 of principal and \$708,279 of interest on these bonds prior to maturity. The outstanding 2010 bonds final maturity is February 1, 2030. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the following amortization schedule.

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ -	13,800	13,800
2028	-	13,800	13,800
2029	-	13,800	13,800
2030	345,000	13,800	358,800
Total	\$ 345,000	55,200	400,200

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

On February 3, 2016, the District issued \$6,000,000 in general obligation working cash bonds for building renovations, plus \$1,105,000 in refunding bonds to partially refund the 2008 general obligation bonds, for a total issuance of \$7,105,000. The bonds' final maturity is February 1, 2036. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ -	227,906	227,906
2028	-	227,906	227,906
2029	-	227,906	227,906
2030	695,000	227,906	922,906
2031	820,000	200,107	1,020,107
2032	1,205,000	167,306	1,372,306
2033	750,000	126,638	876,638
2034	775,000	101,326	876,326
2035	910,000	74,200	984,200
2036	945,000	37,800	982,800
Total	\$ 6,100,000	1,619,001	7,719,001

On July 27, 2017, the District issued \$19,625,000 in general obligation refunding school bonds to partially refund the 2008 general obligation bonds. \$2,510,000 was refunded by general obligation bond 2023B. The bonds' final maturity is February 1, 2028. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ 1,650,000	136,350	1,786,350
2028	1,795,000	53,850	1,848,850
Total	\$ 3,445,000	190,200	3,635,200

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

On June 6, 2018, the District issued \$8,480,000 in general obligation refunding school bonds to refund the remaining balance of the 2008 general obligation bonds. \$425,000 was refunded by general obligation bond 2023B. The bonds' final maturity is February 1, 2029. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ 590,000	151,976	741,976
2028	550,000	128,376	678,376
2029	2,425,000	106,376	2,531,376
Total	<u>\$ 3,565,000</u>	<u>386,728</u>	<u>3,951,728</u>

On December 15, 2022, the District entered into a capital lease agreement with Kansas State Bank in the amount of \$99,982 for a 2023 Blue Bird Micro Bus. The lease had an initial payment of \$22,174 due at closing and annually on July 15 in that amount thereafter. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ 20,805	1,369	22,174
Total	<u>\$ 20,805</u>	<u>1,369</u>	<u>22,174</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 5: LONG-TERM OBLIGATIONS - (Continued)

On November 16, 2023, the District issued \$3,025,000 in general obligation refunding school bonds to refund a portion of the 2017 and 2018 general obligation bonds. The bonds' final maturity is February 1, 2033. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ -	185,020	185,020
2028	-	185,020	185,020
2029	-	185,020	185,020
2030	790,000	185,020	975,020
2031	1,100,000	137,621	1,237,621
2032	815,000	70,246	885,246
2033	320,000	19,920	339,920
Total	<u>\$ 3,025,000</u>	<u>967,867</u>	<u>3,992,867</u>

On November 16, 2023, the District issued \$15,000,000 in general obligation refunding school bonds. The bonds' final maturity is February 1, 2043. Bond and interest payments are made from the Debt Service Fund. The District's payment schedule is shown in the amortization schedule below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	\$ -	776,225	776,225
2028	-	776,225	776,225
2029	-	776,225	776,225
2030	-	776,225	776,225
2031	-	776,225	776,225
2032	-	776,225	776,225
2033	260,000	776,225	1,036,225
2034	615,000	761,925	1,376,925
2035	540,000	728,100	1,268,100
2036	570,000	698,400	1,268,400
2037	1,585,000	667,050	2,252,050
2038	1,675,000	579,875	2,254,875
2039	1,765,000	487,750	2,252,750
2040	1,855,000	399,500	2,254,500
2041	1,945,000	306,750	2,251,750
2042	2,045,000	209,500	2,254,500
2043	2,145,000	107,250	2,252,250
Total	<u>\$ 15,000,000</u>	<u>10,379,675</u>	<u>25,379,675</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 6: PROPERTY TAXES

On the cash basis of accounting, property taxes are recognized as revenues when they are received. The 2025 levy, in the amount of \$38,632,372 reduced by statutory limitations to \$33,279,063, was passed by the Board on December 4, 2025, and will be received in the subsequent fiscal year. The 2024 levy in the amount of \$37,983,751, reduced by statutory limitations to \$32,462,366, was received during the current fiscal year. The property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. Taxes are remitted to the District in the month following the due dates. The District receives property tax revenues from both Grundy County and Will County.

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

Specific levies may result in a restricted fund balance within the General Fund:

Special Education Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$384,990 was collected and all was spent, resulting in no restricted fund balance.

Lease Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. At the beginning of the year, the District had a restricted fund balance of \$212,547. A total of \$481,229 was collected and \$333,745 was spent, resulting in a restricted fund balance of \$360,031.

NOTE 7: RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information about the Plan

Plan Description

The 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/acfrs/fy2025>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

NOTE 7: RETIREMENT FUND COMMITMENTS - (Continued)

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

NOTE 7: RETIREMENT FUND COMMITMENTS - (Continued)

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

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2025, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS – The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2026, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$1,784,709 in pension contributions from the state of Illinois.

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2026, were \$100,109.

Federal and Special Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contributions rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2026, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds as determined by the June 30, 2024, actuarial valuation. For the year ended June 30, 2026, salaries totaling \$53,643 were paid from federal and special trust funds that required employer contributions of \$5,547.

Employer Retirement Cost Contributions – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

NOTE 7: RETIREMENT FUND COMMITMENTS - (Continued)

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

Contributions (Continued)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2026, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

B. Illinois Municipal Retirement Defined Benefit Pension Plan

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All of the District's employees participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 7: RETIREMENT FUND COMMITMENTS - (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2025, the following employees were covered by the benefit terms:

Retirees and beneficiaries	93
Inactive, non-retired members	109
Active members	136
Total	<u>338</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate and actual District contributions for calendar year 2025 and the fiscal year ended June 30, 2026, are summarized below. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
District required contribution rate for 2025	10.50%
District required contribution rate for 2026	9.27%
District actual contributions for 2025	\$ 431,302
District actual contributions for fiscal year 2026	\$ 422,919

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Teachers' Health Insurance Security Fund

The District participates in the Teacher Health Insurance Security (THIS) Fund of the state of Illinois (also known as the Teachers Retirement Insurance Program "TRIP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued publicly available financial report that can be obtained at <https://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/CMS/THISF/FY25-CMS-THISF-Fin-Full.pdf>.

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the TRS. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Contributions

Active members were required to contribute .90% of pay during the year ended June 30, 2026, to the THIS Fund. The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2026. For the year ended June 30, 2026, the District paid \$115,644 to the THIS Fund, which was 100 percent of the required contribution.

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

On Behalf Contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. The District recognized \$155,342 in revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 9: 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, 2026:

Assessed Valuation (2025)	<u>\$ 989,458,856</u>
Statutory debt limitation (13.8%)	\$ 136,545,322
Amount of debt applicable to debt limitation	<u>31,480,000</u>
Legal Debt Margin	<u>\$ 105,065,322</u>

NOTE 10: OTHER CONTRACTUAL COMMITMENTS

Teachers' contracts for services rendered during the school year for teachers electing twelve month pay schedules are recorded in the fiscal year when such checks are drawn. The amount of unpaid teachers' contracts totaled \$2,802,052.

NOTE 11: LEASE COMMITMENTS

During the fiscal year, the District had the following lease agreements:

- American Capital – 625 Chrome Books and carts with annual payments of \$58,446, with the final payment due in June 2027. Total payments of \$58,446 were made under this lease during the year ended June 30, 2026.
- American Capital – 55 Viewsonic boards with annual payments of \$48,798, with final payment due on July 1, 2026. Total payments of \$48,798 were made under this lease during the year ended June 30, 2026.
- Apple Financial Services – Apple computer equipment with adjusted annual payments of \$79,282, with final payment due in November 2026. The payments of \$79,282 were made under this lease during the year ended June 30, 2026.
- Apple Financial Services – Apple IMacs and Macbook Airs with annual payments of \$20,020, with final payment due in July 2027. The first payment was made in July of 2025. The payments of \$20,020 were made under this lease during the year ended June 30, 2026.
- Proven IT – 6 copiers/printers with monthly payments of \$1,169 for 60 months, ending November of 2027. Total payments of \$14,028 were made under this lease during the year ended June 30, 2026.
- Trafera– Chromebooks with monthly payments of \$5,401 for 48 months, ending May 1, 2027. Total payments of \$64,818 were made under this lease during the year ended June 30, 2026.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 11: LEASE COMMITMENTS - (Continued)

- Trafera Financial Services – Chromebooks with monthly charges of \$4,029 paid annually in the amount of \$48,353, ending June 30, 2027. There were total payments of \$48,353 made under this lease during the year ended June 30, 2026.
- Proven IT – Copiers/printers with monthly payments of \$8,320 for 60 months, ending July of 2031. No payments were made under this lease during the year ended June 30, 2026.

Future minimum lease payments until expiration are as follows:

June 30, 2027	\$305,506
June 30, 2028	182,983
June 30, 2029	99,841
June 30, 2030	99,841
June 30, 2031	<u>99,841</u>
Total	<u>\$788,012</u>

The District owns farmland, which it leases to Santoro Farms LLC. The lease, which began March 1, 2022, and will end February 28, 2027, states the District will receive annual payments of various amounts year for five years. During the fiscal year ending June 30, 2026, the District received \$31,006 from this agreement.

NOTE 12: GRANTS

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

NOTE 13: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District's risk management activities are recorded in the Tort Fund. No liability has been recorded in the books for future expenses related to risk management. These expenditures are reported as the payments are made.

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 14: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences between the balances.

	General Fund	Trans. Fund	SS & IMRF Fund	Site & Const.	Tort Fund	Life Safety Fund	Bond & Interest Fund	Total Fund Balance
Restricted for:								
IMRF	\$ -	-	1,024,921	-	-	-	-	1,024,921
Social Security	-	-	324,088	-	-	-	-	324,088
Tort-related insurance	-	-	-	-	1,242,913	-	-	1,242,913
Debt service reserve	-	-	-	-	-	-	260,877	260,877
Leases	360,031	-	-	-	-	-	-	360,031
Life safety	-	-	-	-	-	472,304	-	472,304
Committed to:								
Unpaid teachers contracts	2,802,052	-	-	-	-	-	-	2,802,052
Insurance reserve	53,889	-	-	-	-	-	-	53,889
Construction projects	-	-	-	6,906,677	-	-	-	6,906,677
Assigned to:								
Transportation	-	2,353,709	-	-	-	-	-	2,353,709
Student Activities	190,825	-	-	-	-	-	-	190,825
Unassigned:								
Working Cash	4,003,845	-	-	-	-	-	-	4,003,845
Building maintenance	3,466,596	-	-	-	-	-	-	3,466,596
Education Fund	10,633,276	-	-	-	-	-	-	10,633,276
Total fund balance	<u>\$ 21,510,514</u>	<u>2,353,709</u>	<u>1,349,009</u>	<u>6,906,677</u>	<u>1,242,913</u>	<u>472,304</u>	<u>260,877</u>	<u>34,096,003</u>

A. *Nonspendable Fund Balance*

The Nonspendable Fund Balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. *Restricted Fund Balance*

The Restricted Fund Balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

The District has revenue sources received within different funds that also fall into these categories:

Notes to Basic Financial Statements
For the Year Ended June 30, 2026

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

B. Restricted Fund Balance – (continued)

1. Special Education – Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.
2. Lease – Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$360,031.
3. State Grants – Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. Expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.
4. Federal Grants – Proceeds from federal grants and the related expenditures have been included in the Educational Fund. Expenditures disbursed from federal grants exceeded revenues received for those specific purposes in the Educational Fund, resulting in no restricted balances.
5. IMRF – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the IMRF and Social Security Fund. Revenue received exceeded expenditures disbursed for IMRF, resulting in a restricted fund balance of \$1,024,921 at year-end.
6. Social Security – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the IMRF and Social Security Fund. Revenue received exceeded expenditures disbursed for Social Security, resulting in a restricted fund balance of \$324,088 at year-end.
7. Life Safety – Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Life Safety Fund. Revenues received exceeded expenditures disbursed, resulting in a restricted fund balance of \$472,304 at year-end.
8. Tort Immunity – Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Tort Fund. Revenues received exceeded expenditures disbursed, resulting in a restricted fund balance of \$1,242,913 at year-end.
9. Debt Service – Cash disbursed and related cash receipts of this restricted tax levy are accounted for in the Bond & Interest Fund. Revenue received exceeded expenditures disbursed for IMRF, resulting in a restricted fund balance of \$260,877 at year-end.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

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

A. *Committed Fund Balance*

The Committed Fund Balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

The District has committed \$41,611 in the Education Fund and \$12,278 in the Operations and Maintenance Fund. The entire balance of the Site & Construction Fund is committed for future capital projects.

The District has committed \$2,802,052 to pay outstanding teacher's contracts for services rendered during the school year. See Note 10 for further explanation.

B. *Assigned Fund Balance*

The Assigned Fund Balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. The Student Activity Fund balance of \$190,825 is assigned for future student activities. The District's Transportation Fund balance of \$2,353,709 is assigned for the purpose of purchasing/leasing buses for student transportation.

C. *Unassigned Fund Balance*

The Unassigned Fund Balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned fund balance amounts are shown in the financial statements as Unassigned fund balances in the Educational, Operations & Maintenance, and Working Cash Funds.

D. *Expenditures of Fund Balance*

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Basic Financial Statements For the Year Ended June 30, 2026

NOTE 15: INTERGOVERNMENTAL AGREEMENTS

The District entered into an agreement with Reed-Custer Community Unit School District No. 255U and Wilmington Community School District No. 209U. The Districts have agreed to jointly purchase certain pieces of equipment for use by the Districts in the day-to-day operations of the schools. The superintendents of the Districts work together on the bidding process and the selection and purchase of the desired equipment. The Districts agree to cooperate with each other in scheduling the use of the equipment after purchase.

The District entered into a joint school agreement to finance the Life Safety Project and Renovations for Grundy Area Vocational Center. The Life Safety inspection takes place every ten years, with each participating school district in the program paying a percentage to complete the cost of the Health Life Safety Project and Renovations. The total amount of the 2026 project is not confirmed at this time; however, the District's percentage of the cost will be 27.8%.

NOTE 16: TAX ABATEMENTS

The District has entered into an agreement with Grundy County, Goose Lake Township, Goose Lake Road District, Joliet Junior College, Coal City Public Library District, Coal City Fire Protection District, the Grundy County Treasurer and the Grundy County Supervisor of Assessments to rebate incremental taxes from the existing Economic Development Project Area #1 to CPV Three Rivers, LLC. CPV intends to construct and operate an electric generator facility in the EDPA #1.

Under the agreement, the County will declare an annual surplus, based upon an agreed-upon payment schedule, for 20 years. This surplus will be distributed to the participating taxing bodies on or before September 30, each year. The District's share of the surplus is 64.08%. The County will also rebate CPV annually for the amount by which incremental taxes paid by CPV exceed the agreed-upon surplus payment schedule.

The rebates paid to the district in the fiscal year ending June 30, 2026, were \$281,301.

NOTE 17: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 2, 2026, the date the financial statements were available to be issued. Other than the information described below, no amounts were required to be recorded or disclosed in the financial statements as of June 30, 2026, as a result of events occurring between July 1, 2026, and September 2, 2026.

OTHER INFORMATION

Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
June 30, 2026

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 2,944,116	71,693	1,991,633	5,007,442
Investments	11,125,290	3,419,459	2,012,212	16,556,961
Total Assets	<u>\$ 14,069,406</u>	<u>3,491,152</u>	<u>4,003,845</u>	<u>21,564,403</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Overdrafts payable	\$ -	-	-	-
Withholdings	41,611	12,278	-	53,889
Total Liabilities	<u>41,611</u>	<u>12,278</u>	<u>-</u>	<u>53,889</u>
Fund Balance:				
Committed	951,159	-	-	951,159
Restricted	360,031	-	-	360,031
Assigned	190,825	-	-	190,825
Unassigned	12,525,780	3,478,874	4,003,845	20,008,499
Total Fund Balance	<u>14,027,795</u>	<u>3,478,874</u>	<u>4,003,845</u>	<u>21,510,514</u>
Total Liabilities and Fund Balance	<u>\$ 14,069,406</u>	<u>3,491,152</u>	<u>4,003,845</u>	<u>21,564,403</u>

Combining Statement of Revenues Received , Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

				Total General Fund	
				Year Ended	
	Educational	Operations &	Working	June 30,	
	Fund	Maintenance	Cash	2026	2025
	Fund	Fund	Fund		
Revenues Received:					
Local Revenues	\$ 25,518,812	4,854,085	638,296	31,011,193	31,067,832
Flow Through Revenues	50,385	-	-	50,385	48,210
State Revenues	1,976,117	-	-	1,976,117	2,011,939
Federal Revenues	1,523,130	-	-	1,523,130	1,379,219
On Behalf Payments	1,940,051	-	-	1,940,051	1,830,645
Total Revenues Received	31,008,495	4,854,085	638,296	36,500,876	36,337,845
Expenditures Disbursed:					
Instruction	21,504,202	-	-	21,504,202	21,989,214
Support Services	8,541,790	4,753,173	-	13,294,963	12,896,998
Payments to Other Schools	418,521	260,414	-	678,935	620,240
Community Service	6,409	-	-	6,409	6,309
On Behalf Payments	1,940,051	-	-	1,940,051	1,830,645
Total Expenditures Disbursed	32,410,973	5,013,587	-	37,424,560	37,343,406
Excess (Deficiency) of Revenues					
Received Over (Under)					
Expenditures Disbursed	(1,402,478)	(159,502)	638,296	(923,684)	(1,005,561)
Other Financing Sources (Uses):					
Transfers (to) from Other Funds	-	-	(7,000,000)	(7,000,000)	-
Total Other Financing Sources (Uses)	-	-	(7,000,000)	(7,000,000)	-
Net Change in Fund Balance	(1,402,478)	(159,502)	(6,361,704)	(7,923,684)	(1,005,561)
Fund Balance, Beginning of the Year	15,430,273	3,638,376	10,365,549	29,434,198	30,439,759
Fund Balance, End of Year	\$ 14,027,795	3,478,874	4,003,845	21,510,514	29,434,198

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30,	
		2026	2025
<u>Educational Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes:			
General	\$ 19,706,028	18,969,109	18,351,999
Leasing	-	481,229	465,814
Special Education	384,507	384,990	372,645
Replacement Taxes	2,100,000	2,016,318	2,056,157
Other Payment in Lieu of Taxes	150,000	209,362	171,493
Tuition:			
Regular Tuition from Pupils or Parents	13,000	4,216	-
Regular Tuition from Other Districts	10,000	17,487	-
Summer School - Pupils	2,500	2,790	2,250
Summer School - Other	44,000	42,102	58,847
Interest on Investments	250,000	1,448,715	1,796,841
Food Service:			
Pupils - Lunch	495,000	605,711	602,042
Pupils - Other	5,000	-	-
Sales to Adults	13,000	21,063	21,594
Other	5,000	4,451	7,946
District Activities:			
Admissions - Athletic	48,000	42,634	78,380
Admissions - Other	20,000	83,398	46,722
Fees	5,000	7,785	7,577
Other	100,000	102,595	9,386
Textbook Rentals/Resale	72,000	100,827	102,147
Textbook Sales - Other	30,000	20,577	30,843
Contributions and Donations from Private Sources	10,000	124,434	103,532
Sale of Equipment	-	17,500	550
Refund of Prior Year Expenditures	-	16,230	2,493
Driver's Education Fees	25,000	18,304	17,170
Local Fees	61,500	-	-
Other Local Revenues	70,000	120,856	130,580
Student Activity Fund Revenues	700,000	656,129	626,126
Total Local Sources	24,319,535	25,518,812	25,063,134
Flow-Through Revenues Received:			
From State Sources	31,000	50,385	48,210
From Federal Sources	100,000	-	-
Total Flow-Through Revenues Received	131,000	50,385	48,210

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Revenues Received (Continued):			
State Programs:			
Evidence based funding	\$ 1,300,000	1,356,962	1,355,082
Special Education:			
Private Facility Tuition	50,000	138,477	153,733
Orphanage - Individual	-	1,627	32,341
State Free Lunch & Breakfast	5,000	3,162	3,108
Drivers Education	-	22,976	21,363
Early Childhood Education	190,000	411,223	444,668
Other State Programs	-	41,690	1,644
Total State Programs	1,545,000	1,976,117	2,011,939
Federal Programs:			
National School Lunch Program	250,000	335,044	342,435
Special Milk Program	-	2,504	2,985
School Breakfast Program	-	29,833	25,398
ISBE Commodities	-	49,013	37,572
DoD Fruits & Vegetables	-	30,233	28,790
Title I - Low Income	200,000	253,426	281,014
Federal Special Education:			
Preschool Flow-through	-	10,822	10,705
I.D.E.A. Flow-through	400,000	522,454	484,494
Title IV - Student Support and Academic Enrichment Gran	10,000	14,771	-
Medicaid Matching - Fee for Service Program	-	275,030	147,826
Other Revenue Received from Federal Sources	-	-	18,000
Total Federal Programs	860,000	1,523,130	1,379,219
On Behalf Payments	2,225,000	1,940,051	1,830,645
Total Revenues Received	29,080,535	31,008,495	30,333,147
Expenditures Disbursed:			
Instructional:			
Regular Programs:			
Salaries	9,926,458	9,952,920	9,483,680
Benefits	2,801,950	2,653,316	2,503,695
Purchased Services	25,600	42,990	25,621
Supplies	655,328	208,223	572,747
Capital Outlay	33,000	7,174	790,497
Other Objects	200	-	-
Total Regular Programs	13,442,536	12,864,623	13,376,240
Tuition Payments to Charter Schools:			
Purchased Services	9,750	-	-
Total Payments to Charter Schools	9,750	-	-

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Expenditures Disbursed (Continued):			
Instructional (Continued):			
Special Education Programs:			
Salaries	\$ 2,827,973	3,120,018	2,754,041
Benefits	827,700	870,826	706,191
Purchased Services	68,100	259,500	304,837
Supplies	37,700	79,759	51,814
Capital Outlay	19,000	8,491	7,923
Other Objects - Tuition	500,000	639,268	651,074
Total Special Education Programs	4,280,473	4,977,862	4,475,880
Special Education Programs Pre-K:			
Salaries	350,209	374,825	282,029
Benefits	94,600	121,501	91,019
Supplies	5,000	1,926	6,755
Total Special Education Programs Pre-K	449,809	498,252	379,803
Remedial Programs K-12:			
Salaries	150,000	126,251	122,065
Benefits	50,000	26,558	25,697
Purchased Services	5,000	76,037	112,221
Supplies	125,000	12,242	34,153
Capital Outlay	75,000	-	-
Total Remedial Programs K-12	405,000	241,088	294,136
Remedial Pre-K:			
Salaries	234,000	180,122	219,003
Benefits	74,800	40,515	73,984
Supplies	3,000	15,559	5,403
Total Remedial Pre-K	311,800	236,196	298,390
CTE Programs:			
Salaries	375,589	377,328	347,967
Benefits	98,339	109,330	89,014
Purchased Services	19,050	12,742	8,597
Supplies	50,032	27,692	35,974
Capital Outlay	47,000	46,119	13,376
Total CTE Programs	590,010	573,211	494,928
Interscholastic Programs:			
Salaries	684,391	648,316	570,419
Benefits	155,819	153,524	148,443
Purchased Services	211,500	260,780	345,409
Supplies	218,150	181,184	120,859
Capital Outlay	49,500	32,291	629,158
Other Objects	58,550	57,293	55,445
Total Interscholastic Programs	1,377,910	1,333,388	1,869,733

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Expenditures Disbursed (Continued):			
Instructional (Continued):			
Summer School Programs:			
Salaries	\$ 45,000	49,474	71,402
Benefits	2,000	4,494	12,032
Purchased services	2,000	-	-
Supplies	35,000	30,093	26,917
Total Summer School Programs	84,000	84,061	110,351
Student Activity Fund Expenditures	700,000	695,521	689,753
Total Instructional	21,651,288	21,504,202	21,989,214
Support:			
Attendance & Social Work Services:			
Salaries	411,331	408,935	386,905
Benefits	179,600	153,634	150,859
Purchased Services	-	-	25
Supplies	3,050	2,658	3,064
Total Attendance & Social Work Services	593,981	565,227	540,853
Guidance Services:			
Salaries	307,606	320,567	306,854
Benefits	99,150	101,359	97,846
Supplies	500	344	518
Total Guidance Services	407,256	422,270	405,218
Health Services:			
Salaries	302,000	329,952	294,467
Benefits	83,900	78,654	56,298
Purchased Services	1,000	60	-
Supplies	4,800	5,759	10,450
Capital Outlay	2,000	-	-
Total Health Services	393,700	414,425	361,215
Psychological Services:			
Salaries	180,940	179,037	169,157
Benefits	39,750	41,945	39,654
Purchased Services	50,000	-	-
Supplies	-	23	-
Total Psychological Services	270,690	221,005	208,811
Speech Pathology & Audiology Services:			
Salaries	380,801	374,078	355,152
Benefits	60,224	62,062	60,407
Supplies	1,550	1,520	699
Total Speech Pathology & Audiology Services	442,575	437,660	416,258

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Expenditures Disbursed (Continued):			
Support (Continued):			
Other Support Services - Pupils:			
Salaries	\$ 81,130	78,529	74,068
Benefits	37,327	46,018	33,187
Purchased Services	201,700	169,928	85,269
Supplies	9,800	9,478	6,743
Total Other Support Services - Pupils	329,957	303,953	199,267
Improvement of Instruction Services:			
Salaries	191,000	183,811	185,931
Benefits	68,000	71,399	73,603
Purchased Services	154,500	116,163	52,536
Supplies	22,500	5,843	7,777
Capital Outlay	3,000	-	-
Other Objects	1,200	-	355
Total Improvement of Instruction Services	440,200	377,216	320,202
Educational Media/Tech Services:			
Salaries	413,229	402,857	401,943
Benefits	126,938	87,059	97,612
Purchased Services	874,000	654,729	735,389
Supplies	65,200	40,504	39,299
Capital Outlay	275,000	145,237	102,270
Total Educational Media/Tech Services	1,754,367	1,330,386	1,376,513
Assessment & Testing:			
Purchased Services	170,000	117,622	12,008
Supplies	38,000	30,237	100,214
Capital Outlay	5,000	-	18,838
Total Assessment & Testing	213,000	147,859	131,060
Board of Education Services:			
Salaries	50,000	10	57,318
Purchased Services	452,500	628,879	393,008
Supplies	21,000	11,695	13,709
Capital Outlay	6,000	-	-
Other Objects	18,000	32,217	32,348
Total Board of Education Services	547,500	672,801	496,383
Executive Administration Services			
Salaries	228,000	265,656	256,123
Benefits	77,950	95,393	89,638
Purchased Services	3,500	1,708	1,776
Supplies	500	1,132	1,135
Other Objects	2,500	7,024	6,668
Total Executive Administration Services	312,450	370,913	355,340

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Expenditures Disbursed (Continued):			
Support (Continued):			
Principal Services:			
Salaries	\$ 1,034,500	1,056,035	984,744
Benefits	339,000	367,051	329,900
Purchased Services	7,800	5,270	4,266
Supplies	28,800	34,542	45,521
Other Objects	3,100	5,744	2,851
Total Principal Services	1,413,200	1,468,642	1,367,282
Other Support Services - School Administration:			
Purchased Services	3,000	2,485	2,840
Total Other Support Services - School Administration	3,000	2,485	2,840
Direction of Business Support Services:			
Salaries	97,000	119,570	83,466
Benefits	35,100	47,275	31,133
Purchased Services	12,000	319	1,044
Supplies	-	4,652	5,403
Capital Outlay	-	-	5,953
Other Objects	1,000	1,179	1,397
Total Direction of Business Support Services	145,100	172,995	128,396
Fiscal Services:			
Salaries	126,000	72,730	66,836
Benefits	22,750	21	15,272
Purchased Services	125,000	24,459	5,162
Supplies	10,000	60,026	31,062
Capital Outlay	1,000	1,344	1,847
Other Objects	27,000	3,748	3,786
Total Fiscal Services	311,750	162,328	123,965
Operation & Maintenance of Plant Services:			
Supplies	5,000	3,675	3,271
Total Operation & Maintenance of Plant Services	5,000	3,675	3,271

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
Educational Fund (Continued):			
Expenditures Disbursed (Continued):			
Support (Continued):			
Food Services:			
Salaries	\$ 416,500	395,034	380,109
Benefits	85,700	80,254	71,857
Purchased Services	43,700	51,106	46,442
Supplies	590,000	669,039	641,094
Capital Outlay	75,000	51,962	58,523
Other Objects	23,000	38,588	35,734
Total Food Services	1,233,900	1,285,983	1,233,759
Internal Services:			
Capital Outlay	40,000	77,780	72,775
Total Internal Services	40,000	77,780	72,775
Information Services:			
Salaries	57,000	56,228	53,550
Employee Benefits	13,000	11,331	10,434
Purchased Services	-	7,057	10,272
Supplies & Materials	20,000	12,741	6,506
Total Information Services	90,000	87,357	80,762
Data Processing:			
Purchased Services	16,225	13,512	16,711
Total Data Processing	16,225	13,512	16,711
Other Support Services:			
Supplies	2,500	3,318	3,441
Total Other Support Services	2,500	3,318	3,441
Total Support	8,966,351	8,541,790	7,844,322
Community Services:			
Salaries	11,000	-	-
Supplies	15,746	6,409	6,309
Total Community Services	26,746	6,409	6,309
Payments to Other Schools:			
Assessments:			
Regular Programs	25,000	-	-
Special Education Programs	50,000	3,349	6,248
Tuition:			
Special Education Programs	5,000	-	-
Continuing & Technical Education Programs	550,000	415,172	416,172
Total Payments to Other Schools	630,000	418,521	422,420
On Behalf Payments	2,225,000	1,940,051	1,830,645

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Educational Fund (Continued):</u>			
Total Expenditures Disbursed	\$ 33,499,385	32,410,973	32,092,910
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (4,418,850)</u>	(1,402,478)	(1,759,763)
Fund Balance, Beginning of Year		15,430,273	17,190,036
Fund Balance, End of Year		<u>\$ 14,027,795</u>	<u>15,430,273</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Operations & Maintenance Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 4,806,349	4,812,255	4,658,104
Rental income	15,000	41,830	27,594
Sale of equipment	-	-	3,700
Other revenue	-	-	331,880
Total Local sources	4,821,349	4,854,085	5,021,278
Total Revenues Received	4,821,349	4,854,085	5,021,278
Expenditures Disbursed:			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased Services	100,000	23,770	49,479
Total Facilities Acquisition & Construction Services	100,000	23,770	49,479
Operation & Maintenance of Plant Services:			
Salaries	1,375,000	1,302,777	1,232,452
Benefits	344,000	346,321	303,563
Purchased Services	742,950	545,185	635,063
Supplies	969,500	1,231,489	1,038,574
Capital Outlay	1,866,000	1,303,631	1,793,545
Total Operation & Maintenance of Plant Services	5,297,450	4,729,403	5,003,197
Total Support Services	5,397,450	4,753,173	5,052,676
Payments to Other Districts:			
Payments for CTE Programs	250,000	260,414	197,820
Total Payments to Other Districts	250,000	260,414	197,820
Total Expenditures Disbursed	5,647,450	5,013,587	5,250,496
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	\$ (826,101)	(159,502)	(229,218)
Fund Balance, Beginning of Year		3,638,376	3,867,594
Fund Balance, End of Year		\$ 3,478,874	3,638,376

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
GENERAL FUND

Schedule A-3
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Original and Final Appropriations	Year Ended June 30, 2026	2025
<u>Working Cash Fund:</u>			
Revenues Received:			
Local Sources:			
Property Taxes	\$ 288,380	288,750	372,645
Interest Income	-	349,546	610,775
Total Revenues Received	288,380	638,296	983,420
Expenditures Disbursed	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	288,380	638,296	983,420
Other Financing Sources (Uses):			
Transfers in/(out)	(7,000,000)	(7,000,000)	-
Total Other Financing Sources (Uses)	(7,000,000)	(7,000,000)	-
Net Change in Fund Balance	<u>\$ (6,711,620)</u>	(6,361,704)	983,420
Fund balance, Beginning of Year		10,365,549	9,382,129
Fund balance, End of Year		<u>\$ 4,003,845</u>	<u>10,365,549</u>

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1
TRANSPORTATION FUND

Schedule B-1

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Investments	\$ 2,865,343
Total Assets	<u>\$ 2,865,343</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Overdrafts payable	<u>\$ 511,634</u>
Fund Balance:	
Assigned Fund Balance	<u>2,353,709</u>
Total Liabilities and Fund Balance	<u>\$ 2,865,343</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule B-2

	Original and Final Appropriations	Year Ended June 30, 2026	2025
Revenues Received:			
Local Sources:			
Property Taxes	\$ 1,922,539	1,924,915	1,816,654
Fees from other Districts	5,000	2,755	3,575
Total Local Sources	<u>1,927,539</u>	<u>1,927,670</u>	<u>1,820,229</u>
State Sources:			
Regular/Vocational Transportation	500,000	636,867	831,812
Special Education	400,000	523,592	436,177
Total State Sources	<u>900,000</u>	<u>1,160,459</u>	<u>1,267,989</u>
Total Revenues Received	<u>2,827,539</u>	<u>3,088,129</u>	<u>3,088,218</u>
Expenditures Disbursed:			
Pupil Transportation Services:			
Purchased Services	3,554,300	3,334,991	3,125,173
Supplies	2,500	110	49
Total Pupil Transportation Services	<u>3,556,800</u>	<u>3,335,101</u>	<u>3,125,222</u>
Provision for Contingencies	50,000	-	-
Total Expenditures Disbursed	<u>3,606,800</u>	<u>3,335,101</u>	<u>3,125,222</u>
Excess (Deficiency) of Revenues over Over (Under) Expenditures Disbursed	<u>\$ (779,261)</u>	<u>(246,972)</u>	<u>(37,004)</u>
Fund Balance, Beginning of Year		2,600,681	2,637,685
Fund Balance, End of Year		<u>\$ 2,353,709</u>	<u>2,600,681</u>

NOTES TO OTHER INFORMATION

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Notes to Other Information For the Year Ended June 30, 2026

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District's budget for all governmental funds is prepared using the modified cash basis of accounting (Non-GAAP) which is the same basis that is used in fund financial statements. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of the fiscal year. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them. The proposed operating budget is placed on file and a public hearing is held to obtain comments from the community.

Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution. Formal budgetary integration is employed as a management control device at the function/object level during the year.

The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of such fund as set forth in the budget.

The Board of Education may amend the budget by performing the same procedures required of its original adoption.

The District's budget was adopted on September 17, 2025, and was not amended.

NOTE 2: BUDGETARY COMPARISON INFORMATION

The table below includes budgetary comparisons of the District's major funds.

Description	Budget	Actual	Variance	Percent Variance
Educational Expenditures Disbursed	\$ 33,499,385	32,410,073	1,089,312	3.25%
Operations & Maintenance Expenditures Disbursed	5,647,450	5,013,587	633,863	12.64%
Working Cash Expenditures Disbursed	-	-	-	N/A
Total General Fund	<u>\$ 39,146,835</u>	<u>37,423,660</u>	<u>1,723,175</u>	4.60%
Transportation Expenditures Disbursed	\$ 3,606,800	3,335,101	271,699	8.15%
Site & Construction Expenditures Disbursed	\$ 5,200,000	3,556,305	1,643,695	46.22%
Bond & Interest Expenditures Disbursed	\$ 3,744,728	3,734,727	10,001	0.27%

SUPPLEMENTARY INFORMATION

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

Schedule C-1

Statement of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Cash	\$ 5,906,677
Investments	1,000,000
Total Assets	<u>\$ 6,906,677</u>
<u>Fund Balance</u>	
Committed Fund Balance	\$ 6,906,677
Total Fund Balance	<u>\$ 6,906,677</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule C-2

	Original and Final Appropriations	Year Ended June 30,	
		2026	2025
Revenues Received:			
Local Sources:			
Impact Fees	\$ 50,000	43,491	29,388
Payments in Lieu of Taxes:			
Other Payments	1,000,000	1,250,198	1,031,716
Total Revenues Received	1,050,000	1,293,689	1,061,104
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	200,000	466,781	173,417
Capital Outlay	5,000,000	3,089,524	5,729,325
Total Expenditures Disbursed	5,200,000	3,556,305	5,902,742
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(4,150,000)	(2,262,616)	(4,841,638)
Other Financing Sources (Uses):			
Transfers In	7,000,000	7,000,000	-
Total Other Financing Sources (Uses)	7,000,000	7,000,000	-
Net Change in Fund Balance	<u>\$ 2,850,000</u>	4,737,384	(4,841,638)
Fund balance, Beginning of Year		2,169,293	7,010,931
Fund balance, End of Year		<u>\$ 6,906,677</u>	<u>2,169,293</u>

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

Schedule C-3

Statement of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Cash	\$ 160,877
Investments	100,000
Total Assets	<u>\$ 260,877</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 260,877
Total Fund Balance	<u>\$ 260,877</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule C-4

	Original and Final Appropriations	Year Ended June 30, 2026	2025
Revenues Received:			
Local Sources:			
Property Taxes	\$ 3,772,118	3,776,764	3,768,778
Other Payment in Lieu of Taxes	100,000	-	182,067
Total Revenues Received	<u>3,872,118</u>	<u>3,776,764</u>	<u>3,950,845</u>
Expenditures Disbursed:			
Debt Service:			
Interest on Long-Term Debt	1,569,728	1,569,727	1,667,727
Principal on Long-Term Debt	2,165,000	2,165,000	2,065,000
Other	10,000	-	-
Total Expenditures Disbursed	<u>3,744,728</u>	<u>3,734,727</u>	<u>3,732,727</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 127,390</u>	42,037	218,118
Fund Balance, Beginning of Year		218,840	722
Fund Balance, End of Year		<u>\$ 260,877</u>	<u>218,840</u>

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

Schedule D-1

Combining Statement of Assets, Liabilities, and Fund Balances Arising From Cash Transactions
June 30, 2026

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	June 30,	
				2026	2025
<u>Assets</u>					
Cash	\$ 57,501	47,006	18,816	123,323	221,957
Investments	414,803	1,331,786	1,224,097	2,970,686	3,470,686
Total Assets	<u>\$ 472,304</u>	<u>1,378,792</u>	<u>1,242,913</u>	<u>3,094,009</u>	<u>3,692,643</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Overdrafts Payable	\$ -	-	-	-	48,962
Payroll Liabilities	-	29,783	-	29,783	29,783
Total Liabilities	<u>-</u>	<u>29,783</u>	<u>-</u>	<u>29,783</u>	<u>78,745</u>
Fund Balances:					
Unassigned	-	-	-	-	-
Restricted	472,304	1,349,009	1,242,913	3,064,226	3,613,898
Total Fund Balances	<u>472,304</u>	<u>1,349,009</u>	<u>1,242,913</u>	<u>3,064,226</u>	<u>3,613,898</u>
Total Liabilities and Fund Balance	<u>\$ 472,304</u>	<u>1,378,792</u>	<u>1,242,913</u>	<u>3,094,009</u>	<u>3,692,643</u>

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

Schedule D-2

Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

	Life Safety Fund	Social Security and IMRF Fund	Tort Immunity and Judgment Fund	Total Nonmajor Governmental Funds June 30,	
				2026	2025
Revenues Received:					
Local Sources:					
Property Taxes	\$ 481,229	1,045,046	58,147	1,584,422	1,527,885
Replacement Tax	-	75,565	-	75,565	82,468
Total Revenues Received	481,229	1,120,611	58,147	1,659,987	1,610,353
Expenditures Disbursed:					
Instructional	-	466,597	-	466,597	436,159
Support	1,143,021	509,672	90,369	1,743,062	702,332
Total Expenditures Disbursed	1,143,021	976,269	90,369	2,209,659	1,138,491
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	(661,792)	144,342	(32,222)	(549,672)	471,862
Fund Balance, Beginning of Year	1,134,096	1,204,667	1,275,135	3,613,898	3,142,036
Fund Balance, End of Year	\$ 472,304	1,349,009	1,242,913	3,064,226	3,613,898

Statement of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Cash in Bank	\$ 57,501
Investments	414,803
Total Assets	<u>\$ 472,304</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 472,304
Total Fund Balance	<u>\$ 472,304</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule D-4

	Original and Final Appropriations	Year Ended June 30, 2026	2025
Revenues Received:			
Local Sources:			
Property Taxes	\$ 480,634	481,229	465,814
Total Revenues Received	<u>480,634</u>	<u>481,229</u>	<u>465,814</u>
Expenditures Disbursed:			
Facilities Acquisition & Construction Services:			
Purchased Services	150,000	57,071	60,723
Capital Outlay	1,000,000	1,085,950	-
Total Expenditures Disbursed	<u>1,150,000</u>	<u>1,143,021</u>	<u>60,723</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (669,366)</u>	(661,792)	405,091
Fund Balance, Beginning of Year		<u>1,134,096</u>	<u>729,005</u>
Fund Balance, End of Year		<u>\$ 472,304</u>	<u>1,134,096</u>

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

Schedule D-5

Statement of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Cash	\$ 47,006
Investments	1,331,786
Total Assets	<u>\$ 1,378,792</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Payroll liabilities	\$ 29,783
Total Liabilities	<u>29,783</u>
Fund Balance	
Restricted for Social Security	324,088
Restricted for IMRF	1,024,921
Total Fund Balance	<u>1,349,009</u>
Total Liabilities and Fund Balance	<u>\$ 1,378,792</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule D-6

	Original and Final Appropriations	Year Ended June 30, 2026	2025
Revenues Received:			
Local Sources:			
Property Taxes:			
IMRF	\$ 463,908	464,490	465,814
FICA	579,837	580,556	558,983
Replacement Taxes	100,000	75,565	82,468
Total Revenues Received	<u>1,143,745</u>	<u>1,120,611</u>	<u>1,107,265</u>
Expenditures Disbursed:			
Instructional Benefits	446,450	466,597	436,159
Supporting Services Benefits	543,300	509,672	489,478
Total Expenditures Disbursed	<u>989,750</u>	<u>976,269</u>	<u>925,637</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ 153,995</u>	144,342	181,628
Fund Balance, Beginning of Year		<u>1,204,667</u>	<u>1,023,039</u>
Fund Balance, End of Year		<u>\$ 1,349,009</u>	<u>1,204,667</u>

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

Schedule D-7

Statement of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2026

<u>Assets</u>	
Investments	\$ 18,816
Investments	<u>1,224,097</u>
Total Assets	<u>\$ 1,242,913</u>
<u>Fund Balance</u>	
Fund Balance:	
Restricted Fund Balance	<u>\$ 1,242,913</u>
Total Fund Balance	<u>\$ 1,242,913</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Figures for 2025)

Schedule D-8

	Original and Final Appropriations	Year Ended June 30,	
		2026	2025
Revenues Received:			
Local Sources:			
Property taxes	\$ 58,060	58,147	37,274
Total Revenues Received	<u>58,060</u>	<u>58,147</u>	<u>37,274</u>
Expenditures Disbursed:			
Support Services (General Administration):			
Insurance Payments	120,000	90,369	90,083
Risk Management and Claims Services Payments	116,000	-	60,000
Educational Services Related to Loss Prevention	-	-	2,048
Total Expenditures Disbursed	<u>236,000</u>	<u>90,369</u>	<u>152,131</u>
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	<u>\$ (177,940)</u>	(32,222)	(114,857)
Fund Balance, Beginning of Year		<u>1,275,135</u>	<u>1,389,992</u>
Fund Balance, End of Year		<u>\$ 1,242,913</u>	<u>1,275,135</u>

SUPPLEMENTAL INFORMATION

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2026**

	<u>June 30, 2025</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2026</u>
Memorial Custodial Funds:				
High School Memorial	\$ 372	-	372	-
Kaplan Scholarship Fund	383,727	29,886	-	413,613
Rashke Memorial	2,220	27	500	1,747
Anderson Memorial Fund	185,468	7,811	-	193,279
Total Memorial Custodial Funds	<u>571,787</u>	<u>37,724</u>	<u>872</u>	<u>608,639</u>
Total Custodial Accounts	<u>\$ 571,787</u>	<u>37,724</u>	<u>872</u>	<u>608,639</u>

Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 339,190	306,268	281,561	273,602	274,188	303,347	290,923	266,703	267,926	282,795
Interest on the Total Pension Liability	1,116,299	1,098,240	1,056,913	1,016,496	978,952	876,175	842,339	805,215	812,544	793,540
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	89,872	(139,944)	281,301	292,401	275,794	1,299,073	129,010	229,212	(90,041)	(115,211)
Assumption Changes	-	-	(41,890)	-	-	(128,148)	-	319,009	(359,934)	(38,935)
Benefit Payments and Refunds	(1,048,804)	(1,015,077)	(1,025,338)	(1,032,678)	(988,903)	(847,592)	(755,980)	(743,989)	(711,220)	(696,489)
Net Change in Total Pension Liability	496,557	249,487	552,547	549,821	540,031	1,502,855	506,292	876,150	(80,725)	225,700
Total Pension Liability - Beginning	15,752,031	15,502,544	14,949,997	14,400,176	13,860,145	12,357,290	11,850,998	10,974,848	11,055,573	10,829,873
Total Pension Liability - Ending	<u>\$ 16,248,588</u>	<u>15,752,031</u>	<u>15,502,544</u>	<u>14,949,997</u>	<u>14,400,176</u>	<u>13,860,145</u>	<u>12,357,290</u>	<u>11,850,998</u>	<u>10,974,848</u>	<u>11,055,573</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 431,302	396,059	360,573	351,960	291,754	300,210	236,943	301,614	324,629	322,044
Contributions - Employee	183,341	165,484	154,679	139,668	143,476	212,907	130,666	121,728	111,349	105,167
Pension Plan Net Investment Income	2,358,779	1,364,348	1,411,599	(2,067,349)	2,326,568	1,664,718	1,954,831	(649,805)	1,722,264	606,190
Benefit Payments and Refunds	(1,048,804)	(1,015,077)	(1,025,338)	(1,032,678)	(988,903)	(847,592)	(755,980)	(743,989)	(711,220)	(696,489)
Other	(745,229)	(158,088)	291,091	73,375	(58,049)	213,997	65,140	238,556	(198,799)	151,565
Net Change in Plan Fiduciary Net Position	1,179,389	752,726	1,192,604	(2,535,024)	1,714,846	1,544,240	1,631,600	(731,896)	1,248,223	488,477
Plan Fiduciary Net Position - Beginning	14,338,609	13,585,883	12,393,279	14,928,303	13,213,457	11,669,217	10,037,617	10,769,513	9,521,290	9,032,813
Plan Fiduciary Net Position - Ending	<u>\$ 15,517,998</u>	<u>14,338,609</u>	<u>13,585,883</u>	<u>12,393,279</u>	<u>14,928,303</u>	<u>13,213,457</u>	<u>11,669,217</u>	<u>10,037,617</u>	<u>10,769,513</u>	<u>9,521,290</u>
Net Pension Liability (Asset)	<u>\$ 730,590</u>	<u>1,413,422</u>	<u>1,916,661</u>	<u>2,556,718</u>	<u>(528,127)</u>	<u>646,688</u>	<u>688,073</u>	<u>1,813,381</u>	<u>205,335</u>	<u>1,534,283</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.50%	91.03%	87.64%	82.90%	103.67%	95.33%	94.43%	84.70%	98.13%	86.12%
Covered Valuation Payroll	\$ 4,068,256	3,677,424	3,437,313	3,103,702	2,919,520	2,951,081	2,903,691	2,705,062	2,455,589	2,337,037
Net Pension Liability as a Percentage of the Covered Valuation Payroll	17.96%	38.44%	55.76%	82.38%	-18.09%	21.91%	23.70%	67.04%	8.36%	65.65%

**Illinois Municipal Retirement Fund
Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2025	\$ 427,167	431,302	(4,135)	4,068,256	10.60%
12/31/2024	396,059	396,059	-	3,677,424	10.77%
12/31/2023	360,574 *	360,573	1	3,437,313	10.49%
12/31/2022	351,960	351,960	-	3,103,702	11.34%
12/31/2021	271,515	291,754	(20,239)	2,919,520	9.99%
12/31/2020	285,960	300,210	(14,250)	2,951,081	10.17%
12/31/2019	236,941	236,943	(2)	2,903,691	8.16%
12/31/2018	301,614	301,614	-	2,705,062	11.15%
12/31/2017	324,629	324,629	-	2,455,589	13.22%
12/31/2016	322,044	322,044	-	2,337,037	13.78%

Notes to Schedule: * Estimates bases on contribution rate at 10.50% and covered valuation payroll at \$4,068,256

Valuation Date:
Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine 2025 Contribution Rate:

<i>Actuarial Cost Method</i>	Aggregate Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 18-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 13 years for most employers (five employers were financed over 14 years; one employer was financed over 15 years; two employers were financed over 16 years; one employer was financed over 19 years; three employers were financed over 22 years; four employers were financed over 23 years and one employer was financed over 24 years).
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	2.75%
<i>Price Inflation</i>	2.25%
<i>Salary Increases</i>	2.75 to 13.75% including inflation
<i>Investment Rate of Return</i>	7.25%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
<i>Mortality</i>	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-medium income General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-medium income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Other Information:
Notes

There were no benefit changes during the year.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Supplemental Information
Teachers' Retirement System of the State of Illinois

Schedule of District's Share of the Net Pension Liability										Schedule 3
	Fiscal Year*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	0.0015%	0.0014%	0.0014%	0.0014%	0.0016%	0.0017%	0.0017%	0.0018%	0.0022%	0.0019%
District's Proportionate Share of the Net Pension Liability	\$ 1,274,604	1,225,453	1,162,911	1,156,885	1,242,908	1,488,591	1,400,084	1,424,088	1,684,283	1,469,467
State's Proportionate Share of the Net Pension Liability Associated with the District	102,424,720	102,176,519	100,359,797	100,352,151	104,168,899	116,594,148	99,642,471	97,556,028	94,802,326	92,681,240
Total	\$ 103,699,324	103,401,972	101,522,708	101,509,036	105,411,807	118,082,739	101,042,555	98,980,116	96,486,609	94,150,707
District's Covered-Employee Payroll	\$ 16,286,879	15,333,994	14,356,092	14,107,095	14,289,683	14,306,760	13,895,871	13,267,494	12,355,210	11,953,384
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	7.83%	7.99%	8.10%	8.20%	8.70%	10.40%	10.08%	10.73%	13.63%	12.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.70%	45.40%	43.90%	42.80%	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%

* The amounts presented were determined as of the prior fiscal year.

Schedule of Contributions										Schedule 4
	Fiscal Year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily Required Contribution	\$ 100,109	94,462	88,937	83,265	81,821	82,880	82,979	80,596	76,951	71,660
Contributions in Relation to the Statutorily-Required Contribution	100,109	94,462	88,937	83,265	81,821	82,880	82,979	80,596	76,951	71,660
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 17,260,240	16,286,879	15,333,994	14,356,092	14,107,095	14,289,683	14,306,760	13,895,871	13,267,494	12,355,210
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

For the 2024, 2023, 2022 and 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

COAL CITY COMMUNITY UNIT SCHOOL DISTRICT NO. 1

Supplemental Information
Teachers' Health Insurance Security Fund of the State of Illinois

Schedule of District's Share of the Net OPEB Liability										Schedule 5
	Fiscal Year*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
District's Proportion of the Net OPEB Liability	0.0523%	0.0515%	0.0513%	0.0512%	0.0550%	0.0562%	0.0569%	0.0552%	0.0549%	
District's Proportionate Share of the Net OPEB Liability	\$ 4,692,113	4,072,442	3,656,176	3,501,452	12,141,246	15,019,900	15,740,272	14,540,889	14,236,147	
State's Proportionate Share of the Net OPEB Liability Associated with District	4,692,100	4,072,453	3,656,179	3,501,449	12,141,246	15,019,843	15,722,536	19,525,214	18,258,407	
Total	\$ 9,384,213	8,144,895	7,312,355	7,002,901	24,282,492	30,039,743	31,462,808	34,066,103	32,494,554	
District's Covered-Employee Payroll	\$ 16,286,879	15,333,994	14,356,092	14,107,095	14,289,683	14,306,760	13,895,871	13,267,494	12,355,210	
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	28.81%	26.56%	25.47%	24.82%	84.97%	104.98%	113.27%	109.60%	115.22%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	8.73%	8.02%	6.63%	5.53%	1.42%	0.70%	0.25%	-0.07%	-0.23%	

* The amounts presented were determined as of the prior fiscal year.

** This information was not available at the time the financials were completed.

Schedule of Contributions										Schedule 6
	Fiscal Year									
	2025	2024	2024	2023	2022	2021	2020	2019	2018	
Statutorily Required Contribution	\$ 115,644	109,122	102,738	96,186	94,518	131,465	131,622	127,842	116,754	
Contributions in Relation to the Statutorily-Required Contribution	115,644	109,122	102,738	96,186	94,518	131,465	131,622	127,842	116,754	
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	
District's Covered-Employee Payroll	\$ 17,260,240	16,286,879	15,333,994	14,356,092	14,107,095	14,289,683	14,306,760	13,895,871	13,267,494	
Contributions as a Percentage of Covered-Employee Payroll	0.67%	0.67%	0.67%	0.67%	0.67%	0.92%	0.92%	0.92%	0.88%	

**Assessed Valuations, Tax Rates, Tax Extensions,
and Tax Collections**

	Tax Year				
	2021	2022	2023	2024	2025
Assessed Valuations	\$ 844,675,524	901,066,316	931,962,118	961,269,700	989,458,856
Tax Rates:					
Educational	1.9775	2.0000	2.0000	2.0000	2.0000
Building	0.4600	0.4900	0.5000	0.5000	0.5000
Bond & Interest	0.4318	0.3920	0.4045	0.3924	0.3809
Transportation	0.1700	0.1900	0.1950	0.2000	0.2000
IMRF	0.0400	0.0500	0.0500	0.0483	0.0430
Working Cash	0.0130	0.0400	0.0400	0.0300	0.0500
Tort Immunity	0.0270	0.0500	0.0040	0.0060	0.0060
Special Education	0.0400	0.0400	0.0400	0.0400	0.0400
Social Security	0.0550	0.0700	0.0600	0.0603	0.0505
Lease PBC	0.0326	0.0400	0.0500	0.0500	0.0430
Fire Prevention/Safety	0.0100	0.0400	0.0500	0.0500	0.0500
Totals	3.2569	3.4020	3.3935	3.3770	3.3634
Tax Extensions:					
Educational	\$ 16,703,969	18,021,326	18,639,242	19,225,394	19,789,177
Building	3,885,548	4,415,225	4,659,811	4,806,349	4,947,294
Bond & Interest	3,647,428	3,532,000	3,770,160	3,772,118	3,768,750
Transportation	1,435,964	1,712,026	1,817,326	1,922,539	1,978,918
IMRF	337,873	450,533	465,981	463,909	425,072
Working Cash	109,811	360,427	372,785	288,381	494,729
Tort Immunity	228,065	450,533	37,278	58,061	59,466
Special Education	337,873	360,427	372,785	384,508	395,784
Social Security	464,577	630,746	559,177	579,838	500,073
Lease PBC	275,199	360,427	465,981	480,635	425,072
Fire Prevention/Safety	40,958	360,427	465,981	480,635	494,729
Totals	\$ 27,467,267	30,654,096	31,626,507	32,462,366	33,279,063
		*	**	***	
Tax Collections	\$ 27,760,929	30,520,785	31,614,875	32,502,282	-

* Does not include \$237,290 reimbursement payment for Dresden Trigger Credit.

** Does not include \$281,738 reimbursement payment for Dresden Trigger Credit

*** Does not include \$281,300 reimbursement payment for Dresden Trigger Credit

OTHER REQUIRED REPORTING



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coal City Community Unit School District No. 1, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Coal City Community Unit School District No. 1's basic financial statements, and have issued our report thereon dated September 2, 2026.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coal City Community Unit School District No. 1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Coal City Community Unit School District No. 1's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters that we reported to management of Coal City Community Unit School District No. 1 in a separate letter dated September 2, 2026.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coal City Community Unit School District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 2, 2026