

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2011

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2011

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COMMUNITY COLLEGE DISTRICT #517

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FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

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MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lake Land College
Community College District #517
Mattoon, Illinois

We have audited the accompanying financial statements of the business-type activity and discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the College. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the College's discretely presented component unit were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and discretely presented component unit of the College, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2011 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board, who considers it to be an essential part of the financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental financial information and accompanying information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the College. The supplemental financial information, the accompanying information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Doehring, Winders & Co. LLP

October 3, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lake Land College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2011. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements (pages 10-15) and the footnotes (beginning on page 16). Included in the basic financial statements (page 14) is information on the College's component unit, the Lake Land College Foundation, Inc., which also has a separately issued financial statement that may be obtained by calling the Foundation Office at (217) 234-5354. Responsibility for the completeness and fairness of the College's report rests with the College.

USING THE ANNUAL REPORT

The financial statements focus on the College as a whole, versus the traditional presentation by fund types. The College's financial statements (see pages 10-15) are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net Assets is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses and Changes in Net Assets focus on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition and state revenues. This approach is intended to summarize and simplify the user's analysis of the cost of the various services which the College provides to its students, the district, and the local community.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

	Net Assets As of June 30,		Increase (Decrease)
	2011	2010	
Current assets	\$ 37,694,595	\$ 39,688,815	\$ (1,994,220)
Non-current assets			
Capital assets, net of depreciation	<u>56,070,947</u>	<u>54,483,748</u>	<u>1,587,199</u>
Total assets	<u>93,765,542</u>	<u>94,172,563</u>	<u>(407,021)</u>
Current liabilities	21,017,330	21,523,580	(506,250)
Non-current liabilities	<u>11,210,703</u>	<u>13,979,011</u>	<u>(2,768,308)</u>
Total liabilities	<u>32,228,033</u>	<u>35,502,591</u>	<u>(3,274,558)</u>
Net assets			
Investment in capital assets	43,215,947	39,003,748	4,212,199
Restricted	2,633,247	3,245,848	(612,601)
Unrestricted	<u>15,688,315</u>	<u>16,420,376</u>	<u>(732,061)</u>
Total Net Assets	<u>\$ 61,537,509</u>	<u>\$ 58,669,972</u>	<u>\$ 2,867,537</u>

Operating Results for the Years Ended
June 30,

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Operating revenue			
Tuition and fees	\$ 10,532,642	\$ 11,150,651	\$ (618,009)
Auxiliary	945,708	942,481	3,227
Department of Corrections instructional	2,873,649	2,684,794	188,855
Other	<u>1,599,938</u>	<u>1,423,753</u>	<u>176,185</u>
Total	<u>15,951,937</u>	<u>16,201,679</u>	<u>(249,742)</u>
Less operating expenses	<u>56,467,548</u>	<u>53,423,640</u>	<u>3,043,908</u>
Operating income (loss)	<u>(40,515,611)</u>	<u>(37,221,961)</u>	<u>(3,293,650)</u>
Non-operating revenue			
Other state revenues	18,932,539	17,347,226	1,585,313
Federal and local grants and contracts	12,526,131	10,249,692	2,276,439
Property taxes	11,463,967	11,079,319	384,648
Investment income	404,635	365,962	38,673
Other non-operating revenue	<u>(177,309)</u>	<u>(335,146)</u>	<u>157,837</u>
Non-operating revenue (net)	<u>43,149,963</u>	<u>38,707,053</u>	<u>4,442,910</u>
Capital contributions	<u>233,185</u>	<u>2,794,472</u>	<u>(2,561,287)</u>
Increase in net assets	2,867,537	4,279,564	(1,412,027)
Net assets, beginning of year	<u>58,669,972</u>	<u>54,390,408</u>	<u>4,279,564</u>
Net assets, end of year	<u>\$ 61,537,509</u>	<u>\$ 58,669,972</u>	<u>\$ 2,867,537</u>

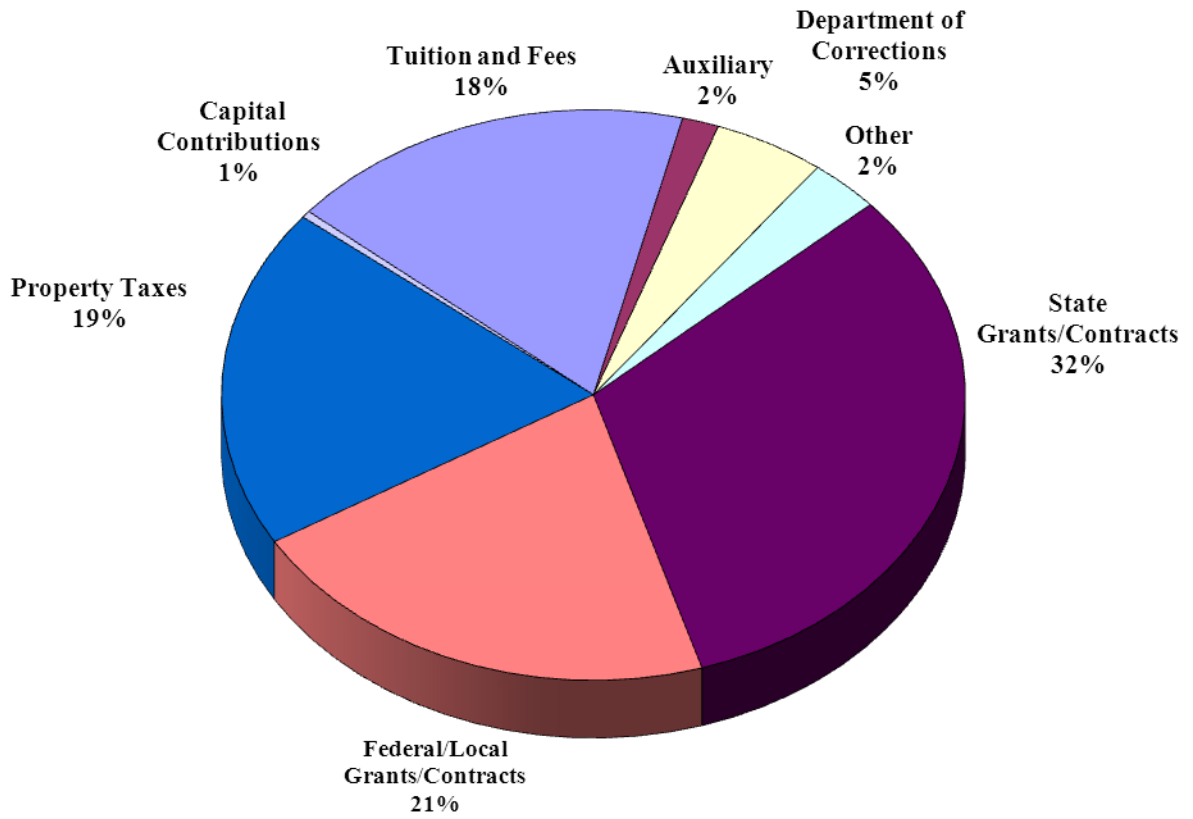
For the year ended June 30, 2011 the College recorded total operating revenues of \$15,951,937 and total operating expenses of \$56,467,548. The difference produced an operating loss of \$40,515,611. Net non-operating revenue of \$43,149,963 plus capital contributions of \$233,185 offsets this loss and results in an overall increase in net assets of \$2,867,537.

Non-operating revenue included local property taxes of \$11,463,967, other state revenues of \$18,932,539, federal grants and local contracts of \$12,526,131 and investment earnings net of interest expense of \$227,326.

Of the College's total revenue, operating revenue accounted for approximately 27%, non-operating revenues accounted for 72%, and capital contributions accounted for 1%. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$10,532,642, auxiliary enterprise revenues totaling \$945,708, instructional revenues from the Department of Corrections totaling \$2,873,649 and other miscellaneous revenue of \$1,599,938.

The College had net assets at the beginning of the year totaling \$58,669,972. The current year net increase in assets of \$2,867,537 brought the total of net assets at the end of the year to \$61,537,509.

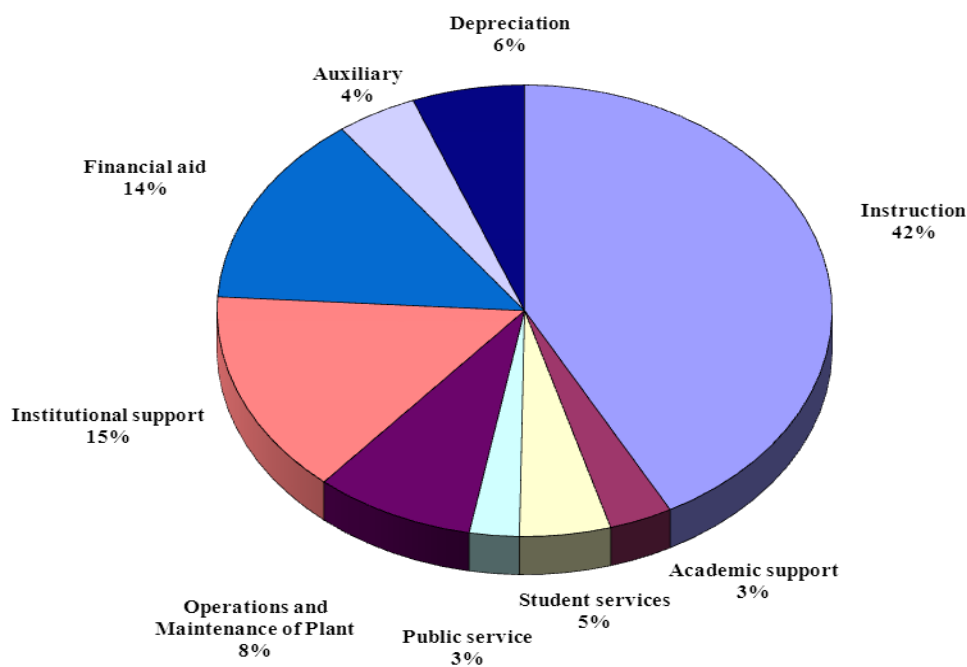
Revenue by Source



Operating Expenses
For the Years Ended June 30,

	2011	2010	Increase (Decrease)
Operating expense			
Instruction	\$23,803,304	\$20,868,517	\$2,934,787
Academic support	1,878,169	1,872,389	5,780
Student services	2,702,096	2,476,721	225,375
Public service	1,480,067	1,756,675	(276,608)
Operations and maintenance of plant	4,749,997	4,360,470	389,527
Institutional support	8,287,629	8,939,534	(651,905)
Financial aid	7,845,391	8,022,025	(176,634)
Auxiliary	2,383,574	2,264,955	118,619
Depreciation	3,337,321	2,862,354	474,967
Total	\$56,467,548	\$53,423,640	\$3,043,908

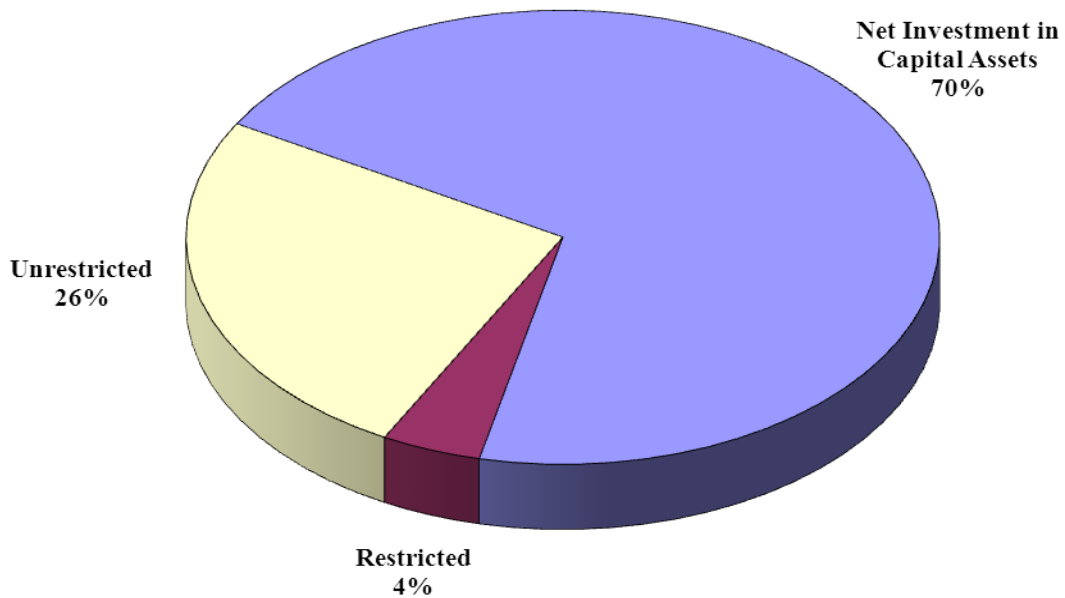
Operating Expenses



Analysis of Net Assets
June 30,

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Net Assets			
Net Investment in Capital Assets	\$ 43,215,947	\$ 39,003,748	\$ 4,212,199
Restricted	2,633,247	3,245,848	(612,601)
Unrestricted	<u>15,688,315</u>	<u>16,420,376</u>	<u>(732,061)</u>
Total	<u>\$ 61,537,509</u>	<u>\$ 58,669,972</u>	<u>\$ 2,867,537</u>

Analysis of Net Assets



	Capital Assets, Net June 30,		Increase
	2011	2010	(Decrease)
Capital Assets			
Land	\$ 497,214	\$ 497,214	\$ -
Building	77,060,578	54,181,565	22,879,013
Equipment	8,366,668	8,400,027	(33,359)
Construction in progress	2,005,520	20,517,944	(18,512,424)
Total	87,929,980	83,596,750	4,333,230
Less Accumulated Depreciation	<u>(31,859,033)</u>	<u>(29,113,002)</u>	<u>(2,746,031)</u>
Net Capital Assets	<u>\$ 56,070,947</u>	<u>\$ 54,483,748</u>	<u>\$ 1,587,199</u>

As of June 30, 2011, the College had recorded \$87.9 million invested in capital assets, \$31.8 million in accumulated depreciation and \$56.1 million in net capital assets. Net capital asset additions and deletions totaled \$4.3 million and net depreciation expense totaled \$2.7 million resulting in a net capital asset increase of \$1.6 million, \$.2 million of which was due to capital contributions.

The College issued \$9.1 million in Bonds to finance the energy savings project and technology update. The entire \$9.1 million is still outstanding at June 30, 2011. During the year, the College paid \$2.8 million in principal on Alternate Revenue Bonds issued in fiscal year 2007 and Funding Bonds and PHS Bonds that were issued in fiscal year 2008. The balance of the 2008 Funding Bonds is \$.45 million, the balance on the 2007 Alternative Revenue Bonds is \$1.97 million and the balance of the PHS Bond is \$1.8 million at June 30, 2011. The payment schedule for the balance of the remaining bond issues is provided in the notes to the financial statements.

The College began the construction on the energy savings program with construction of the West Building addition during September 2007, remodeled the Field House the summer of 2008 and began the remodel of the North West Building in May 2009 and the Virgil Judge Resource Center in 2010.

Any project that reduces the reliance on fossil fuels, reduces the damage to our natural resources, and decreases our carbon footprint is important in itself. What makes these projects unique is its pure holistic approach using innovative technology and design. Energy reduction, education and energy generation are interdependent parts necessary to achieve carbon neutrality.

Energy reduction begins at the room level with upgraded lighting using T8 florescent bulbs, LED, automated control systems and daylight harvesting. The most innovative and energy reducing system is a geothermal diversification design using a 12" single loop outside the campus building ring, allowing for load diversification. This unique design allows for nearly a 100 percent reduction in natural gas and a 25 to 30 percent reduction in electricity. Two of nine campus buildings have been renovated using these energy reducing techniques. As a result, energy reduction in the College's Field House is 44 percent less while the Northwest classroom building is experiencing a 30 percent savings. This investment in renewable energy has been instrumental in job creation while highlighting best practices on many levels.

For additional energy reduction the College's IT staff have worked directly with manufacturers to replace 2,000 desktop computers with a new and innovative thin client technology device to minimize electric loads for computing by 50 percent. This technology has been proven in one computer lab and will be implemented campus-wide. The final phase of reducing energy is through education for modifying behavior. Today, people want to save energy and only need to know how to participate in energy conservation. Part two of our holistic approach is to generate electricity with appropriate wind turbines and solar cells to generate enough electricity to meet the newly reduced demand.

A critical component of achieving carbon neutrality is to generate electricity using renewable sources such as the wind and sun. Diversified renewable energy sources will play an increasingly important roll in meeting this need. Wind studies show that the Lake Land College campus can generate enough electricity to meet demand part of the time with onsite 100 kW and 250 kW wind turbines. A total of four wind turbines have been sited for our 300 plus acre campus.

Solar energy can be converted into electricity through photovoltaic methods. Recent efficiency performances of solar cells are making it a viable source of energy generation and it is totally non-polluting. By placing solar panels on the roof of classroom buildings, energy generation will be located close to the demand closing the gap to carbon neutrality.

Lake Land has a vision to become carbon neutral through a variety of systems designed to reduce electrical demand while generating electricity through renewable sources. This holistic approach will create something unique in Illinois that can be a model for the nation. With our proven systems of a unique geothermal design, lighting upgrades, thin client technology and behavioral education, it is estimated that a 40 percent reduction in current electrical demand is achievable while generating 3 million kWhs of electricity through renewable energy generation. Lake Land College, as a public higher education institution, is not eligible for tax incentives and must rely on grants to accomplish our vision. For more information on these projects see note 6 for details.

THE COLLEGE'S ECONOMIC OUTLOOK

Through prudent financial decisions made during the past two decades by the Board of Trustees, Lake Land College enters the 2012 fiscal year in a solid position. While colleges throughout the state are facing dire financial conditions due to decreased and lethargic state funding, the Board's decision to raise tuition by \$3.00 per credit hour and increase fees by \$1.00 per credit hour, Lake Land College is operating with a balanced budget. In addition, nearly 40 percent of the district's graduating high school class chose Lake Land College as their choice for higher education.

While the college is conservatively meeting current financial needs, private, state and federal grants are providing growth opportunities. We are currently in the second year of a \$2.5 million, three-year, U.S. Department of Labor Community Based Job Training Grant. This grant is assisting the college in developing the educational component of its ***Envision. Educate. Engage for a sustainable future initiative***. The College was also once again awarded a five year TRIO grant which will assist in developing and educating first generation and low-income college students. Grant funds will be used to purchase equipment, develop training programs for jobs of the future, provide finances for personnel and assist dislocated workers.

CONTACTING FINANCIAL MANAGEMENT

This final report is designed to provide our customers with a general overview of Lake Land College's finances and to show Lake Land College's accountability for the revenue it receives. If you have questions about this report or need additional information, contact Raymond E. Rieck at 5001 Lake Land Blvd, Mattoon, IL 61938 (217)234-5223.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS

Current assets:	
Cash	\$ 2,326,569
Investments	12,207,056
Receivables:	
Property taxes	10,781,906
Governmental claims	7,010,103
Other receivables	2,355,458
Due from component unit	235,561
Inventories	148,877
Deferred expenditures	445,396
Restricted investments	<u>2,183,669</u>
Total current assets	37,694,595
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>56,070,947</u>
Total assets	<u><u>\$ 93,765,542</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 2,542,581
Accrued salaries	1,423,536
Accrued interest payable	34,216
Current portion of planned retirement payable	191,928
Deferred revenue	13,683,680
Deposits held for others	136,389
Current portion of long-term obligations	<u>3,005,000</u>
Total current liabilities	<u>21,017,330</u>
Noncurrent liabilities:	
Accrued compensated absences	365,343
Planned retirement payable	545,360
Bonds payable	<u>10,300,000</u>
Total noncurrent liabilities	<u>11,210,703</u>
Total liabilities	<u>32,228,033</u>
Net assets:	
Invested in capital assets, net of related debt	43,215,947
Restricted for:	
Capital projects	2,183,669
Grant purposes	248,302
Tort immunity purposes	77,992
Debt service	123,284
Unrestricted net assets	<u>15,688,315</u>
Total net assets	<u>61,537,509</u>
Total liabilities and net assets	<u><u>\$ 93,765,542</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30, 2011

Revenues:	
Operating revenue:	
Student tuition and fees, net of scholarship allowances of \$3,459,222	\$ 10,523,887
Chargeback revenue	8,755
Auxiliary enterprises revenue	945,708
Department of Corrections instructional	2,873,649
Other operating revenue	<u>1,599,938</u>
Total operating revenue	<u>15,951,937</u>
Expenses:	
Operating expenses:	
Instruction	23,803,304
Academic support	1,878,169
Student services	2,702,096
Public service	1,480,067
Operations and maintenance of plant	4,749,997
Institutional support	8,287,629
Financial aid	7,845,391
Auxiliary enterprises	2,383,574
Depreciation	<u>3,337,321</u>
Total operating expenses	<u>56,467,548</u>
Operating income (loss)	<u>(40,515,611)</u>
Non-operating revenues (expenses):	
State grants and contracts	18,616,565
Property taxes	11,463,967
Personal property replacement tax	315,974
Federal grants and contracts	11,471,519
Local grants and contracts	1,054,612
Interest expense	(177,309)
Investment income earned	<u>404,635</u>
Non-operating revenues, net	<u>43,149,963</u>
Income before capital contributions	2,634,352
Federal capital grants	<u>233,185</u>
Increase in net assets	2,867,537
Net assets, beginning of year	<u>58,669,972</u>
Net assets, end of year	<u><u>\$ 61,537,509</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF CASH FLOWS

Year Ended June 30, 2011

Cash flows from operating activities:	
Tuition and fees	\$ 10,661,783
Payments to suppliers	(23,323,435)
Payments to employees	(25,380,739)
Department of Corrections instructional	2,457,592
Auxiliary enterprise charges	934,985
Other	<u>1,390,135</u>
Net cash (used) by operating activities	<u>(33,259,679)</u>
Cash flows from noncapital financing activities:	
Local property taxes	10,809,207
State appropriations	12,428,892
Grants and contracts	12,276,280
Principal paid on noncapital debt	(650,000)
Interest paid on noncapital debt	(51,275)
Agency receipts	549,852
Agency payments	<u>(521,911)</u>
Net cash provided by noncapital financing activities	<u>34,841,045</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(4,934,791)
Principal paid on capital debt and leases	(2,625,000)
Interest paid on capital debt and leases	(126,179)
Federal capital grant	<u>233,185</u>
Net cash (used) by capital and related financing activities	<u>(7,452,785)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	32,071,372
Interest on investments	404,635
Purchase of investments	<u>(25,621,408)</u>
Net cash provided by investing activities	<u>6,854,599</u>
Net increase in cash	983,180
Cash, beginning of year	<u>1,343,389</u>
Cash, end of year	<u>\$ 2,326,569</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517
STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2011

Reconciliation of operating loss to net
cash used by operating activities:

Operating loss	\$ (40,515,611)
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Adjustments to reconcile operating loss to net cash
used by operating activities:

Depreciation expense	3,337,321
State on-behalf payments for fringe benefits	4,559,924
Loss on disposal of capital assets	10,271
Change in assets and liabilities:	
(Increase) in receivables	(612,358)
(Increase) in inventories and other assets	(11,872)
(Decrease) in accounts payable	(492,295)
(Decrease) in accrued salaries and compensated absences	(67,315)
Increase in planned retirement payable	437,611
Increase in deferred revenue	94,645
	94,645

Net cash (used) by operating activities	\$ <u><u>(33,259,679)</u></u>
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Noncash investing, capital and financial:

Change in fair value of investments	\$ <u><u>203,336</u></u>
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The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2011

<u>ASSETS</u>	<u>2011</u>
Cash and cash equivalents	\$ 249,857
Investments	4,611,495
Accounts receivable	169
Beneficial interest in charitable remainder annuity trust	87,000
Works of art	18,248
Property and equipment, net	<u>742,013</u>
Total assets	<u>\$ 5,708,782</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts payable	\$ 3,874
Due to Lake Land College	235,561
Agency funds	72,564
Annuity payable	<u>23,000</u>
Total liabilities	<u>334,999</u>
Net assets:	
Unrestricted	1,553,370
Temporarily restricted	1,733,185
Permanently restricted	<u>2,087,228</u>
Total net assets	<u>5,373,783</u>
Total liabilities and net assets	<u>\$ 5,708,782</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and reclassifications:				
Contributions	\$ 233,606	\$ 339,530	\$ 46,742	\$ 619,878
Special events	32,404	170	-	32,574
Rental income	36,600	-	-	36,600
Investment income, net of fees	8,754	70,481	-	79,235
Realized gains	9,750	43,050	-	52,800
Unrealized gains	163,759	402,137	2,100	567,996
Change in actuarial value of split interest agreements	-	14,000	819	14,819
Net assets released from restrictions	315,209	(279,391)	(35,818)	-
	<u>800,082</u>	<u>589,977</u>	<u>13,843</u>	<u>1,403,902</u>
Total revenues, gains, and reclassifications				
Expenses				
Program services	423,961	-	-	423,961
Management and general	192,863	-	-	192,863
Fundraising	41,566	-	-	41,566
	<u>658,390</u>	<u>-</u>	<u>-</u>	<u>658,390</u>
Total expenses				
Change in net assets	141,692	589,977	13,843	745,512
Net assets, beginning of year	<u>1,411,678</u>	<u>1,143,208</u>	<u>2,073,385</u>	<u>4,628,271</u>
Net assets, end of year	<u>\$ 1,553,370</u>	<u>\$ 1,733,185</u>	<u>\$ 2,087,228</u>	<u>\$ 5,373,783</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Land College, Community College District #517 (College), established in 1966 under the Illinois Public Community College Act, provides baccalaureate, vocational, and continuing education courses to all or part of a 15 county area located in East Central Illinois. The main campus is located at the intersection of I-57 and U.S. Route 45, south of Mattoon, with a permanent extension center, the Kluthe Center for Higher Education and Technology, in Effingham. The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

Reporting Entity

In accordance with Government Accounting Standards Board (GASB) Statements 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the accompanying financial statements present the statement of net assets, the statement of revenues, expenses and changes in net assets, and the statement of cash flows of the College.

In addition, the accompanying financial statements include the accounts of Lake Land College Foundation, Inc. (Foundation), defined as a component unit of the College under GASB Statements 14, *The Financial Reporting Entity* and 39, *Determining Whether Certain Organizations are Component Units*. The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the College. The 18-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. The economic resources held by the Foundation are entirely for the benefit of the College, its students, and its programs. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is FASB Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-For-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures (See Component Unit Note within Note 1) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

During the year ended June 30, 2011, the Foundation provided \$380,467 in scholarships and other support to the College and its students. Financial statements for the Foundation can be obtained by calling the Foundation Office at (217) 234-5354.

Basis of Presentation

As a public institution, the College is considered a special-purpose government under the provisions of GASB 35. The College records revenue in part from tuition, fees, and other charges for services to external users, and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows for all financial information of the College to be reported in a single column in each of the financial statements, accompanied by separate financial statements for its component unit. All significant internal activity between funds has been eliminated from these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues from exchange transactions are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Intergovernmental revenues, such as federal, state and local grants, and state shared revenues generally meet the definition of non-exchange transactions. Revenue from these sources is recognized when all applicable eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis. Receivables are reported for those amounts for which revenue has been recognized but the related payments have not been received.

Property tax revenues are reported in accordance with National Council on Governmental Accounting (NCGA) Interpretation 3, *Revenue Recognition - Property Taxes*, GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Interpretation No. 5, *Property Tax Revenue Recognition in Governmental Funds*. Consequently, under the accrual basis of accounting, property tax revenue is recognized in the period for which the taxes are levied. Property tax receivables are reported when the College has an enforceable legal claim to the taxes, which is considered to be the lien date.

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges. The GASB is the accepted standard setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The College reports are based on all applicable FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentations. The following is a summary of the more significant policies.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes deposits held at banks and small amounts of cash on hand. For purposes of the statement of cash flows, the College considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents, except for money market funds which management considers to be investments.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are reported at fair value, with unrealized gains or losses included in investment income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The net fair value adjustment for the year ended June 30, 2011, was an increase of \$203,336.

Receivables

Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in Illinois. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Receivables are recorded net of estimated uncollectible amounts.

Inventories

Inventories consist of items held for resale in the bookstore and printing supplies utilized in the print shop. Inventories are recorded at cost as determined under the first-in, first-out method.

Capital Assets

All College activities are accounted for on a total economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Assets. The College's operating statement presents increases (revenues) and decreases (expenses) in net total assets. Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations.

Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. The College defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Building improvements	8 - 20 years
Land improvements	15 years
Vehicles	5 years
Equipment	8 years
Technology	4 years

Depreciation expense for fiscal year 2011 is \$3,337,321.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Library Books and Textbooks

Library books and textbooks rented to students are charged to expense accounts when purchased.

Deferred Revenue

Deferred revenue includes: (1) tax levies accrued that are levied for future fiscal years, (2) tuition, Pell grant, and fee revenues collected during the fiscal year which relate to the period after June 30, 2011, and (3) amounts received from grant and contract sponsors for which eligibility requirements have not been met.

Compensated Absences

The College records a liability for employees' vacation leave earned but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. At June 30, 2011, the College recorded a liability of \$365,343. The College considers the entire liability to be long term based on a review of employee usage.

Accumulated sick leave is not paid when an employee terminates employment; therefore, an accrual has not been made. Employees that retire are granted credit for unused sick leave towards years of service in the State Universities Retirement System pension plan.

Net Assets

The College's net assets are classified as follows:

Invested in capital assets, net of related debt -- Represents the College's total investment in capital assets, net of accumulated depreciation, and net of related debt.

Restricted net assets -- This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted net assets -- This includes resources derived from student tuition and fees, state appropriations, and sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

Classification of Revenues

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, and (2) sales and services of auxiliary enterprises, net of discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state and local grants and contracts, and (4) gifts and contributions.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On-Behalf Payments for Fringe Benefits

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College has reported on-behalf payments made by the State of Illinois to the State Universities' Retirement System of Illinois (SURS) of \$4,559,924 for retirement costs for the year ended June 30, 2011. These costs are reflected as nonoperating revenues and operating expenses with the expenses allocated to each educational and general program.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Property Taxes

The 2010 property tax extension has been deferred to comply with the Government Accounting Standards Board Statement 33 since it was levied to finance activities of the 2011/2012 school year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

The College must file its tax levy ordinance by the last Tuesday in December of each year. The College's property tax is levied each year on all taxable real property located within the District. These taxes attach an enforceable lien on real property as of January 1 and are payable in two installments; due dates vary by county. The College receives significant distributions of property tax receipts from July through November.

Federal Financial Assistance Programs

The College participates in federally funded PELL Grants, SEOG Grants, Federal Work-Study, Academic Competitive Grants and Federal Family Education Loan Programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the *Compliance Supplement*.

Budgets

Budgeted amounts used for comparison in this report are obtained from the operating budget approved by the Board of Trustees. No amendments were made by the Board of Trustees for these budgets. The Board of Trustees adopts the budget at the fund level for all governmental funds. The Board of Trustees does not adopt a budget for the Working Cash Fund and the Trust and Agency Fund.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (continued)

The College's Board of Trustees must adopt a budget for each fiscal year within or before the first quarter of each fiscal year. A tentative budget must be available for public inspection at least 30 days prior to final adoption, and at least one public hearing must be held on the tentative budget.

The Board may, from time to time, make transfers between the various items in any fund not exceeding, in the aggregate, 10% of the total of such fund as set forth in the budget. Budgetary transfers that exceed this limit must follow the procedures for the adoption of the original budget.

Component Unit

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets -- Net assets not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets -- Net assets subject to donor-imposed restrictions that will be met by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets -- Net assets subject to donor-imposed restrictions that they may be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give as applicable, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of donated noncash assets are recorded at their fair values in the period received.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net asset class as determined by donor stipulation and in accordance with the law.

Investments are reported at fair value.

2 DEPOSITS AND INVESTMENTS

Deposits

Separate bank accounts are not maintained for all College funds; instead, the uninvested cash balances of certain funds are maintained in a common checking account. Separate bank accounts are not required to be maintained for all College funds. The College's accounting records are maintained to show the portion of the common bank account attributable to each participating fund. At various times throughout the year, expenditures will exceed the cash available within a particular fund, therefore the College follows the practice of making temporary interfund loans.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (continued)

As of June 30, 2011, the carrying balance of the College's cash deposits was \$2,326,569 which includes \$1,690 of cash on hand, and the bank balances totaled \$2,852,950, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name.

Investments

Statutes authorize the College to invest in obligations of the U.S. Treasury, direct obligations of any bank as defined by the Illinois Banking Act, short term obligations of corporations subject to certain qualifications, money market mutual funds registered under the Investment Company Act of 1940 subject to certain restrictions and the Illinois Funds Money Market Fund. Furthermore, investments may be made in banks, savings and loan associations and credit unions covered by depository insurance. The College's investment policy authorizes the same investments as authorized by law and further limits the amount invested within each category (See Concentration of Credit Risk disclosure below).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. At June 30, 2011, all investments, other than the money market funds, were in U.S. agencies or government sponsored corporation securities, which are either explicitly or implicitly guaranteed by the U.S. Government, and are not subject to credit risk.

At June 30, 2011, the Illinois Funds Prime Fund has a Standard and Poor's AAAM rating. This pool is audited annually by an outside independent auditor, and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. The Federated Government Ultrashort Fund had a Moody's rating of Aaa at June 30, 2011.

The College also had investments in the following AAAM rated government money market funds at June 30, 2011: Northern Institutional Government Select Fund, Fifth Third Government Money Market Fund, Fifth Third Institutional Government Money Market Fund, and G.S. Money Market Fund Class B. The Wells Fargo Bank Deposit Account is unrated.

Custodial Credit Risk

Custodial credit risk is the risk that when, in the event a financial institution or counterparty fails, the College would not be able to recover value of deposits, investments or collateral securities that are in possession of an outside party. One hundred percent of the College's investments are held by a custodian in the College's name and are not subject to creditors of the custodial bank.

The College's investments in the Illinois Funds and money market funds are not subject to detailed disclosure because the College owns shares of each investment fund and not the physical securities.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

2 DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

Concentration of Credit Risk

The College's investment policy limits investments in collateralized repurchase agreements and commercial paper to 33% of the total investments; investments in banks are limited to 90% of the total investments; and 100% of total investments can be invested in U.S. Government securities and money market mutual funds registered under the Investment Company Act of 1940. The College's investments, including those restricted, by category at June 30, 2011, were as follows:

Investment	Fair Value	%
Federal Home Loan Bank Bonds	\$ 499,820	3.47
Federal National Mortgage Association Bonds	3,887,672	27.02
Federal Home Loan Mortgage Corporation Bonds	4,205,551	29.22
Governmental National Mortgage Association Bonds	676,236	4.70
Illinois Funds Prime Fund	196,405	1.36
Federated Ultrashort Govt Fund #969	143,303	1.00
Northern Institutional Govt Select Fund	2,183,669	15.17
Wells Fargo Bank Deposit Account	2,165,797	15.05
Fifth Third Institutional Govt Money Market Fund	432,266	3.01
G.S. Money Market Fund Class B	6	-
Total	<u>\$ 14,390,725</u>	<u>100.00</u>

Interest Rate Risk

The College's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average maturity method is presented below to display the interest rate risk of the College's investments.

Investment	Fair Value	Weighted Average Maturity
Federal Home Loan Bank Bonds	\$ 499,820	1.4 years
Federal National Mortgage Association Bonds	3,887,672	2.2 years
Federal Home Loan Mortgage Corporation Bonds	4,205,551	2.0 years
Governmental National Mortgage Association Bonds	676,236	2.5 years
Illinois Funds Prime Fund	196,405	on demand
Federated Ultrashort Govt Fund #969	143,303	on demand
Northern Institutional Govt Select Fund	2,183,669	on demand
Wells Fargo Bank Deposit Account	2,165,797	on demand
Fifth Third Institutional Govt Money Market Fund	432,266	on demand
G.S. Money Market Fund Class B	6	on demand
Total	<u>\$ 14,390,725</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUE

Property taxes receivable and the related allowance for uncollected taxes were computed as follows for the year ended June 30, 2011

2010 Equalized assessed valuation	<u>\$ 2,381,770,634</u>		
	<u>2010 Taxes Extended</u>	<u>2010 Taxes Collected</u>	<u>Property Taxes Receivable*</u>
General Fund:			
Education Fund	\$ 5,421,385	\$ (569,720)	\$ 4,851,665
Operations, Building and Maintenance Fund	<u>639,895</u>	<u>(67,245)</u>	<u>572,650</u>
Total general funds	<u>6,061,280</u>	<u>(636,965)</u>	<u>5,424,315</u>
Special Revenue Fund:			
Audit Fund	59,067	(6,207)	52,860
Liability, Protection and Settlement Fund	<u>1,575,125</u>	<u>(165,526)</u>	<u>1,409,599</u>
Total special revenue funds	<u>1,634,192</u>	<u>(171,733)</u>	<u>1,462,459</u>
Bond and Interest Fund	<u>3,121,961</u>	<u>(328,079)</u>	<u>2,793,882</u>
Capital Projects Fund:			
Operations, Building and Maintenance Fund (Restricted)	<u>1,230,567</u>	<u>(129,317)</u>	<u>1,101,250</u>
Total	<u>\$ 12,048,000</u>	<u>\$ (1,266,094)</u>	<u>\$ 10,781,906</u>

* Based on review of prior year property tax receipts, management believes that property taxes receivable will be fully collectible for the fiscal year ended June 30, 2011. Property taxes receivable and the related collections on the 2010 tax levy are recorded as deferred revenue at June 30, 2011.

4 RESTRICTED INVESTMENTS

The College has entered into trust agreements with the Capital Development Board (CDB) to fund various construction projects. These funds have been invested and can only be released with the approval of CDB. See the Construction in Progress note for more information on these trust accounts.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

5 CAPITAL ASSETS

A summary of changes in capital asset categories follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated				
Land	\$ 497,214	\$ -	\$ -	\$ 497,214
Construction in progress	20,517,944	4,256,790	(22,769,214)	2,005,520
Total capital assets not being depreciated	<u>21,015,158</u>	<u>4,256,790</u>	<u>(22,769,214)</u>	<u>2,502,734</u>
Other capital assets being depreciated				
Buildings	54,181,565	22,879,013	-	77,060,578
Equipment	8,400,027	568,202	(601,561)	8,366,668
Total capital assets being depreciated	<u>62,581,592</u>	<u>23,447,215</u>	<u>(601,561)</u>	<u>85,427,246</u>
Less accumulated depreciation for:				
Buildings	22,853,948	2,329,059	-	25,183,007
Equipment	6,259,054	1,008,262	(591,290)	6,676,026
Total accumulated depreciation	<u>29,113,002</u>	<u>3,337,321</u>	<u>(591,290)</u>	<u>31,859,033</u>
Total capital assets being depreciated, net	<u>33,468,590</u>	<u>20,109,894</u>	<u>(10,271)</u>	<u>53,568,213</u>
Capital assets, net	<u>\$ 54,483,748</u>	<u>\$ 24,366,684</u>	<u>\$ (22,779,485)</u>	<u>\$ 56,070,947</u>

6 CONSTRUCTION IN PROGRESS

The College has the following construction projects in progress at June 30, 2011:

	Project Estimate	Expended to June 30, 2011	Committed
PHS projects			
North East - Energy Savings Renovation	\$ 5,500,000	\$ 70,295	\$ 5,429,705
Kluthe Bldg Automation System Upgrade	49,800	38,255	11,545
Geothermal Well Field	530,400	307,841	222,559
Webb Hall Health and Safety Renovation	554,290	237,964	316,326
Wind Turbine	100,000	56,783	43,217
Total PHS projects	<u>6,734,490</u>	<u>711,138</u>	<u>6,023,352</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

6 CONSTRUCTION IN PROGRESS (Continued)

PHS capital bond projects			
Geothermal	\$ 86,282	\$ 47,219	\$ 39,063
Wind Turbine	208,810	189,441	19,369
Wind Sites	<u>81,510</u>	<u>36,977</u>	<u>44,533</u>
Total PHS capital bond projects	<u>376,602</u>	<u>273,637</u>	<u>102,965</u>
DCEO grant projects			
ARRA-Wind	500,000	45,362	454,638
ARRA-Wells	<u>288,000</u>	<u>166,947</u>	<u>121,053</u>
Total DCEO grant projects	<u>788,000</u>	<u>212,309</u>	<u>575,691</u>
CDB projects			
Student Center	<u>12,179,100</u>	<u>808,436</u>	<u>11,370,664</u>
Total CDB projects	<u>12,179,100</u>	<u>808,436</u>	<u>11,370,664</u>
Total construction in progress	<u>\$ 20,078,192</u>	<u>\$ 2,005,520</u>	<u>\$ 18,072,672</u>

Construction in progress additions include capitalized interest expense of \$298,802. The Protection Health Safety (PHS) projects are funded through a tax levy (protection health safety) that cannot exceed .05 percent per year.

A new Student Center is being added to the Administration Building. Under a trust agreement that is a prerequisite in obtaining the award from the Capital Development Board (CDB), the College has contributed funds into a government money market account to fund a portion of the local share of the building project. The balance of this account is \$1,813,605 at June 30, 2011.

7 CHANGES IN LONG-TERM LIABILITIES

Analysis of changes in long-term liabilities:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Notes payable	\$ 500,000	\$ -	\$ 500,000	\$ -
General obligation debt	16,080,000	-	2,775,000	13,305,000
Planned retirement payable	299,677	437,611	-	737,288
Accrued compensated absences	<u>374,334</u>	<u>-</u>	<u>8,991</u>	<u>365,343</u>
Total	<u>\$ 17,254,011</u>	<u>\$ 437,611</u>	<u>\$ 3,283,991</u>	<u>\$ 14,407,631</u>

\$3,005,000 of the general obligation debt and \$191,928 of the planned retirement payable are due within one year. The remaining amounts are long-term and are due in greater than one year.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

8 LONG-TERM DEBT

Long-term debt consists of the following at June 30, 2011:

PHS bonds, payable in an annual principal installments ranging from \$550,000 to \$1,250,000, and semi-annual interest payments at an average rate of 4.23%, due December 1, 2012.	\$ 1,800,000
Working cash bonds, payable in an annual principal installment of \$450,000, and semi-annual interest payments at an average rate of 6.32%, due December 1, 2011.	450,000
Alternative revenue bonds, payable in annual principal installments ranging from \$80,000 to \$170,000, and semi-annual interest payments at an average rate of 4.36%, due December 1, 2026.	1,970,000
Series 2010 bonds, payable in annual principal installments ranging from \$1,225,000 to \$3,000,000, and annual interest payments at an average rate of 2.18%, due June 30, 2015.	9,085,000
	\$ 13,305,000

Total interest expense for the year ended June 30, 2011, was \$476,111, with capitalized interest representing \$298,802 of this amount, and \$177,309 recognized as interest expense in the Statement of Revenues, Expenses and Changes in Net Assets.

At June 30, 2011, the annual cash flow requirements of principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 3,005,000	\$ 333,631	\$ 3,338,631
2013	3,190,000	237,005	3,427,005
2014	3,090,000	164,055	3,254,055
2015	2,405,000	99,431	2,504,431
2016	105,000	64,599	169,599
2017-2021	600,000	243,286	843,286
2022-2026	740,000	111,246	851,246
2027	170,000	3,443	173,443
	\$ 13,305,000	\$ 1,256,696	\$ 14,561,696

9 LITIGATION

As of June 30, 2011, the College is a defendant in various lawsuits. The College's attorney states no opinion as to the outcome of these cases or the potential for loss. The attorney also states that the College intends to vigorously defend these lawsuits. Management believes that the liability insurance of the College is sufficient to cover the asserted claims.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

10 PENSION PLAN

Plan Description

Lake Land College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website, www.surs.org, or by calling 1-800-275-7877.

Funding Policy

Plan members are required to contribute 8.0% (police officers, 9.5%) of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 2012) is 24.21% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ending June 30, 2011, 2010, and 2009 were \$4,559,924, \$3,997,798 and \$2,412,843, respectively, equal to the required contributions for each year.

11 POST EMPLOYMENT BENEFITS

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans.

Health, dental and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

11 POST EMPLOYMENT BENEFITS (Continued)

The State pays the College's portion of employer costs for the benefits provided. The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services, may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

12 RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the government carries commercial insurance.

In 2001, the College joined the Community College Insurance Cooperative (CCIC), a public entity risk pool currently operating as a common risk management and insurance program for independent organizations (eight at June 30, 2011). The College pays an annual premium to CCIC for its medical insurance coverage under a retrospectively rated policy (the initial premium is adjusted based on actual experience of the group during the period of coverage). The Agreement for Formation of the CCIC provides that CCIC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$200,000 for each insured individual.

The College continues to carry commercial insurance for all other risks of loss, including general liability, property and workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

13 PLANNED RETIREMENT

To enhance long-range planning, College employees are encouraged to submit resignations up to four years in advance of their retirement date. Upon acceptance of the resignation by the Board of Trustees, qualified employees will receive a guaranteed 6% raise on their contractual base salary for each of the last four years of service. In addition, a years-of-service incentive will be paid on the first payroll following sixty calendar days after the retirement date. The incentive is based on a formula which includes total years of service. The College records a liability for all qualified employees who have had their resignations accepted by the Board of Trustees. At June 30, 2011, the balance of the planned retirement liability was \$737,288.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2011

14 LEASE COMMITMENTS

In December 2009, the College entered into a lease agreement for its Western Center in Pana, Illinois. Rent expense for the year ended June 30, 2011 was \$9,000. This lease expires on June 30, 2013, and requires monthly rental payments of \$750.

Future minimum lease payments under this lease for the years ended June 30 are as follows:

2012	\$	9,000
2013		<u>9,000</u>
	\$	<u><u>18,000</u></u>

In July 2006, the College entered into a lease agreement for office space for its Alternative Education program in Shelbyville, Illinois. Rent expense for the year ended June 30, 2011, was \$3,683. This lease expired June 30, 2011 and was not renewed.

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517
SCHEDULES OF MANAGEMENT INFORMATION
Year Ended June 30, 2011

The following schedules are maintained for management information purposes to comply with Illinois Community College Board regulations.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2011

ASSETS	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	Auxiliary Enterprise Fund	Expendable Trust Funds	Nonexpendable Trust Funds	General Fixed Assets	General Long-Term Debt	
Cash	\$ 1,011,887	\$ 78,737	\$ 33,278	\$ 39,782	\$ 890,195	\$ 38,496	\$ 234,194	\$ -	\$ -	\$ 2,326,569
Investments	647,230	-	6	-	-	-	11,559,820	-	-	12,207,056
Accounts receivable:										
Property taxes	5,424,315	1,462,459	2,793,882	1,101,250	-	-	-	-	-	10,781,906
Governmental claims	3,723,646	3,286,457	-	-	-	-	-	-	-	7,010,103
Other receivables	1,302,902	991,508	-	-	60,758	290	-	-	-	2,355,458
Due from other funds	5,212,122	104,492	418,079	-	200,000	100,000	3,000,000	-	-	9,034,693
Due from component unit	235,561	-	-	-	-	-	-	-	-	235,561
Inventories	-	-	-	-	148,877	-	-	-	-	148,877
Deferred expenditures	257,894	187,502	-	-	-	-	-	-	-	445,396
Restricted investments	-	-	-	2,183,669	-	-	-	-	-	2,183,669
Fixed assets, net	-	-	-	-	76,677	-	-	86,835,505	-	86,912,182
Amount available from										
Bond and Interest Fund	-	-	-	-	-	-	-	-	33,284	33,284
Amount to be provided for										
debt retirement	-	-	-	-	-	-	-	-	13,271,716	13,271,716
Total assets	<u>\$ 17,815,557</u>	<u>\$ 6,111,155</u>	<u>\$ 3,245,245</u>	<u>\$ 3,324,701</u>	<u>\$ 1,376,507</u>	<u>\$ 138,786</u>	<u>\$ 14,794,014</u>	<u>\$ 86,835,505</u>	<u>\$ 13,305,000</u>	<u>\$ 146,946,470</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 1,438,303	\$ 320,539	\$ -	\$ 745,711	\$ 35,631	\$ 2,397	\$ -	\$ -	\$ -	\$ 2,542,581
Accrued salaries	1,335,508	88,028	-	-	-	-	-	-	-	1,423,536
Accrued compensated absences	323,658	24,738	-	-	16,947	-	-	-	-	365,343
Planned retirement payable	737,288	-	-	-	-	-	-	-	-	737,288
Deferred revenue	7,617,812	1,704,805	3,121,961	1,239,102	-	-	-	-	-	13,683,680
Due to other funds	-	3,664,010	-	5,370,683	-	-	-	-	-	9,034,693
Bonds payable	-	-	-	-	-	-	-	-	13,305,000	13,305,000
Deposits held for others	-	-	-	-	-	136,389	-	-	-	136,389
Total liabilities	<u>11,452,569</u>	<u>5,802,120</u>	<u>3,121,961</u>	<u>7,355,496</u>	<u>52,578</u>	<u>138,786</u>	<u>-</u>	<u>-</u>	<u>13,305,000</u>	<u>41,228,510</u>
Fund balances:										
Investment in general fixed assets	-	-	-	-	-	-	-	86,835,505	-	86,835,505
Retained earnings	-	-	-	-	1,323,929	-	-	-	-	1,323,929
Reserved for construction projects	-	-	-	2,183,669	-	-	-	-	-	2,183,669
Unreserved:										
Designated	-	-	123,284	-	-	-	-	-	-	123,284
Undesignated	6,362,988	309,035	-	(6,214,464)	-	-	14,794,014	-	-	15,251,573
Total fund balances	<u>6,362,988</u>	<u>309,035</u>	<u>123,284</u>	<u>(4,030,795)</u>	<u>1,323,929</u>	<u>-</u>	<u>14,794,014</u>	<u>86,835,505</u>	<u>-</u>	<u>105,717,960</u>
Total liabilities and fund balances	<u>\$ 17,815,557</u>	<u>\$ 6,111,155</u>	<u>\$ 3,245,245</u>	<u>\$ 3,324,701</u>	<u>\$ 1,376,507</u>	<u>\$ 138,786</u>	<u>\$ 14,794,014</u>	<u>\$ 86,835,505</u>	<u>\$ 13,305,000</u>	<u>\$ 146,946,470</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
ALL BUDGETED GOVERNMENTAL FUND TYPES

Year Ended June 30, 2011

	General Fund		Variance Over (Under)	Special Revenue Fund		Variance Over (Under)	Bond and Interest Fund		Variance Over (Under)
	Budget	Actual		Budget	Actual		Budget	Actual	
Revenue:									
Local government	\$ 6,264,535	\$ 6,105,668	\$ (158,867)	\$ 1,894,675	\$ 2,099,490	\$ 204,815	\$ 2,871,100	\$ 2,884,217	\$ 13,117
State government	11,459,273	14,343,322	2,884,049	11,421,593	7,632,401	(3,789,192)	-	-	-
Federal government	14,296	11,320	(2,976)	10,983,474	11,693,384	709,910	-	-	-
Tuition and fees	12,707,103	13,983,109	1,276,006	-	-	-	-	-	-
Other sources	1,381,357	1,726,578	345,221	678,101	520,634	(157,467)	-	17	17
Total revenue	<u>31,826,564</u>	<u>36,169,997</u>	<u>4,343,433</u>	<u>24,977,843</u>	<u>21,945,909</u>	<u>(3,031,934)</u>	<u>2,871,100</u>	<u>2,884,234</u>	<u>13,134</u>
Expenditures:									
Instruction	14,982,528	17,597,926	2,615,398	7,867,076	6,649,776	(1,217,300)	-	-	-
Academic support	1,662,427	1,726,156	63,729	159,212	163,801	4,589	-	-	-
Student services	2,062,291	2,356,067	293,776	122,886	415,305	292,419	-	-	-
Public services/Continuing education	823,071	995,296	172,225	829,059	510,007	(319,052)	-	-	-
Operation and maintenance of plant	3,485,961	4,211,420	725,459	646,976	538,577	(108,399)	-	-	-
Institutional support	6,784,181	6,253,074	(531,107)	3,058,106	2,435,611	(622,495)	-	-	-
Scholarships/Grants/Waivers	227,000	539,799	312,799	12,214,806	10,764,814	(1,449,992)	-	-	-
Capital outlay	99,836	523,125	423,289	212,315	391,468	179,153	-	-	-
Principal retirement	500,000	500,000	-	-	-	-	2,775,000	2,775,000	-
Interest and fiscal charges	33,397	33,397	-	-	-	-	264,599	442,859	178,260
Total expenditures	<u>30,660,692</u>	<u>34,736,260</u>	<u>4,075,568</u>	<u>25,110,436</u>	<u>21,869,359</u>	<u>(3,241,077)</u>	<u>3,039,599</u>	<u>3,217,859</u>	<u>178,260</u>
Excess (deficiency) of revenue over expenditures	<u>1,165,872</u>	<u>1,433,737</u>	<u>267,865</u>	<u>(132,593)</u>	<u>76,550</u>	<u>209,143</u>	<u>(168,499)</u>	<u>(333,625)</u>	<u>(165,126)</u>
Other financing sources (uses):									
Transfer from other funds	-	-	-	-	-	-	168,499	194,168	25,669
Transfer to other funds	(1,165,872)	(1,402,672)	(236,800)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,165,872)</u>	<u>(1,402,672)</u>	<u>(236,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,499</u>	<u>194,168</u>	<u>25,669</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>31,065</u>	<u>\$ 31,065</u>	<u>\$ (132,593)</u>	<u>76,550</u>	<u>\$ 209,143</u>	<u>\$ -</u>	<u>(139,457)</u>	<u>\$ (139,457)</u>
Fund balances, July 1, 2010		<u>6,331,923</u>			<u>232,485</u>			<u>262,741</u>	
Fund balance, June 30, 2011		<u>\$ 6,362,988</u>			<u>\$ 309,035</u>			<u>\$ 123,284</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
ALL BUDGETED GOVERNMENTAL FUND TYPES (Continued)

Year Ended June 30, 2011

	Capital Projects Fund		Variance Over (Under)	Total (Memorandum Only)		Variance Over (Under)
	Budget	Actual		Budget	Actual	
Revenue:						
Local government	\$ 1,160,000	\$ 1,149,815	\$ (10,185)	\$ 12,190,310	\$ 12,239,190	\$ 48,880
State government	-	-	-	22,880,866	21,975,723	(905,143)
Federal government	-	-	-	10,997,770	11,704,704	706,934
Tuition and fees	-	-	-	12,707,103	13,983,109	1,276,006
Other sources	3,486,483	964	(3,485,519)	5,545,941	2,248,193	(3,297,748)
Total revenue	<u>4,646,483</u>	<u>1,150,779</u>	<u>(3,495,704)</u>	<u>64,321,990</u>	<u>62,150,919</u>	<u>(2,171,071)</u>
Expenditures:						
Instruction	-	-	-	22,849,604	24,247,702	1,398,098
Academic support	-	-	-	1,821,639	1,889,957	68,318
Student services	-	-	-	2,185,177	2,771,372	586,195
Public services/Continuing education	-	-	-	1,652,130	1,505,303	(146,827)
Operation and maintenance of plant	-	-	-	4,132,937	4,749,997	617,060
Institutional support	-	-	-	9,842,287	8,688,685	(1,153,602)
Scholarships/Grants/Waivers	-	-	-	12,441,806	11,304,613	(1,137,193)
Capital outlay	4,804,345	3,747,374	(1,056,971)	5,116,496	4,661,967	(454,529)
Principal retirement	-	-	-	3,275,000	3,275,000	-
Interest and fiscal charges	-	-	-	297,996	476,256	178,260
Total expenditures	<u>4,804,345</u>	<u>3,747,374</u>	<u>(1,056,971)</u>	<u>63,615,072</u>	<u>63,570,852</u>	<u>(44,220)</u>
Excess (deficiency) of revenue over expenditures	<u>(157,862)</u>	<u>(2,596,595)</u>	<u>(2,438,733)</u>	<u>706,918</u>	<u>(1,419,933)</u>	<u>(2,126,851)</u>
Other financing sources (uses):						
Transfer from other funds	157,862	-	(157,862)	326,361	194,168	(132,193)
Transfer to other funds	-	-	-	(1,165,872)	(1,402,672)	(236,800)
Total other financing sources (uses)	<u>157,862</u>	<u>-</u>	<u>(157,862)</u>	<u>(839,511)</u>	<u>(1,208,504)</u>	<u>(368,993)</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>(2,596,595)</u>	<u>\$ (2,596,595)</u>	<u>\$ (132,593)</u>	<u>(2,628,437)</u>	<u>\$ (2,495,844)</u>
Fund balances, July 1, 2010		<u>(1,434,200)</u>			<u>5,392,949</u>	
Fund balances, June 30, 2011		<u>\$ (4,030,795)</u>			<u>\$ 2,764,512</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL -
PROPRIETARY FUND TYPE

Year Ended June 30, 2011

	Proprietary Fund Type		Variance Over (Under)
	Enterprise Fund		
	Budget	Actual	
Operating revenue:			
Bookstore sales	\$ 597,431	\$ 525,155	\$ (72,276)
Cafeteria	46,000	47,159	1,159
Activity fees	199,685	185,459	(14,226)
Print Shop	450,000	453,228	3,228
Child care lab	72,850	68,684	(4,166)
Farm sales	144,841	165,911	21,070
Other	15,000	6,394	(8,606)
Total operating revenue	<u>1,525,807</u>	<u>1,451,990</u>	<u>(73,817)</u>
Operating expenses:			
Salaries	567,282	583,687	16,405
Employee benefits	119,306	110,424	(8,882)
Contractual services	114,805	117,258	2,453
General materials and supplies	711,175	624,001	(87,174)
Travel	157,756	127,621	(30,135)
Fixed charges	126,208	170,096	43,888
Capital outlay	3,000	-	(3,000)
Depreciation	-	7,126	7,126
Scholarships/Grants	408,000	560,196	152,196
Other	157,786	125,620	(32,166)
Total operating expenses	<u>2,365,318</u>	<u>2,426,029</u>	<u>60,711</u>
Net (loss) before operating transfers	(839,511)	(974,039)	134,528
Operating transfers:			
Transfers from other funds	<u>839,511</u>	<u>1,208,504</u>	<u>368,993</u>
Net income	<u>\$ -</u>	<u>234,465</u>	<u>\$ 234,465</u>
Retained earnings, July 1, 2010		<u>1,089,464</u>	
Retained earnings, June 30, 2011		<u>\$ 1,323,929</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - GENERAL FUND

June 30, 2011

	Education Fund	Operations, Building, and Maintenance Fund	Total
<u>ASSETS</u>			
Cash	\$ 837,920	\$ 173,967	\$ 1,011,887
Investments	647,230	-	647,230
Accounts receivable:			
Property taxes	4,851,665	572,650	5,424,315
Governmental claims	3,723,646	-	3,723,646
Other receivables	1,295,780	7,122	1,302,902
Due from other funds	1,876,417	3,335,705	5,212,122
Due from component unit	235,561	-	235,561
Deferred expenditures	257,894	-	257,894
	<u>\$ 13,726,113</u>	<u>\$ 4,089,444</u>	<u>\$ 17,815,557</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,425,688	\$ 12,615	\$ 1,438,303
Accrued salaries	1,335,508	-	1,335,508
Accrued compensated absences	278,304	45,354	323,658
Planned retirement payable	737,288	-	737,288
Deferred revenue	6,977,917	639,895	7,617,812
Total liabilities	<u>10,754,705</u>	<u>697,864</u>	<u>11,452,569</u>
Fund balances:			
Unreserved:			
Designated	-	-	-
Undesignated	2,971,408	3,391,580	6,362,988
Total fund balances	<u>2,971,408</u>	<u>3,391,580</u>	<u>6,362,988</u>
Total liabilities and fund balances	<u>\$ 13,726,113</u>	<u>\$ 4,089,444</u>	<u>\$ 17,815,557</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS

June 30, 2011

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<u>ASSETS</u>				
Cash	\$ 63,737	\$ 5,000	\$ 10,000	\$ 78,737
Accounts receivable:				
Property taxes	-	52,860	1,409,599	1,462,459
Governmental claims	3,286,457	-	-	3,286,457
Other receivables	991,508	-	-	991,508
Due from other funds	-	-	104,492	104,492
Deferred expenditures	-	-	187,502	187,502
Total assets	<u>\$ 4,341,702</u>	<u>\$ 57,860</u>	<u>\$ 1,711,593</u>	<u>\$ 6,111,155</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 284,758	\$ -	\$ 35,781	\$ 320,539
Accrued salaries	88,028	-	-	88,028
Accrued compensated absences	-	2,043	22,695	24,738
Deferred revenue	70,614	59,066	1,575,125	1,704,805
Due to other funds	3,650,000	14,010	-	3,664,010
Total liabilities	<u>4,093,400</u>	<u>75,119</u>	<u>1,633,601</u>	<u>5,802,120</u>
Fund balances:				
Unreserved:				
Designated	-	-	-	-
Undesignated	248,302	(17,259)	77,992	309,035
Total fund balances	<u>248,302</u>	<u>(17,259)</u>	<u>77,992</u>	<u>309,035</u>
Total liabilities and fund balances	<u>\$ 4,341,702</u>	<u>\$ 57,860</u>	<u>\$ 1,711,593</u>	<u>\$ 6,111,155</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
GOVERNMENTAL FUND TYPES - GENERAL FUND

Year Ended June 30, 2011

	Education Fund		Variance Over (Under)	Operations, Building and Maintenance Fund		Variance Over (Under)	Total		Variance Over (Under)
	Budget	Actual		Budget	Actual		Budget	Actual	
Revenue:									
Local government sources	\$ 5,679,535	\$ 5,530,736	\$ (148,799)	\$ 585,000	\$ 574,932	\$ (10,068)	\$ 6,264,535	\$ 6,105,668	\$ (158,867)
State government sources	8,839,069	11,187,205	2,348,136	2,620,204	3,156,117	535,913	11,459,273	14,343,322	2,884,049
Federal government sources	14,296	11,320	(2,976)	-	-	-	14,296	11,320	(2,976)
Tuition and fees	12,707,103	13,983,109	1,276,006	-	-	-	12,707,103	13,983,109	1,276,006
Other sources	840,308	1,183,167	342,859	541,049	543,411	2,362	1,381,357	1,726,578	345,221
Total revenue	<u>28,080,311</u>	<u>31,895,537</u>	<u>3,815,226</u>	<u>3,746,253</u>	<u>4,274,460</u>	<u>528,207</u>	<u>31,826,564</u>	<u>36,169,997</u>	<u>4,343,433</u>
Expenditures:									
Instruction	14,982,528	17,597,926	2,615,398	-	-	-	14,982,528	17,597,926	2,615,398
Academic support	1,662,427	1,726,156	63,729	-	-	-	1,662,427	1,726,156	63,729
Student services	2,062,291	2,356,067	293,776	-	-	-	2,062,291	2,356,067	293,776
Public service/Continuing education	823,071	995,296	172,225	-	-	-	823,071	995,296	172,225
Operation and maintenance of plant	-	-	-	3,485,961	4,211,420	725,459	3,485,961	4,211,420	725,459
Institutional support	6,784,181	6,253,074	(531,107)	-	-	-	6,784,181	6,253,074	(531,107)
Scholarships/Grants/Waivers	227,000	539,799	312,799	-	-	-	227,000	539,799	312,799
Capital outlay	99,836	376,535	276,699	-	146,590	146,590	99,836	523,125	423,289
Principal retirement	-	-	-	500,000	500,000	-	500,000	500,000	-
Interest and fiscal charges	32,478	32,478	-	919	919	-	33,397	33,397	-
Total expenditures	<u>26,673,812</u>	<u>29,877,331</u>	<u>3,203,519</u>	<u>3,986,880</u>	<u>4,858,929</u>	<u>872,049</u>	<u>30,660,692</u>	<u>34,736,260</u>	<u>4,075,568</u>
Excess (deficiency) of revenue over expenditures	<u>1,406,499</u>	<u>2,018,206</u>	<u>611,707</u>	<u>(240,627)</u>	<u>(584,469)</u>	<u>(343,842)</u>	<u>1,165,872</u>	<u>1,433,737</u>	<u>267,865</u>
Other financing sources (uses):									
Non-mandatory transfer from (to) other funds	<u>(1,254,692)</u>	<u>(1,415,890)</u>	<u>(161,198)</u>	<u>88,820</u>	<u>13,218</u>	<u>(75,602)</u>	<u>(1,165,872)</u>	<u>(1,402,672)</u>	<u>(236,800)</u>
Total other financing sources (uses)	<u>(1,254,692)</u>	<u>(1,415,890)</u>	<u>(161,198)</u>	<u>88,820</u>	<u>13,218</u>	<u>(75,602)</u>	<u>(1,165,872)</u>	<u>(1,402,672)</u>	<u>(236,800)</u>
Excess (deficiency) of revenue over expenditures and other sources (uses)	<u>\$ 151,807</u>	<u>602,316</u>	<u>\$ 450,509</u>	<u>\$ (151,807)</u>	<u>(571,251)</u>	<u>\$ (419,444)</u>	<u>\$ -</u>	<u>31,065</u>	<u>\$ 31,065</u>
Fund balance, July 1, 2010		<u>2,369,092</u>			<u>3,962,831</u>			<u>6,331,923</u>	
Fund balance, June 30, 2011		<u>\$ 2,971,408</u>			<u>\$ 3,391,580</u>			<u>\$ 6,362,988</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS

Year Ended June 30, 2011

	Restricted Purposes			Audit Fund			Liability, Protection and Settlement Fund			Total		Variance
	Fund		Variance	Fund		Variance	Fund		Variance	Total		Variance
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
Revenue:												
Local government sources	\$ 262,675	\$ 450,494	\$ 187,819	\$ 47,000	\$ 47,419	\$ 419	\$ 1,585,000	\$ 1,601,577	\$ 16,577	\$ 1,894,675	\$ 2,099,490	\$ 204,815
State government sources	11,421,593	7,632,401	(3,789,192)	-	-	-	-	-	-	11,421,593	7,632,401	(3,789,192)
Federal government sources	10,983,474	11,693,384	709,910	-	-	-	-	-	-	10,983,474	11,693,384	709,910
Other sources	678,101	520,634	(157,467)	-	-	-	-	-	-	678,101	520,634	(157,467)
Total revenue	23,345,843	20,296,913	(3,048,930)	47,000	47,419	419	1,585,000	1,601,577	16,577	24,977,843	21,945,909	(3,031,934)
Expenditures:												
Instruction	7,867,076	6,649,776	(1,217,300)	-	-	-	-	-	-	7,867,076	6,649,776	(1,217,300)
Academic support	159,212	163,801	4,589	-	-	-	-	-	-	159,212	163,801	4,589
Student services	56,896	369,823	312,927	-	-	-	65,990	45,482	(20,508)	122,886	415,305	292,419
Public service/Continuing education	829,059	510,007	(319,052)	-	-	-	-	-	-	829,059	510,007	(319,052)
Operations and maintenance of plant	-	-	-	-	-	-	646,976	538,577	(108,399)	646,976	538,577	(108,399)
Institutional support	2,006,479	1,464,777	(541,702)	96,407	90,312	(6,095)	955,220	880,522	(74,698)	3,058,106	2,435,611	(622,495)
Scholarships/Grants/Waivers	12,214,806	10,764,814	(1,449,992)	-	-	-	-	-	-	12,214,806	10,764,814	(1,449,992)
Capital outlay	212,315	391,468	179,153	-	-	-	-	-	-	212,315	391,468	179,153
Total expenditures	23,345,843	20,314,466	(3,031,377)	96,407	90,312	(6,095)	1,668,186	1,464,581	(203,605)	25,110,436	21,869,359	(3,241,077)
Excess (deficiency) of revenue over expenditures	\$ -	(17,553)	\$ (17,553)	\$ (49,407)	(42,893)	\$ 6,514	\$ (83,186)	136,996	\$ 220,182	\$ (132,593)	76,550	\$ 209,143
Fund balance, July 1, 2010		265,855			25,634			(59,004)			232,485	
Fund balance, June 30, 2011		\$ 248,302			\$ (17,259)			\$ 77,992			\$ 309,035	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION AND SCHEDULE OF BUDGET BASIS

Year Ended June 30, 2011

RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET ASSETS

Fund balance-All fund types (budget basis)	\$ 105,717,960
Reconciling items:	
Accumulated depreciation on capital assets of governmental fund types	(31,643,483)
Amount to be provided for debt payments	(13,305,000)
Accrual of interest for debt	(34,216)
Capitalized interest on construction in progress	802,248
	<u>802,248</u>
Net assets on Statement of Net Assets	<u>\$ 61,537,509</u>

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

Excess of expenditures over revenue (budget basis)	\$ (1,999,527)
Reconciling items:	
Depreciation expense on capital assets of governmental fund types	(3,316,301)
Principal repayments of debt	3,275,000
Accrual of interest for debt	145
Purchases of capital assets of governmental fund types	4,918,491
Loss on disposal of capital assets	(10,271)
	<u>(10,271)</u>
Increase in net assets	<u>\$ 2,867,537</u>

EXPENDITURES IN EXCESS OF BUDGET

	Actual Expenditures	Budget
Education Fund	\$ 31,293,221	\$ 27,928,504
Operations, Building and Maintenance Fund	\$ 4,858,929	\$ 3,986,880
Bond and Interest Fund	\$ 3,217,859	\$ 3,039,599
Auxiliary Enterprise Fund	\$ 2,426,029	\$ 2,365,318

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ASSESSED VALUATIONS AND TAXES EXTENDED AND COLLECTED

Levy Years 2010, 2009, and 2008

	<u>2010 Levy</u>	<u>2009 Levy</u>	<u>2008 Levy</u>
Assessed valuations:			
Christian	\$ 62,076,432	\$ 60,502,245	\$ 60,248,329
Clark	185,143,993	179,367,030	176,391,204
Clay	12,307,137	12,441,620	11,151,587
Coles	616,689,104	597,179,091	584,722,595
Crawford	16,487	26,671	32,053
Cumberland	114,575,130	109,276,511	103,354,054
Douglas	64,319,416	62,530,636	59,822,326
Edgar	196,217,512	188,535,092	180,744,366
Effingham	565,304,746	546,307,304	518,754,328
Fayette	87,495,368	82,423,570	75,602,339
Jasper	10,766,629	10,766,629	11,032,735
Macon	3,076,331	2,887,363	2,699,271
Montgomery	1,996,474	1,908,904	1,826,280
Moultrie	194,117,470	186,926,222	179,499,482
Shelby	267,668,405	259,868,272	252,898,572
Total assessed valuations	<u>\$ 2,381,770,634</u>	<u>\$ 2,300,947,160</u>	<u>\$ 2,218,779,521</u>
Tax rates (per \$100 of assessed valuations):			
Education Fund	0.1564	0.1577	0.1578
Foundation tax	0.0712	0.0729	0.0731
Operations, Building and Maintenance Fund	0.0269	0.0251	0.0255
Bond and Interest Fund	0.1311	0.1231	0.1240
Life Safety	0.0517	0.0497	0.0510
Audit Fund	0.0025	0.0020	0.0033
Liability, Protection and Settlement Fund	0.0660	0.0679	0.0652
Total	<u>0.5058</u>	<u>0.4984</u>	<u>0.4999</u>
Taxes extended:			
Education Fund	\$ 3,726,156	\$ 3,628,657	\$ 3,500,844
Foundation tax	1,695,229	1,676,738	1,622,582
Operations, Building and Maintenance Fund	639,895	576,995	565,445
Bond and Interest Fund	3,121,961	2,831,814	2,751,912
Life Safety	1,230,567	1,144,127	1,130,890
Audit Fund	59,067	46,357	73,754
Liability, Protection and Settlement Fund	1,575,125	1,563,312	1,445,573
Total	<u>\$ 12,048,000</u>	<u>\$ 11,468,000</u>	<u>\$ 11,091,000</u>
Total current taxes collected	<u>\$ 1,266,094</u>	<u>\$ 11,456,637</u>	<u>\$ 11,062,355</u>
Percentage of extensions collected	<u>10.51%</u>	<u>99.90%</u>	<u>99.74%</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS

Year Ended June 30, 2011

Levy Year	Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2010	Collected during year ended June 30, 2011	Total Collected to June 30, 2011	Percent Collected June 30, 2011	Taxes Written-off
2010	\$ 2,381,770,634	0.5058	\$ 12,048,000	\$ -	\$ 1,266,094	\$ 1,266,094	10.51%	\$ -
2009	2,300,947,160	0.4984	11,468,000	1,656,827	9,799,810	11,456,637	99.90%	-
2008	2,218,779,521	0.4999	11,091,000	11,062,355	-	11,062,355	99.74%	-
Back taxes				22,994	5,733	28,727		
Total	\$ 6,901,497,315		\$ 34,607,000	\$ 12,742,176	\$ 11,071,637	\$ 23,813,813		\$ -

2010 TAXES EXTENDED

	Uncollected June 30, 2010	Estimate for Uncollectible Taxes	Balance after Estimated Uncollectible Taxes
Education	\$ 3,334,583	\$ -	\$ 3,334,583
Foundation	1,517,082	-	1,517,082
Operations, Building and Maintenance	572,650	-	572,650
Bond and Interest	2,793,882	-	2,793,882
Life Safety	1,101,250	-	1,101,250
Audit	52,860	-	52,860
Liability, Protection and Settlement	1,409,599	-	1,409,599
Total	\$ 10,781,906	\$ -	\$ 10,781,906

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF DEBT MATURITIES
GOVERNMENTAL FUND TYPES

Year Ended June 30, 2011

	Bond Type	Interest Rate	Amounts Due During Year			Unpaid Principal Balance June 30, 2011
			Principal	Interest	Total	
2011-2012	Working Cash - Fitness Cntr	6.50 %	\$ 80,000	\$ 87,368	\$ 167,368	\$ 80,000
2011-2012	PHS Bond	4.25 %	1,250,000	50,213	1,300,213	1,250,000
2011-2012	Working Cash	6.70 %	450,000	15,075	465,075	450,000
2011-2012	Series 2010	2.00 %	1,225,000	180,975	1,405,975	1,225,000
2012-2013	Working Cash - Fitness Cntr	6.50 %	85,000	82,005	167,005	85,000
2012-2013	PHS Bond	4.30 %	550,000	11,825	561,825	550,000
2012-2013	Series 2010	2.00 %	2,555,000	143,175	2,698,175	2,555,000
2013-2014	Working Cash - Fitness Cntr	6.25 %	90,000	76,430	166,430	90,000
2013-2014	Series 2010	2.00 %	3,000,000	87,625	3,087,625	3,000,000
2014-2015	Working Cash - Fitness Cntr	6.00 %	100,000	70,618	170,618	100,000
2014-2015	Series 2010	2.50 %	2,305,000	28,813	2,333,813	2,305,000
2015-2016	Working Cash - Fitness Cntr	5.75 %	105,000	64,599	169,599	105,000
Thereafter	Working Cash - Fitness Cntr	3.85-5.60 %	<u>1,510,000</u>	<u>357,975</u>	<u>1,867,975</u>	<u>1,510,000</u>
Total			<u>\$ 13,305,000</u>	<u>\$ 1,256,696</u>	<u>\$ 14,561,696</u>	<u>\$ 13,305,000</u>

Interest is due December 1 and June 1; principal is due December 1.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF LEGAL DEBT MARGIN

Year Ended June 30, 2011

Assessed valuation - 2010 Levy	<u>\$ 2,381,770,634</u>
Debt limit, 2.875% of assessed valuation	\$ 68,475,906
Less:	
Bond indebtedness	<u>13,305,000</u>
Legal debt margin	<u>\$ 55,170,906</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENSES FOR TORT IMMUNITY PURPOSES

Year Ended June 30, 2011

Administrative salaries	\$	211,800
Administrative benefits		50,016
Campus security salaries		286,466
Campus security benefits		80,181
Materials and supplies		50,948
General liability insurance		183,704
Workers compensation insurance		155,094
Unemployment insurance		135,181
Social Security/Medicare		292,180
Repairs		13,209
Travel		5,802
		<hr/>
Total tort immunity purposes expenses	\$	<u>1,464,581</u>

Since the College levies property taxes for tort immunity/liability insurance purposes, as required by Public Act 91-068 passed by the Illinois General Assembly, the College is including the above list of tort immunity purposes expenses in its annual financial report.

The College's tax extension for tort immunity/liability insurance and Social Security/Medicare purposes for tax year 2009 as levied by the counties within the college district was \$1,563,312. Any shortfall to cover expenses in excess of taxes collected is derived from previous years' excess or other general fund revenues of the College. Any excess of revenues over expenses is carried forward to subsequent fiscal years subject to a statutory formula.

ACCOMPANYING INFORMATION

SPECIAL REPORTS SECTION

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS

June 30, 2011

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a college's balance sheet and statement of revenues and expenditures, the Uniform Financial Statements are completed using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations.

The Uniform Financial Statements include the following:

- All Funds Summary
- Summary of Fixed Assets and Debt
- Operating Funds Revenues and Expenditures
- Restricted Purposes Fund Revenues and Expenditures
- Current Funds Expenditures by Activity
- Certificate of Chargeback Reimbursement

UNIFORM FINANCIAL STATEMENTS

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
ALL FUNDS SUMMARY

Year Ended June 30, 2011

	Education Fund	Operations, Building and Maintenance Fund	Operations, Building and Maintenance Fund (Restricted)	Bond and Interest Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Auxiliary Enterprise Fund	Trust and Agency Fund	Working Cash Fund	Total (Memorandum Only)
Fund balances, July 1, 2010	\$ 2,369,092	\$ 3,962,831	\$ (1,434,200)	\$ 262,741	\$ 265,855	\$ 25,634	\$ (59,004)	\$ 1,089,464	\$ -	\$ 14,399,569	\$ 20,881,982
Revenue:											
Local tax revenue	5,206,007	574,932	1,149,815	2,884,217	-	47,419	1,601,577	-	-	-	11,463,967
Other local revenue	324,729	-	-	-	450,494	-	-	-	-	-	775,223
ICCB grants	6,752,055	2,813,213	-	-	2,735,245	-	-	-	-	-	12,300,513
Other state revenue	4,435,150	342,904	-	-	4,897,156	-	-	-	-	-	9,675,210
Federal revenue	11,320	-	-	-	11,693,384	-	-	-	-	-	11,704,704
Student tuition and fees	13,983,109	-	-	-	-	-	-	-	-	-	13,983,109
Other revenue	1,183,167	543,411	964	17	520,634	-	-	1,451,990	-	394,445	4,094,628
Total revenue	<u>31,895,537</u>	<u>4,274,460</u>	<u>1,150,779</u>	<u>2,884,234</u>	<u>20,296,913</u>	<u>47,419</u>	<u>1,601,577</u>	<u>1,451,990</u>	<u>-</u>	<u>394,445</u>	<u>63,997,354</u>
Expenditures:											
Instruction	17,597,926	-	-	-	7,041,244	-	-	-	-	-	24,639,170
Academic support	1,740,669	-	-	-	163,801	-	-	-	-	-	1,904,470
Student services	2,356,067	-	-	-	369,823	-	45,482	-	-	-	2,771,372
Public services/Continuing education	1,005,296	-	-	-	510,007	-	-	-	-	-	1,515,303
Auxiliary services	-	-	-	-	-	-	-	2,426,029	-	-	2,426,029
Operations and maintenance	-	4,858,929	3,747,374	442,859	-	-	538,577	-	-	-	9,587,739
Institutional support	6,637,574	-	-	2,775,000	1,464,777	90,312	880,522	-	-	-	11,848,185
Scholarships/Grants/Waivers	539,799	-	-	-	10,764,814	-	-	-	-	-	11,304,613
Total expenditures	<u>29,877,331</u>	<u>4,858,929</u>	<u>3,747,374</u>	<u>3,217,859</u>	<u>20,314,466</u>	<u>90,312</u>	<u>1,464,581</u>	<u>2,426,029</u>	<u>-</u>	<u>-</u>	<u>65,996,881</u>
Transfers, net	<u>(1,415,890)</u>	<u>13,218</u>	<u>-</u>	<u>194,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,208,504</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2011	<u>\$ 2,971,408</u>	<u>\$ 3,391,580</u>	<u>\$ (4,030,795)</u>	<u>\$ 123,284</u>	<u>\$ 248,302</u>	<u>\$ (17,259)</u>	<u>\$ 77,992</u>	<u>\$ 1,323,929</u>	<u>\$ -</u>	<u>\$ 14,794,014</u>	<u>\$ 18,882,455</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
SUMMARY OF FIXED ASSETS AND DEBT

Year Ended June 30, 2011

	<u>Fixed Assets/Debt July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Fixed Assets/Debt June 30, 2011</u>
<u>Fixed Assets</u>				
Sites, buildings, additions and improvements	\$ 74,693,277	\$ 26,837,001	\$ (22,769,214)	\$ 78,761,064
Equipment	8,400,027	568,202	(601,561)	8,366,668
Accumulated depreciation	<u>(284,098)</u>	<u>(21,020)</u>	<u>89,568</u>	<u>(215,550)</u>
Net fixed assets	<u>\$ 82,809,206</u>	<u>\$ 27,384,183</u>	<u>\$ (23,281,207)</u>	<u>\$ 86,912,182</u>
 <u>Debt</u>				
Notes payable	\$ 500,000	\$ -	\$ (500,000)	\$ -
Bonds payable	<u>16,080,000</u>	<u>-</u>	<u>(2,775,000)</u>	<u>13,305,000</u>
Total fixed liabilities	<u>\$ 16,580,000</u>	<u>\$ -</u>	<u>\$ (3,275,000)</u>	<u>\$ 13,305,000</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
OPERATING REVENUE BY SOURCE

Year Ended June 30, 2011

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
Local government:			
Current taxes	\$ 5,206,007	\$ 574,932	\$ 5,780,939
Chargeback revenue	8,755	-	8,755
Corporate personal property replacement taxes	315,974	-	315,974
Total local government	<u>5,530,736</u>	<u>574,932</u>	<u>6,105,668</u>
State government:			
ICCB Credit Hour Grant	3,886,680	-	3,886,680
ICCB Equalization Grant	2,492,899	2,813,213	5,306,112
ICCB Career and Technology Funds	372,476	-	372,476
Illinois Department of Corrections	218,130	-	218,130
SURS contribution	4,217,020	342,904	4,559,924
Total state government	<u>11,187,205</u>	<u>3,156,117</u>	<u>14,343,322</u>
Federal government:			
Pell administrative fee	11,320	-	11,320
Total federal government	<u>11,320</u>	<u>-</u>	<u>11,320</u>
Student tuition and fees:			
Tuition	10,098,980	-	10,098,980
Fees	3,188,320	-	3,188,320
Other student assessments	695,809	-	695,809
Total student tuition and fees	<u>13,983,109</u>	<u>-</u>	<u>13,983,109</u>
Other sources:			
Center for Business and Industry seminars	57,538	-	57,538
Facilities rent	-	487,700	487,700
Investment revenue	9,209	-	9,209
Miscellaneous	1,116,420	55,711	1,172,131
Total other sources	<u>1,183,167</u>	<u>543,411</u>	<u>1,726,578</u>
Total revenue	31,895,537	4,274,460	36,169,997
Less nonoperating revenue: *			
Tuition chargeback revenue	8,755	-	8,755
Adjusted revenue	<u>\$ 31,886,782</u>	<u>\$ 4,274,460</u>	<u>\$ 36,161,242</u>

*Inter-college expenditures that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
OPERATING EXPENDITURES

Year Ended June 30, 2011

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
By program:			
Instruction	\$ 17,597,926	\$ -	\$ 17,597,926
Academic support	1,740,669	-	1,740,669
Student services	2,356,067	-	2,356,067
Public services/Continuing education	1,005,296	-	1,005,296
Operations and maintenance	-	4,358,010	4,358,010
Institutional support	6,605,096	-	6,605,096
Scholarships/Grants/Waivers	539,799	-	539,799
Principal retirement	-	500,000	500,000
Interest and fiscal charges	32,478	919	33,397
Transfers	1,415,890	(13,218)	1,402,672
Total expenditures by program	31,293,221	4,845,711	36,138,932
Less nonoperating items:*			
Tuition chargeback	15,404	-	15,404
Transfers to (from) nonoperating funds	1,415,890	(13,218)	1,402,672
Adjusted expenditures	<u>\$ 29,861,927</u>	<u>\$ 4,858,929</u>	<u>\$ 34,720,856</u>
By object:			
Salaries	\$ 17,294,205	\$ 1,409,812	\$ 18,704,017
Employee benefits	7,115,638	649,547	7,765,185
Contractual services	1,087,844	383,327	1,471,171
General materials and supplies	2,633,878	597,206	3,231,084
Conference and meeting expense	319,290	2,399	321,689
Fixed charges	377,957	561,430	939,387
Utilities	4,709	1,109,366	1,114,075
Capital outlay	344,933	145,842	490,775
Other	159,078	-	159,078
Student grants and scholarships	539,799	-	539,799
Transfers	1,415,890	(13,218)	1,402,672
Total expenditures by object	31,293,221	4,845,711	36,138,932
Less nonoperating items: *			
Tuition chargeback	15,404	-	15,404
Transfers to (from) nonoperating funds	1,415,890	(13,218)	1,402,672
Adjusted expenditures	<u>\$ 29,861,927</u>	<u>\$ 4,858,929</u>	<u>\$ 34,720,856</u>

*Inter-college expenditures that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
RESTRICTED PURPOSES FUND REVENUE BY SOURCE

Year Ended June 30, 2011

Local government:	
Other local sources	\$ 450,494
State government:	
ICCB Workforce Development Grant	121,385
ICCB Credit Hour Grant	2,180,792
ICCB Program Improvement Grant	30,397
ICCB Adult Education and Family Literacy Grant	207,494
ICCB Student Success Grant	187,517
ICCB Innovation Grant	7,460
ICCB ABE Credential Design Project	200
Illinois State Board of Education	79,515
Illinois Department of Corrections	2,873,649
Illinois Board of Higher Education	66,729
Illinois Secretary of State	84,100
Illinois Student Assistance Commission	1,549,508
Other state sources	243,655
Total state government	7,632,401
Federal government:	
U.S. Department of Education	10,006,344
U.S. Department of Energy	241,758
U.S. Department of Agriculture	3,944
U.S. Department of Labor	828,769
U.S. Department of Health & Human Services	3,475
U.S. Department of Transportation	296,312
U.S. Department of Veterans Affairs	78,896
National Science Foundation	221,302
Corporation for National and Community Service	12,584
Total federal government	11,693,384
Other sources:	
John Deere	512,906
Miscellaneous	7,728
Total other sources	520,634
Total Restricted Purposes Fund revenue	\$ 20,296,913

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
RESTRICTED PURPOSES FUND EXPENDITURES

Year Ended June 30, 2011

By program:		
Instruction	\$	7,041,244
Academic support		163,801
Student services		369,823
Public services/Continuing education		510,007
Operations and maintenance		-
Institutional support		1,464,777
Scholarships/Grants/Waivers		10,764,814
		<hr/>
Total expenditures by program	\$	20,314,466
		<hr/> <hr/>
By object:		
Salaries	\$	5,829,191
Employee benefits		1,301,487
Contractual services		426,477
Student financial aid		10,984,664
General materials and supplies		794,558
Conference and meeting expense		240,245
Fixed charges		324,954
Utilities		21,422
Capital outlay		391,468
		<hr/>
Total expenditures by object	\$	20,314,466
		<hr/> <hr/>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
CURRENT FUNDS EXPENDITURES BY ACTIVITY

Year Ended June 30, 2011

Instruction:	
Instructional programs	\$ 19,105,069
Instructional support	5,477,502
Other	56,599
Total instruction	<u>24,639,170</u>
Academic Support:	
Learning resource center	593,785
Academic administration and planning	375,743
Academic computing support	934,942
Total academic support	<u>1,904,470</u>
Student Services:	
Admissions and records	1,381,995
Counseling and career guidance	871,213
Student financial aid	219,580
Other	298,584
Total student services	<u>2,771,372</u>
Public Service/Continuing Education:	
Center for Business and Industry	469,823
Commercial Driver Training	188,988
Other	856,492
Total public service/continuing education	<u>1,515,303</u>
Auxiliary Services	<u>2,426,029</u>
Operations and Maintenance of Plant:	
Maintenance	460,978
Custodial services	960,971
Grounds	368,077
Campus security	431,902
Transportation	82,124
Utilities	1,445,181
Administration	1,091,839
Other	556,434
Total operations and maintenance of plant	<u>5,397,506</u>
Institutional Support:	
Executive office	2,357,871
Business office	1,586,304
General administrative services	1,132,467
General institutional support	1,810,436
Institutional research	70,177
Administrative data processing	1,896,235
Non-operating	219,695
Total institutional support	<u>9,073,185</u>
Scholarships/Grants/Waivers	<u>11,304,613</u>
Total current fund expenditures *	<u>\$ 59,031,648</u>

*Current funds include: Education Fund; Operations, Building and Maintenance Fund; Auxiliary Enterprise Fund; Restricted Purposes Fund; Audit Fund; and Liability, Protection and Settlement Fund.

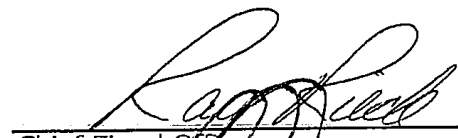
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2012

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517


CERTIFICATION OF CHARGEBACK REIMBURSEMENT OF FISCAL YEAR 2012

ALL FISCAL YEAR 2011 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	\$	29,500,796	
2. Operations, Building and Maintenance Fund		4,212,339	
3. Public Building Commission and Operation and Maintenance Fund		-	
4. Bond and Interest Fund		442,859	
5. Public Building Commission Rental Fund		-	
6. Restricted Purposes Fund		19,922,998	
7. Audit Fund		90,312	
8. Liability, Protection and Settlement Fund		1,464,581	
9. Auxiliary Enterprises Fund (Subsidy Only)		<u>974,039</u>	
10. TOTAL NON-CAPITAL EXPENDITURES (sum of lines 1-9)			<u>\$ 56,607,924</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$	<u>1,622,399</u>	
12. TOTAL COSTS INCLUDED (line 10 plus line 11)			<u>\$ 58,230,323</u>
13. Total certified semester credit hours for fiscal year 2010		<u>190,820.0</u>	
14. PER CAPITA COST (line 12 divided by line 13)			<u>\$ 305.16</u>
15. All fiscal year 2011 state and federal operating grants for noncapital expenditures, except ICCB grants	\$	<u>20,454,342</u>	
16. Fiscal year 2011 state and federal grants per semester credit hour (line 15 divided by line 13)			<u>\$ 107.19</u>
17. District's average ICCB grant rate (excluding equalization grants) for fiscal year 2011			<u>\$ 28.74</u>
18. District's student tuition and fee rate per semester credit hour for fiscal year 2012			<u>\$ 96.80</u>
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)			<u><u>\$ 72.43</u></u>

Approved: 
Chief Fiscal Officer

29 Sep 11
Date

Approved: 
Chief Executive Officer

10-3-11
Date

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT
(Illinois Cooperative Work Study Program)

To the Board of Trustees
Lake Land College
Community College District #517

and

To the Illinois Board of Higher Education

We have audited the Statement of Revenue and Expenditures (modified cash basis) of the Illinois Cooperative Work Study Program Grant of Lake Land College, Community College District #517 (College) for the period of January 26, 2010 through June 30, 2011. The Statement is the responsibility of the College's management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and guidelines for the Illinois Cooperative Work Study Program Grant issued by the Illinois Board of Higher Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Revenue and Expenditures (modified cash basis) is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 3, the College prepares its Statement of Revenue and Expenditures on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The accompanying Statement of Revenue and Expenditures (modified cash basis) was prepared for the purpose of complying with the terms of the Illinois Cooperative Work Study Program Grant and is not intended to be a complete presentation of the College's revenues and expenditures in conformity with generally accepted accounting principles.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois Cooperative Work Study Program Grant fund for the period January 26, 2010 through June 30, 2011, in conformity with the modified cash basis described in Note 3. Pursuant to the terms of the grant referred to above, funds were expended for the project in the grant agreement and grant funds were not used for sectarian purposes.

This report is intended solely for the information and use of the Board of Trustees and management of the College and the Illinois Board of Higher Education. However, this report is a matter of public record and its distribution is not limited.

Illinois Department of Professional Regulation
License Number 066-003408

Doehring, Winders & Co. LLP

October 3, 2011

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

STATEMENT OF REVENUE AND EXPENDITURES
(modified cash basis)

For Grant Period Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>
Revenue:		
Cooperative Work Study Program Grant	\$ 27,600	\$ 27,600
Expenditures:		
Work study stipends	25,600	25,600
Audit fees	<u>2,000</u>	<u>2,000</u>
Total expenditures	<u>27,600</u>	<u>27,600</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

NOTES TO THE FINANCIAL STATEMENT

For Grant Period Ended June 30, 2011

1 PROGRAM BACKGROUND

The Illinois Cooperative Work Study Program is an internship which provides undergraduate students from Lake Land College with opportunities to work with business and industry. The objective of the program is to recruit approximately 16 undergraduate students of Lake Land College into a Summer Internship Program and to place these students in businesses, government agencies, or community organizations which will agree to pay at least 50 percent of each intern's stipend.

2 ORGANIZATION

The Illinois Cooperative Work Study Program is funded by a grant from the Illinois Board of Higher Education and matching funds from businesses, government agencies and community organizations that participated in the program. The books and records are maintained as a separate fund of Lake Land College.

3 BASIS OF PRESENTATION

The financial statement is presented on a modified cash basis. Grants are recorded as revenue when cash is received from the State of Illinois, and expenditures are recorded when incurred or when obligations are established by executing purchase orders or firm contracts as of June 30, 2011. Expenditures must be paid or liquidated within 90 days after close of the program year.

ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS
FINANCIAL-COMPLIANCE SECTION

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT
and
AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR
WORKFORCE DEVELOPMENT, CAREER AND TECHNICAL
EDUCATION-PROGRAM IMPROVEMENT, STUDENT SUCCESS, AND
ADULT EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees
Lake Land College
Community College District #517
Mattoon, Illinois

We have audited the accompanying balance sheets of the Workforce Development, Career and Technical Education-Program Improvement, Student Success, and Adult Education and Family Literacy grants of Lake Land College, Community College District #517 (College) as of June 30, 2011, and the related statements of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion, and the College is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the Illinois Community College Board Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Workforce Development, Career and Technical Education-Program Improvement, Student Success, and Adult Education and Family Literacy grants of the College as of June 30, 2011, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Doehring, Winders & Co. LLP

October 3, 2011

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

WORKFORCE DEVELOPMENT
BUSINESS/INDUSTRY GRANT PROGRAM
BALANCE SHEET

June 30, 2011

ASSETS

Cash	\$	7,941
Total assets	\$	<u>7,941</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$	7,446
Accrued salaries		<u>495</u>
Total liabilities		7,941
Fund balance - reserved for encumbrances		-
Fund balance - unreserved		<u>-</u>
Total liabilities and fund balance	\$	<u>7,941</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

WORKFORCE DEVELOPMENT
BUSINESS/INDUSTRY GRANT PROGRAM
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2011

Revenue:	
State sources	\$ 121,385
Total revenue	<u>121,385</u>
Expenditures:	
Salaries	22,128
Employee benefits	8,739
Material and supplies	42,227
Instructional equipment	10,950
Facilities rent	<u>37,341</u>
Total expenditures	<u>121,385</u>
Excess of expenditures over revenue	-
Fund balance, July 1, 2010	<u>-</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

WORKFORCE DEVELOPMENT
BUSINESS/INDUSTRY GRANT PROGRAM
TOTAL EXPENDITURES FOR ICCB GRANT FUNDS ONLY

Year Ended June 30, 2011

	<u>Operation of Workforce Development Office</u>
Expenditures:	
Personnel (salaries and benefits)	\$ 30,867
Instructional materials	40,791
Instructional equipment	10,950
Costs of operating a Business Assistance Center/ Economic Development/Workforce Preparation Office:	
Consumable supplies	367
Duplicating	1,069
Facility rent	37,341
	<u> </u>
Total	<u>\$ 121,385</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT
BALANCE SHEET

June 30, 2011

ASSETS

Cash	\$	<u>247</u>
Total assets	\$	<u><u>247</u></u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$	<u>247</u>
Total liabilities		247
Fund balance - unreserved		<u>-</u>
Total liabilities and fund balance	\$	<u><u>247</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2011

Revenue:		
State sources		<u>\$ 30,397</u>
Expenditures:		
Material and supplies		6,292
Instructional equipment		<u>24,105</u>
Total expenditures		<u>30,397</u>
Excess of revenue over expenditures		-
Fund balance, July 1, 2010		<u>-</u>
Fund balance, June 30, 2011		<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517
STUDENT SUCCESS GRANT PROGRAM
BALANCE SHEET

June 30, 2011

ASSETS

Cash	\$ 4,648
Total assets	<u>\$ 4,648</u>

LIABILITIES AND FUND BALANCE

Accrued salaries	\$ 4,648
Total liabilities	4,648
Fund balance - unreserved	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,648</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STUDENT SUCCESS GRANT PROGRAM
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2011

Revenue:		
State sources		<u>\$ 187,517</u>
Expenditures:		
Salaries	142,654	
Employee benefits	9,732	
Contractual services	9,680	
Printing	1,058	
Publications and dues	1,433	
Travel	22,960	<u>22,960</u>
Total expenditures		<u>187,517</u>
Excess of revenue over expenditures		-
Fund balance, July 1, 2010		<u>-</u>
Fund balance, June 30, 2011		<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATE ADULT EDUCATION AND FAMILY LITERACY
RESTRICTED FUNDS
BALANCE SHEET

June 30, 2011

	State Basic	Public Assistance	Performance	Total
<u>ASSETS</u>				
Governmental claims receivable	\$ 66,846	\$ 37,914	\$ 24,634	\$ 129,394
Total assets	\$ 66,846	\$ 37,914	\$ 24,634	\$ 129,394
 <u>LIABILITIES AND FUND BALANCE</u>				
Accounts payable	\$ 65,107	\$ 36,821	\$ 24,496	\$ 126,424
Accrued salaries	1,739	1,093	138	2,970
Total liabilities	66,846	37,914	24,634	129,394
Fund balance - unreserved	-	-	-	-
Total liabilities and fund balance	\$ 66,846	\$ 37,914	\$ 24,634	\$ 129,394

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATE ADULT EDUCATION AND FAMILY LITERACY
RESTRICTED FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2011

	State Basic	Public Assistance	Performance	Total
Revenue:				
State sources	\$ 100,269	\$ 64,995	\$ 42,230	\$ 207,494
Total revenue	100,269	64,995	42,230	207,494
Expenditures:				
Instructional and Student Services:				
Instruction	55,700	40,214	-	95,914
Guidance services	14,774	6,743	-	21,517
Assistive and adaptive equipment	-	455	-	455
Assessment and training	18,698	9,411	-	28,109
Total instructional and student services	89,172	56,823	-	145,995
Program Support:				
Improvement of instructional services	-	-	6,132	6,132
General administration	3,186	1,593	20,000	24,779
Operation & Maintenance of Plant Services	2,664	1,332	10,851	14,847
Data and information services	5,247	5,247	5,247	15,741
Total program support	11,097	8,172	42,230	61,499
Total expenditures	100,269	64,995	42,230	207,494
Excess of revenue over expenditures	-	-	-	-
Fund balance, July 1, 2010	-	-	-	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATE ADULT EDUCATION AND FAMILY LITERACY
RESTRICTED FUNDS
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY

Year Ended June 30, 2011

	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
State Basic		
Instruction (45% minimum required)	\$ 55,700	55.55%
General administration (9% maximum allowed)	\$ 3,186	3.18%
State Public Assistance		
Instruction (45% minimum required)	\$ 40,214	61.87%
General administration (9% maximum allowed)	\$ 1,593	2.45%

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FEDERAL BASIC ADULT EDUCATION RESTRICTED FUND
BALANCE SHEET

June 30, 2011

ASSETS

Cash	\$ 7,151
Total assets	<u>\$ 7,151</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 5,745
Accrued salaries	<u>1,406</u>
Total liabilities	7,151
Fund balance - unreserved	<u>-</u>
Total liabilities and fund balance	<u>\$ 7,151</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FEDERAL BASIC ADULT EDUCATION RESTRICTED FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2011

Revenue:	
Federal sources	\$ 96,280
Total revenue	<u>96,280</u>
Expenditures:	
Instructional and Student Services:	
Instruction	55,369
Guidance services	13,838
Assessment and training	<u>15,976</u>
Total instruction and student services	<u>85,183</u>
Program Support:	
General administration	3,186
Operation & Maintenance of Plant Services	2,664
Data and information services	<u>5,247</u>
Total program support	<u>11,097</u>
Total expenditures	<u>96,280</u>
Excess of revenue over expenditures	-
Fund balance, July 1, 2010	<u>-</u>
Fund balance, June 30, 2011	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO ICCB GRANT PROGRAMS FINANCIAL STATEMENTS

Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying statements include only those transactions resulting from the Illinois Community College Board (ICCB) Workforce Development-Business/Industry, Career and Technical Education-Program Improvement, Student Success Grant, and Adult Education and Family Literacy grant programs. These transactions have been accounted for in the Restricted Purposes Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2011. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Fixed Assets

Fixed asset purchases are recorded as capital outlay and not capitalized.

2 PAYMENT OF PRIOR YEAR'S ENCUMBRANCES

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2011

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the college.

Equalization Grants

Grants provided to institutions with less than statewide average local tax dollars available per full-time equivalent student.

Restricted Grants/Special Initiatives

Workforce Development-Business/Industry Grants

Provides funding for a business/industry center at every college to provide a variety of employment training and business services outside of the classroom.

Career and Technical Education-Program Improvement Grant

Grant funding recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Student Success Grant

Grant funding is intended to provide needed supplemental services to assist students in developing the academic skills necessary to remedy or correct educational deficiencies to allow the attainment of college educational goals. The students to be served by the Student Success Grant are those students with social, economic, physical, or developmental disabilities, and/or academic deficiencies that make it difficult for such a student to adapt to a college environment. Colleges will designate which of their students are eligible for services through the Student Success Grant as determined by college assessment procedures and instruments selected by the colleges.

Adult Education and Family Literacy

State Basic

Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2011

Restricted Grants/Special Initiatives (Continued)

Public Assistance

Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books and materials incurred in the program for students who are identified as recipients of public assistance.

Performance

Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

Federal Basic

Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency, to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children, and to assist adults in completing a secondary school education.

COMPLIANCE SECTION
ENROLLMENT DATA

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF ENROLLMENT
DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Lake Land College
Community College District #517
Mattoon, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Lake Land College, Community College District #517, for the year ended June 30, 2011. This schedule is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based on our examination.

Our examination was made in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed is fairly presented in accordance with the provisions of the aforementioned guidelines.

Doehring, Winders & Co. LLP

October 3, 2011

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Year Ended June 30, 2011

Total Reimbursable Semester Credit Hours by Term

Categories	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	11,735.0	0.0	38,986.5	63.0	37,781.0	135.0	88,502.5	198.0
Business occupational	3,945.5	0.0	9,089.0	0.0	8,489.0	0.0	21,523.5	0.0
Technical occupational	7,038.5	0.0	19,059.0	104.0	22,297.0	146.0	48,394.5	250.0
Health occupational	2,804.5	112.0	8,317.0	0.0	10,296.5	0.0	21,418.0	112.0
Remedial development	1,044.0	0.0	4,129.5	0.0	2,907.0	0.0	8,080.5	0.0
Adult basic education/ Adult secondary education	31.5	0.0	67.5	925.0	45.0	1,272.0	144.0	2,197.0
Total credit hours	26,599.0	112.0	79,648.5	1,092.0	81,815.5	1,553.0	188,063.0	2,757.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total	Dual Credit	Dual Enrollment
Reimbursable semester credit hours	124,862.5	463.5	125,326.0	9,148.5	0.0

District prior-year equalized assessed valuation

\$ 2,381,770,634

Correctional Semester Credit Hours by Term

Categories	Summer	Fall	Spring	Total
Baccalaureate	1,053.0	1,473.0	1,338.0	3,864.0
Business occupational	1,077.5	334.5	421.0	1,833.0
Technical occupational	4,363.5	8,601.0	10,898.5	23,863.0
Remedial developmental	0.0	0.0	0.0	0.0
Adult basic education/ Adult secondary education	344.5	685.5	837.0	1,867.0
Total credit hours	6,838.5	11,094.0	13,494.5	31,427.0

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS

Year Ended June 30, 2011

<u>Categories</u>	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	88,502.5	88,502.5	0.0	198.0	198.0	0.0
Business occupational	21,523.5	21,523.5	0.0	0.0	0.0	0.0
Technical occupational	48,394.5	48,394.5	0.0	250.0	250.0	0.0
Health occupational	21,418.0	21,418.0	0.0	112.0	112.0	0.0
Remedial developmental	8,080.5	8,080.5	0.0	0.0	0.0	0.0
Adult basic education/Adult secondary education	144.0	144.0	0.0	2,197.0	2,197.0	0.0
Total	<u>188,063.0</u>	<u>188,063.0</u>	<u>0.0</u>	<u>2,757.0</u>	<u>2,757.0</u>	<u>0.0</u>

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL
AGREEMENT REIMBURSABLE CREDIT HOURS

Year Ended June 30, 2011

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	124,862.5	124,862.5	0.0
Out-of-district on chargeback or contractual agreement	463.5	463.5	0.0
Total	<u>125,326.0</u>	<u>125,326.0</u>	<u>0.0</u>

	Total Reimbursable	Total Reimbursable as Certified to the ICCB	Difference
Dual credit	9,148.5	9,148.5	0.0
Dual enrollment	0.0	0.0	0.0
Total	<u>9,148.5</u>	<u>9,148.5</u>	<u>0.0</u>

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS

Year Ended June 30, 2011

<u>Categories</u>	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	3,864.0	3,864.0	0.0
Business occupational	1,833.0	1,833.0	0.0
Technical occupational	23,863.0	23,863.0	0.0
Remedial developmental	0.0	0.0	0.0
Adult basic education/Adult secondary education	1,867.0	1,867.0	0.0
Total	<u>31,427.0</u>	<u>31,427.0</u>	<u>0.0</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS

Year Ended June 30, 2011

The College's policy states that to be classified as a resident of the district, the student must have occupied a dwelling in the district for thirty (30) days immediately prior to the date established to begin classes at the College. The following categories of people are not classified as residents of the district:

1. Federal job corps workers stationed in the district
2. Members of armed forces stationed in the district
3. Inmates of state or federal correctional/rehabilitational institutions located in the district
4. Full-time students attending a post-secondary educational institution who have not demonstrated through documentation a verifiable interest in establishing permanent residency
5. Students who occupy a residence outside the district but who are employed by a firm located in the district
6. Students attending the College under the provisions of a chargeback or cooperative agreement with other community college districts
7. Students on an F-1 visa

The following special groups of people are considered as in-district residents for tuition charges only:

1. Students enrolled in courses taught at business and industry locations in the district
2. Full-time students enrolled at Eastern Illinois University, except students on an F-1 visa, who will be classified as out-of-state
3. International students on an F-1 visa who are sponsored by a resident of the Lake Land College district or who have attended a minimum of one semester at an in-district high school

Lake Land College follows the following guidelines for verifying student residency:

1. Students certify their address on their application by listing their address along with marking the residency status on the student demographic information. If there is a discrepancy between the address listed and the residency status, the College uses the residency status. If a student rebuts the decision made by the College on residency status, the student must present a property tax statement from the address listed in order to verify correct residency status.
2. Out-of-district students may meet the residency requirements by presenting a voter's registration card verifying in-district residency.
3. The College accepts employer signed affidavits verifying a student works at least 35 hours per week at the employer's business location in the college district.
4. Residency status of students who are dual enrolled at Lake Land College and Eastern Illinois University is verified by the information provided on the application. Students who are attending Eastern Illinois University and indicate they graduated from an in-district high school are coded in-district by the College. Students who are attending Eastern Illinois University and indicate they graduated from a high school out of district but in-state are coded as out-of-district but receiving in-district tuition rates. Students who are attending Eastern Illinois University and indicate they graduated from an out of state high school are coded as out-of-state but receive the in-district tuition rate.

FEDERAL AWARDS - COMPLIANCE SECTION

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*Certified Public Accountants
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Lake Land College
Community College District #517
Mattoon, Illinois

We have audited the financial statements of the business-type activity and the discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Lake Land College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. We consider the deficiency described as Finding 11-01 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

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

We also noted certain matters that we reported to management of the College, in a separate letter dated October 3, 2011.

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

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

Doehring, Winders & Co. LLP

October 3, 2011

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Lake Land College
Community College District #517
Mattoon, Illinois

Compliance

We have audited the compliance of Lake Land College, Community College District #517 (College) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the College, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Doehring, Winders & Co. LLP

October 3, 2011

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
Supplemental Educational Opportunity Grants	84.007A	N/A	(1) \$ 52,659
College Work Study	84.033A	N/A	(1) 94,959
Pell Grant Program	84.063P	N/A	(1) 8,809,261
Academic Competitive Grant Program	84.375	N/A	(1) 25,375
TRIO - Student Support Services	84.042A	N/A	(2) 232,634
TRIO - Talent Search	84.044	N/A	(2) 212,593
<i>Passed through Illinois Community College Board:</i>			
Adult Education - Basic Grants to States	84.002A	51701	96,280
Perkins Postsecondary Federal Allocation	84.048	CTE51711	269,867
Perkins Innovation Grant	84.048	CTEL11528	13,855
Programs of Study Grant	84.048	CTEL11 POS517	20,000
Vocational Education (Tech Prep)	84.243	11PCCS5170	108,587
<i>Passed through Southwestern Illinois College, District #522:</i>			
Improvement of Postsecondary Education	84.116	P116Z100257	30,351
<i>Passed through the Illinois State Board of Education:</i>			
ARRA - Education Jobs Fund	84.410A	11-4880-00	28,223
<i>Passed through Illinois State University:</i>			
New Look Grant	84.048	CTEL11008	3,450
Total U.S. Department of Education			9,998,094

See accompanying notes to schedule of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Energy			
<i>Passed through Illinois Department of Commerce and Economic Opportunity:</i>			
ARRA - Community Renewable Energy Program	81.041	DE-EE0000119	45,000
ARRA - Thermal Efficiency for Public Facilities	81.041	DE-EE0000119	165,614
<i>Passed through Southwestern Illinois College, District #522:</i>			
Energy Efficiency Assistance	81.117	DE-EE0003096	6,070
<i>Passed through Illinois Community College Board:</i>			
ARRA - Illinois Home Weatherization Assistance	81.042	IHWAP517	<u>25,074</u>
Total U.S. Department of Energy			<u>241,758</u>
U.S. Department of Health & Human Services			
Health Care and Other Facilities (PANA)	93.887	N/A	<u>3,475</u>
Total U.S. Department of Health & Human Services			<u>3,475</u>
U.S. Department of Veterans Affairs			
Post-9/11 Veterans Educational Assistance	64.028	N/A	<u>78,896</u>
Total U.S. Department of Veterans Affairs			<u>78,896</u>
Department of Transportation			
<i>Passed through Illinois Community College Board:</i>			
ARRA - Highway Planning and Construction	20.205	HCCTP517	<u>296,312</u>
Total Department of Transportation			<u>296,312</u>

See accompanying notes to schedules of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Labor			
Community Based Job Training Grant	17.269	N/A	192,750
<i>Passed through Illinois Community College Board:</i>			
Adult Education - Bridge Development Grant	17.267	AEL11014	20,000
CTE Dev Education Bridge Implementation Grant	17.267	WIABIG517	29,000
<i>Passed through Illinois Department of Commerce and Economic Opportunity:</i>			
ARRA - WIA Manufacturing Training Grant	17.258	08-732005	(3) 75,816
ARRA - WIA Manufacturing Training Grant	17.259	08-732005	(3) 182,859
ARRA - WIA Manufacturing Training Grant	17.260	08-732005	(3) 201,467
<i>Passed through Illinois Eastern Community Colleges:</i>			
ARRA - WIA Health Care Training Grant	17.258	08-731007	(3) 20,910
ARRA - WIA Health Care Training Grant	17.259	08-731007	(3) 55,546
ARRA - WIA Health Care Training Grant	17.260	08-731007	(3) <u>50,421</u>
Total U.S. Department of Labor			<u>828,769</u>
U.S. Department of Agriculture			
<i>Passed through Illinois Department of Health and Human Services:</i>			
Secondary Agriculture Education Grant	10.226	08-38414-16925	<u>3,944</u>
Total U.S. Department of Agriculture			<u>3,944</u>

See accompanying notes to schedules of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
National Science Foundation			
NSF Computer Science, Engineering and Mathematics Scholarships Program - BOOST II	47.076	N/A	141,420
NSF National Geospatial Technology Center	47.076	N/A	<u>79,882</u>
Total National Science Foundation			<u>221,302</u>
Corporation for National and Community Service			
<i>Passed through the Illinois State Board of Education:</i>			
Learn and Serve American Program	94.004	11-015-5170-51	<u>12,584</u>
Total Corporation for National and Community Service			<u>12,584</u>
Total Federal Awards			<u>\$ 11,685,134</u>

See accompanying notes to schedules of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

1 GENERAL

The accompanying schedule of federal awards presents the activity of all federal award programs of Lake Land College, Community College District #517 (College) for the year ended June 30, 2011. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule except for the administrative cost allowances and Direct Lending amounts received by the College as listed below. The College was not involved in any insurance programs during the year.

Administrative cost allowances:	
Pell	\$ 11,320
College Work Study	#VALUE!
FSEOG	5,459
	<u>#VALUE!</u>
Direct Lending received by College:	
Direct Loans	#VALUE!
Parent Loans for Undergraduate Students (PLUS)	#VALUE!
	<u>#VALUE!</u>

2 BASIS OF ACCOUNTING

The accompanying schedule of federal awards is presented using the modified accrual basis of accounting.

3 GUARANTEED STUDENT LOANS

During fiscal year 2011, the College participated in two guaranteed student loan programs sponsored by the U.S. Department of Education. Neither the loans nor the related activity have been reflected in the Schedule of Federal Awards for the year ended June 30, 2011.

The loans are made through Direct Lending, a branch of the Department of Education, and provided directly to the College's students or their parents. The U.S. Department of Education guarantees the repayment of the principal and related interest to the financial institution. The College is responsible for completing portions of the loan applications, verifying student eligibility, filing student confirmation reports (SCR), refunding money to Direct Lending, when appropriate, and distributing Direct Loan amounts to the student or their parents.

During fiscal year 2011, the College's students or their parents were eligible to receive the following guaranteed loans:

Stafford Loans	
Subsidized	\$ 1,165,329
Unsubsidized	674,475
Parents Loans for Undergraduate Students (PLUS)	167,018
Total	<u>\$ 2,006,822</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2011

4 RESTRICTED GRANTS/FEDERAL

Federal Basic

Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and to assist adults in completing a secondary school education.

Restricted Vocational Education Grants to State (Perkins)/Federal

Grant awarded to community colleges as a result of the Carl D. Perkins Vocational and Technical Educational Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 21st century. The central goals of this new vision are improving student achievement and preparing students for postsecondary education, further learning, and careers. The grant allows community colleges to focus on those programs and student populations they feel will allow for the greatest improvement in overall performance while assuring success for all students in career and technical education programs.

5 AMOUNTS PROVIDED TO SUBRECIPIENTS

During fiscal year 2011, the College maintained subrecipient agreements with the Illinois Eastern Community Colleges (IECC) under both the Community Based Job Training Grant as well as the ARRA - WIA Manufacturing Grant. The amounts provided to the IECC through these grants amounted to \$7,270 and \$33,094, respectively.

6 MAJOR PROGRAMS

The following federal program expenditures comprise major program expenditures under OMB Circular A-133 for the year ended June 30, 2011 (Major programs are indicated in the Schedule of Expenditures of Federal Awards by (1), (2), (3)):

(1) Student Financial Aid Cluster	\$ 8,982,254
(2) TRIO Program	445,227
(3) WIA Cluster	<u>587,019</u>
Total major program expenditures	10,014,500
Nonmajor program expenditures	<u>1,670,634</u>
Total federal expenditures	<u><u>\$ 11,685,134</u></u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified not considered to be material weaknesses? Yes X No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) Yes X No

Identification of major programs:

CFDA Numbers	Name of Federal Program
84.007A, 84.033A, 84.063P, 84.375 84.042A, 84.044 17.258, 17.259, 17.260	Student Financial Aid Cluster TRIO Cluster WIA Cluster

Dollar threshold used to distinguish between Type A and B programs: \$350,554

Auditee qualified as low-risk auditee? X Yes No

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2011

FINDINGS AND QUESTIONED COSTS FOR FINANCIAL REPORTING

11-01 Internal Control over Preparation of Financial Statements

As is common with smaller organizations, the College does not currently prepare its financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America. Statements on Auditing Standards do not provide exceptions to financial reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

The College's management has made the decision that it is not cost beneficial to prepare its own financial statements, including the notes.

RECOMMENDATION

We recommend that the College continually monitor the cost/benefit analysis of preparing its own financial statements, complete with notes, in conformity with accounting principles generally accepted in the United States of America.

COLLEGE RESPONSE

While the ICCB certificate does recognize excellence in financial reporting, it is not mandatory. The College meets all audit reporting requirements including those required under GASB Statements 34 and 35 and will continue to do so in the future. As additional resources become available, the College will take a look at the additional work involved with preparing the financial statements and footnotes.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2011

SCHEDULE OF PRIOR FINDINGS

10-02 Internal Controls over Enrollment Data and Credit Hour Submissions

During the prior audit, the College did not obtain proper teacher verification for forty-two courses amounting to 1,285.50 reimbursable semester credit hours across the Summer of 2009, Fall of 2009, and Spring of 2010 semesters.

During the current audit, the College improved their procedures and monitoring of course verifications significantly ensuring that all courses would obtain teacher verification. Therefore this finding was not repeated.