

September 27, 2017

To the Board of Trustees  
Lake Land Community College No. 517  
5001 Lake Land Boulevard  
Mattoon, IL 61938

In planning and performing our audit of the financial statements of Lake Land Community College No. 517 (College) for the year ended June 30, 2017, 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, we considered the College's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses; matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. A separate report dated September 27, 2017, contains our communication regarding significant deficiencies or material weaknesses in the District's internal control. This letter does not affect our report dated September 27, 2017, on the financial statements of the College.

### **Internal Controls over Accounting Functions**

During our testing, we noted the following issue related to the internal controls over accounting functions:

#### **Preparation of GAAP Financial Statements**

As is common in smaller organizations, the College does not currently prepare its financial statements, complete with notes, in accordance with U.S. generally accepted accounting principles. Currently the College's controller has the skills, expertise and knowledge to prepare the required financial reporting, however, due to time and budget constraints the College has chosen to contract those services with their auditors. The preparation process and final financial statements and notes have been reviewed and approved by the controller.

### *Segregation of Duties*

The Comptroller has access to certain cash accounts, can authorize cash disbursements, and had the ability to post transactions to the accounting records, which constitutes an inadequate segregation of duties. To mitigate this internal control weakness, we recommend the College continue to be vigilant in review and approval for all bank reconciliations and journal entries, including all applicable support.

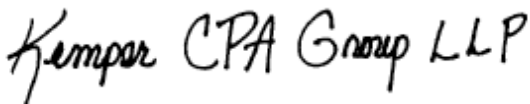
### *Return of Financial Aid Funds*

During testing of the College's return of funds to the Department of Education we noted a misinterpretation of the calculation. For the fall 2016 semester, the semester end date was determined one day early and for the spring 2017 semester, the five days for spring break had not been considered. This resulted in immaterial amounts in excess of amounts required to be returned to the Department of Education being returned. We recommend that the College continue to ensure that staff understands and have correctly implemented guidance provided by grantors.

### *Capital Asset Tracking*

During our testing of capital assets, we noted a few instances where asset tags numbers could not be matched to the capital asset listing and two assets that could not be located. The amounts of the assets were immaterial, however, we recommend that the College continue to improve and periodically test their asset tracking system in all departments to ensure the accuracy of the capital asset listing and to safe guard the College's assets.

This communication is intended solely for the information and use of management Board of Trustees, and others within the College, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kemper CPA Group LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**ANNUAL FINANCIAL REPORT  
(With Independent Auditor's Report Therein)**

**FOR THE YEAR ENDED JUNE 30, 2017**

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**TABLE OF CONTENTS**

Independent Auditor's Report	1 - 3
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4 - 5

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis	6a – 6h
--------------------------------------	---------

**BASIC FINANCIAL STATEMENTS**

Statement of Net Position	7-8
Statement of Revenues, Expenses, and Changes in Net Position	9-10
Statement of Cash Flows	11-12
Notes to Financial Statements	13 - 38

**REQUIRED SUPPLEMENTARY INFORMATION**

State Universities Retirement System of Illinois (SURS) Trend Data	39
Notes to Required Supplementary Information	40

**SUPPLEMENTAL INFORMATION**

**FINANCIAL STATEMENTS**

Combined Balance Sheet - All Fund Types	41
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	42
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	43

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**TABLE OF CONTENTS (CONTINUED)**

**SUPPLEMENTAL INFORMATION (CONTINUED)**

FINANCIAL STATEMENTS (CONCLUDED)

Statement of Revenues, Expenses, and Changed in Retained Earnings - Budget and Actual - Proprietary Fund Type 44

Statement of Cash Flows - Proprietary Fund Type 45

***Governmental Fund Types***

Combining Balance Sheet - Governmental Fund Types - General Fund 46

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types - General Fund 47

Combining Balance Sheet - Governmental Fund Types - Special Revenue Funds 48

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types - Special Revenue Funds 49

OTHER

Reconciliation and Schedule of Budget Basis 50

Schedule of Assessed Valuations, Tax Rates, and Tax Extensions - *Unaudited* 51

Summary of Taxes Receivable and Tax Collections – *Unaudited* 52

Summary of Assessed Valuations 53

Schedule of Legal Debt Margin - *Unaudited* 54

Schedule of Debt Maturities 55

Schedule of Expenses for Tort Immunity Purposes 56

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**TABLE OF CONTENTS (CONTINUED)**

**SUPPLEMENTAL INFORMATION (CONCLUDED)**

UNIFORM FINANCIAL STATEMENT (UFS)

All Funds Summary (UFS#1)	57
Summary of Fixed Assets and Debt (UFS#2)	58
Operating Funds Revenues and Expenditures (UFS#3)	59-60
Restricted Purposes Fund Revenues and Expenditures (UFS#4)	61
Current Funds Expenditures by Activity (UFS#5)	62

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

Certification of Chargeback Reimbursement	63
---	----

**STATE COMPLIANCE SECTION**

ILLINOIS COMMUNITY COLLEGE BOARD

STATE GRANTS FINANCIAL COMPLIANCE SECTION

Independent Auditor's Report on Compliance with State Requirements for Career and Technical Education - Program Improvement Grant and Adult Education and Family Literacy Grants	64-65
--	-------

*State Adult Education Restricted Funds*

Balance Sheet	66
Statement of Revenues, Expenditures, and Changes in Fund Balance	67
ICCB Compliance Statement for the Adult Education and Family Literacy Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only	68

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**TABLE OF CONTENTS (CONTINUED)**

**STATE COMPLIANCE SECTION (CONCLUDED)**

ILLINOIS COMMUNITY COLLEGE BOARD  
STATE GRANTS FINANCIAL COMPLIANCE SECTION (CONCLUDED)

*Career and Technical Education-Program Improvement*

Balance Sheet	69
Statement of Revenues, Expenditures, and Changes in Fund Balance	70
Notes to Financial Statements	71
Background Information on State Grant Activity	72

SCHEDULES OF ENROLLMENT DATA  
AND RECONCILIATION OF SEMESTER CREDIT HOURS

Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases upon Which Claims are Filed	73
Schedule of Enrollment Data and Other Bases upon Which Claims are Filed	74
Reconciliation of Total Reimbursable Semester Credit Hours	75
Documentation of Residency Verification Steps	76

**FEDERAL COMPLIANCE SECTION**

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniformed Guidance	77-78
Schedule of Expenditures of Federal Awards	79
Notes to the Schedule of Expenditures of Federal Awards	80-81
Background Information on Federal Grant Activity	82

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**TABLE OF CONTENTS (CONCLUDED)**

**FEDERAL COMPLIANCE SECTION (CONCLUDED)**

*Schedule of Findings and Questioned Costs*

Section I – Summary of Auditor’s Results	83
Section II – Financial Statement Findings	84
Section III – Federal Award Findings and Questioned Costs	85
Section IV – Summary of Prior Audit Findings	86





## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Lake Land College  
Community College District No. 517  
Mattoon, Illinois 61938

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Lake Land Community College District No. 517 and the discretely presented component unit, Lake Land College Foundation, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Lake Land Community College District No. 517, as of June 30, 2017, and the respective changes in financial position, and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the State Universities Retirement System of Illinois Trend Data on pages 6a-6h and 39-40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lake Land Community College District No. 517's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017, on our consideration of Lake Land Community College District No. 517'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* in considering the College's internal control over financial reporting and compliance.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
September 27, 2017

**INDEPENDENT AUDITOR'S 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 No. 517  
Mattoon, Illinois 61938

We have audited, 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 business-type activities and the discretely presented component unit of Lake Land Community College District No. 517 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Lake Land Community College District No. 517's basic financial statements, and have issued our report thereon dated . The financial statements of the Lake Land College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Lake Land College Foundation.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lake Land Community College District No. 517's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Land Community College District No. 517's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Land Community College District No. 517's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lake Land Community College District No. 517's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
September 27, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## 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, 2017. 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 7-12) and the footnotes (beginning on page 13). Included in the basic financial statements 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 7-12) 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 Position 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 Position focus on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition, federal 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 OVERVIEW AND HIGHLIGHTS

For the fiscal year ended June 30, 2017, the College experienced more normal state funding levels with the passage of the state budget that occurred after the conclusion of the fiscal year. Some significant items during this year are as follows:

- Lake Land College's Fiscal Year 2017 operating budget assumed the receipt of a 50% state funding level, or approximately \$4.9 million. The College was able to manage its expenditures for the year based on a 50% funding level; therefore, with more normal state funding ultimately being allocated for Fiscal Year 2017, the college was able to replenish its fund balance that had been depleted due to covering state funding shortfalls in prior years. The total amount of state funding allocated for credit hour and equalization payments totaled nearly \$10.4 million.
- The College continued to implement changes to help address the presumed reduction in state funding. Some of the changes include: a 25% reduction in operating budgets across campus, holding open vacant positions, and strict oversight and approval of equipment and supplies.
- The College issued \$1,300,000 in General Obligation Bonds to cover the costs of various projects completed on campus. These projects included making energy upgrades to the West Building, milling and repaving campus roadways, resealing and striping of various parking lots, remediation of Bora Wind Turbines, and tuck-pointing and masonry repairs of the Luther Student Center.
- The College completed paying back its 2012 Working Cash Bond. This bond totaled \$6,670,000 and was paid back over a five (5) year period.
- The College experienced a significant delay in collecting the receivables from the Department of Corrections Program, with approximately \$3,814,000 outstanding at June 30, 2017.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

	Net Position As of June 30,		Increase (Decrease)
	2017	2016	
Current assets	\$ 63,594,940	\$ 50,740,274	\$ 12,854,666
Noncurrent assets			
Capital assets, net of depreciation	61,914,614	66,446,354	(4,531,740)
Total assets	125,509,554	117,186,628	8,322,926
Current liabilities	11,092,728	11,195,458	(102,730)
Noncurrent liabilities	11,118,028	16,282,041	(5,164,013)
Total liabilities	22,210,756	27,477,499	(5,266,743)
Deferred inflows of resources	20,232,516	17,337,000	2,895,516
Net position			
Net investment in capital assets	53,560,342	56,845,425	(3,285,083)
Restricted for:			
Capital projects	1,826,674	1,822,099	4,575
Grant purposes	-	32,327	(32,327)
Debt service	651,954	708,569	(56,615)
Unrestricted	27,088,153	12,963,709	14,124,444
Total net position	\$ 83,127,123	\$ 72,372,129	\$ 10,754,994

Total assets increased \$8.3 million or 7.1% from fiscal 2016. This is a result of an increase of \$12.9 million in the current asset section due to an increase of \$7.6 million in investments due to the favorable market conditions and increased receipts of state funds. This increase was coupled with an increase in net receivables of \$6.0 million. This increase was a result of the budget impasse coming to a close at the end of the fiscal year. The increase in current assets was also offset by a decrease in Noncurrent assets in the amount of \$4.5 million due to the disposal of the North wind turbine among other things.

Total liabilities decreased \$5.3 million or 19.2% from fiscal 2016. This decrease is a result of the Series 2012 Working Cash Bond being paid off during FY2017.

The total net position of the College was increased by \$10.8 million due to the above mentioned changes and the operating results for the year ended June 30, 2017 as shown on the following page.



Operating Results for the Years Ended  
June 30,

	2017	2016	Increase (Decrease)
Operating revenue:			
Tuition and fees	\$ 15,513,380	\$ 10,197,601	\$ 5,315,779
Auxiliary	1,531,171	1,110,782	420,389
Department of Corrections instructional	6,854,936	6,013,983	840,953
Other	791,518	1,746,950	(955,432)
Total operating revenue	<u>24,691,005</u>	<u>19,069,316</u>	<u>5,621,689</u>
Less operating expenses	<u>56,995,509</u>	<u>64,316,147</u>	<u>(7,320,638)</u>
Operating income (loss)	<u>(32,304,504)</u>	<u>(45,246,831)</u>	<u>12,942,327</u>
Non-operating revenue (expenses):			
Other state revenues	14,109,641	4,497,220	9,612,421
SURS on-behalf contributions	15,331,267	11,679,457	3,651,810
Federal and local grants and contracts	11,531,804	10,991,071	540,733
Property taxes	17,456,123	14,229,630	3,226,493
Investment income	570,385	520,010	50,375
Interest expense	(285,814)	(133,929)	(151,885)
Disposal of fixed assets	(322,641)	(137,870)	(184,771)
Non-operating revenue (net)	<u>58,390,765</u>	<u>41,645,589</u>	<u>16,745,176</u>
Increase (decrease) in net position	10,754,994	(3,443,258)	14,198,252
Net position, beginning of year	<u>72,372,129</u>	<u>75,815,387</u>	<u>(3,443,258)</u>
Net position, end of year	<u>\$ 83,127,123</u>	<u>\$ 72,372,129</u>	<u>\$ 10,754,994</u>

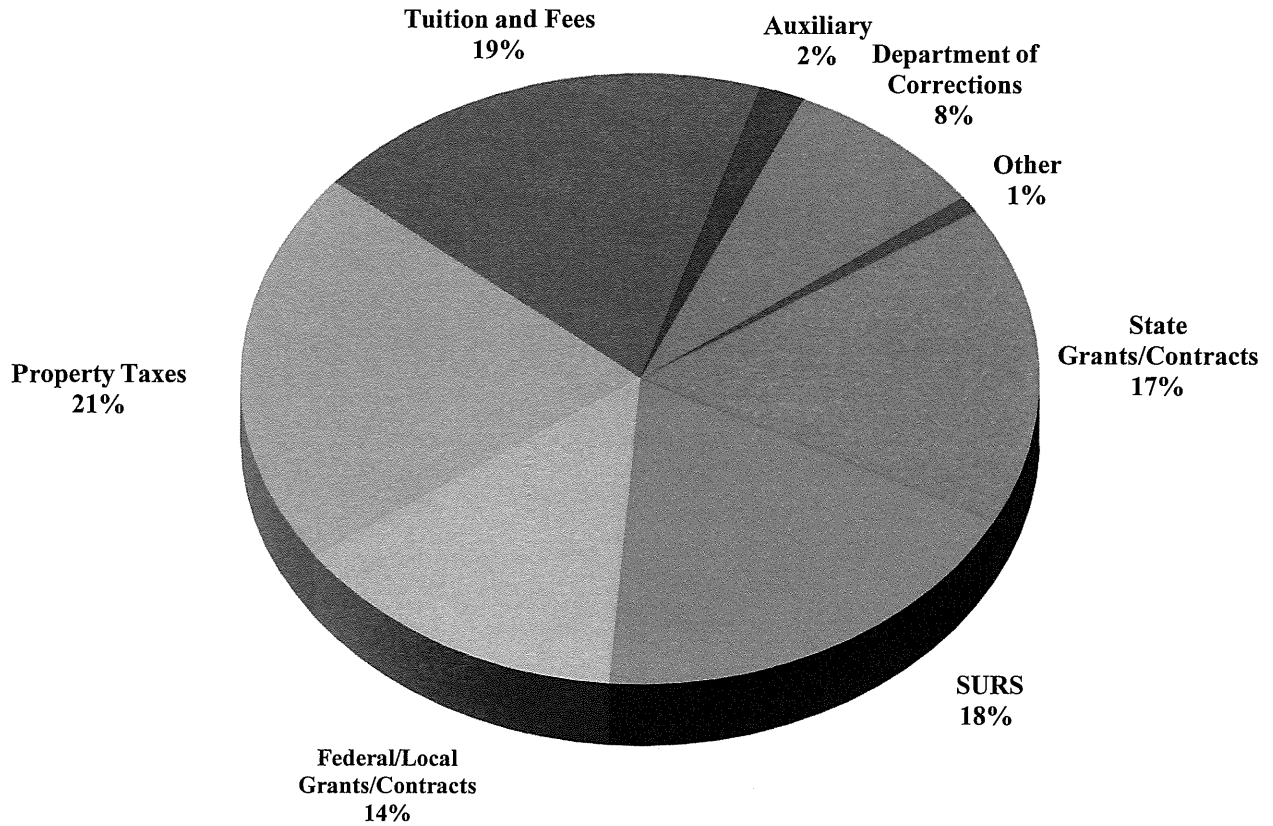
For the year ended June 30, 2017, the College recorded total operating revenues of \$24,691,005 and total operating expenses of \$56,995,509. The difference produced an operating loss of \$32,304,504, which is comparable to the previous year operating loss of \$45,246,831. Net non-operating revenue of \$58,390,765. This results in an overall increase in net position of \$10,754,994 compared to the fiscal 2015 decrease in net position of \$(3,443,258).

Non-operating revenue included local property taxes of \$17,456,123, other state revenues of \$14,109,641, SURS on-behalf contributions of \$15,331,267 federal grants and local contracts of \$11,531,804, investment expense net of interest earnings of \$284,571 and loss on disposal and impairment of capital assets of \$(322,641).

Of the College's total revenue, operating revenue accounted for approximately 30%, non-operating revenues accounted for 70%. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$15,513,380, auxiliary enterprise revenues totaling \$1,531,171, instructional revenues from the Department of Corrections totaling \$6,854,936 and other miscellaneous revenue of \$791,518.

The College had a net position at the beginning of the year totaling \$72,312,129. The current year increase in net position of \$10,754,994 brought the total of net position at the end of the year to \$83,127,123.

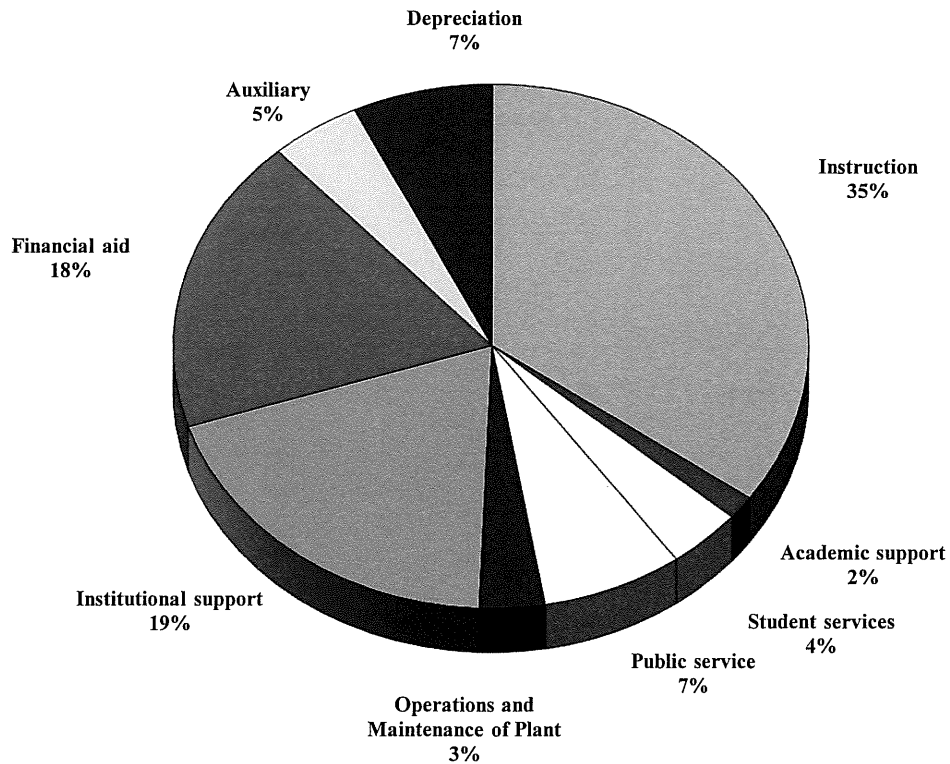
## Revenue by Source



Operating Expenses  
For the Years Ended June 30,

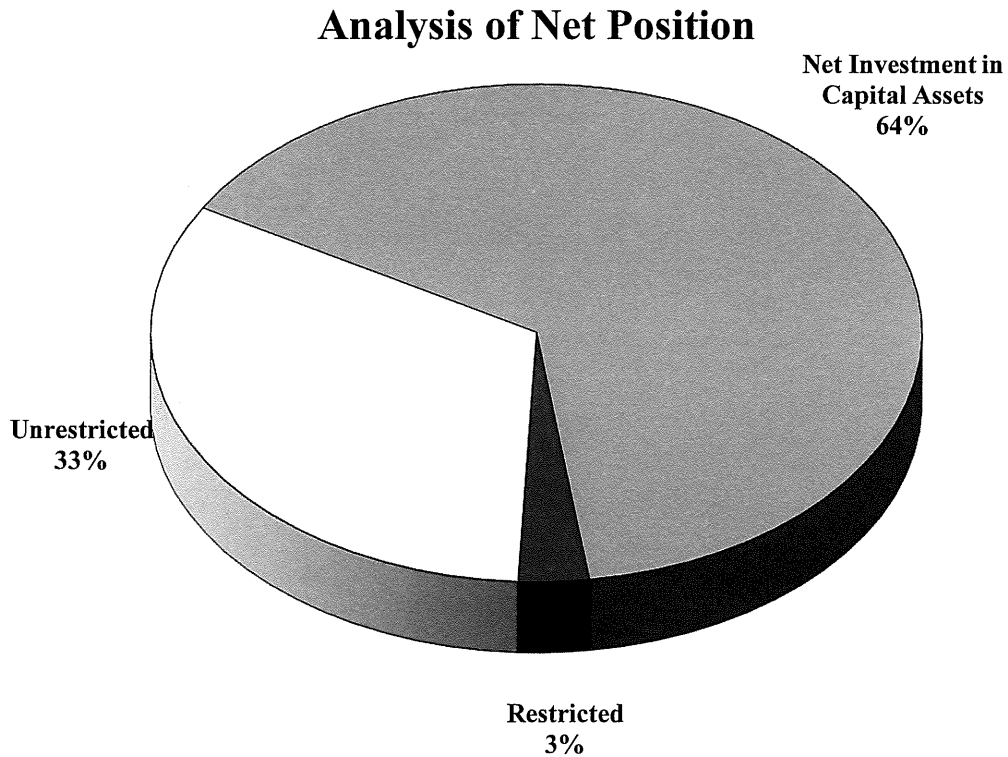
	2017	2016	Increase (Decrease)
Operating expense			
Instruction	\$ 19,854,501	\$ 26,896,777	\$ (7,042,276)
Academic support	830,444	1,700,669	(870,225)
Student services	2,165,984	3,127,557	(961,573)
Public service	4,092,604	4,554,259	(461,655)
Operations and maintenance of plant	1,908,536	4,676,346	(2,767,810)
Institutional support	11,035,751	13,046,117	(2,010,366)
Financial aid	10,439,091	3,965,641	6,473,450
Auxiliary	2,600,160	2,745,270	(145,110)
Depreciation	4,068,438	3,603,511	464,927
Total	<u>\$ 56,995,509</u>	<u>\$ 64,316,147</u>	<u>\$ (7,320,638)</u>

**Operating Expenses**



Analysis of Net Position  
June 30,

	2017	2016	Increase (Decrease)
Net Position			
Net Investment in Capital Assets	\$ 53,560,342	\$ 56,845,425	\$ (3,285,083)
Restricted	2,478,328	2,562,995	(84,667)
Unrestricted	27,088,153	12,963,709	14,124,444
Total	<u>\$ 83,126,823</u>	<u>\$ 72,372,129</u>	<u>\$ 10,754,694</u>



	Capital Assets, Net		Increase (Decrease)
	June 30,		
	2017	2016	
Capital Assets			
Land	\$ 981,487	\$ 981,487	\$ -
Building	91,933,093	91,995,684	(62,591)
Equipment	8,822,319	9,053,878	(231,559)
Construction in progress	3,605,998	4,439,360	(833,362)
Total	105,342,897	106,470,409	(1,127,512)
Less Accumulated Depreciation	(43,428,283)	(40,024,055)	(3,404,228)
Net Capital Assets	\$ 61,914,614	\$ 66,446,354	\$ (4,531,740)

As of June 30, 2017, the College had recorded approximately \$105.3 million invested in capital assets, approximately \$43.4 million in accumulated depreciation and approximately \$61.9 million in net capital assets. Capital asset deletions exceeded additions by approximately \$1.1 million (see Notes 3 and 4). Accumulated depreciation increased approximately \$3.4 million during the year.

During fiscal year 2017, the College issued two bonds in the amount of \$4,820,000 and \$1,450,000, respectively. The purpose of the bond issue was to fund the technology refresh program, remodel of the VoTech building, and to decrease the 2007 Fitness Center Bond. The majority of these bonds will be repaid over the next three fiscal years with property tax proceeds. Details of the remaining bonds held by the College can be found in Note 9 of the financial statements.

Solar energy can be converted into electricity through photovoltaic methods. During this past few fiscal years the College completed a 350kW Photovoltaic Solar Array on campus. 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.

As part of its capital assets planning, Lake Land College 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 the College's projects see Note 7 for details.

## THE COLLEGE'S ECONOMIC OUTLOOK

The College's economic outlook remains strong due to the College's Administration and Board of Trustees being proactive and vigilant in addressing a historic state budget impasse that covered multiple years. By remaining committed to the College's core priority of enhancing student success, Lake Land College enters the 2018 fiscal year in a solid position. As a result, Lake Land College was able to hold tuition levels flat for the 2017-2018 academic year, keeping it well below the state average for community college tuition costs. In addition, just over 35 percent of the district's graduating high school class chose Lake Land College as their choice for higher education.

In addition, the College has positioned itself favorably with its employee groups and their respective collective bargaining agreements. Beginning this year, the College worked collaboratively with its Faculty and Paraprofessionals to negotiate three year agreements that include a formula for annual wage adjustments that is based on annual funding levels for the College. Given continued uncertainty with future state funding levels, this unique model helps ensure that staffing costs adjust within the confines of the College's annual funding levels.

While the College is conservatively meeting current financial needs, private, state and federal grants are providing growth opportunities. The College is in the third year of a five-year TRiO Student Success grant which will assist in developing and educating first generation and low-income college students. The College is also in the second year of a five-year TRiO talent search grant. The College also plans to continue facilitating the Workforce Innovation and Opportunity Act (WIOA) to enhance our workforce training and education initiative. 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 Bryan Gleckler at 5001 Lake Land Blvd, Mattoon, IL 61938 (217)234-5223.

## **BASIC FINANCIAL STATEMENTS**

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF NET POSITION  
JUNE 30, 2017**

	<b>Lake Land College</b>	<b>Component Unit Lake Land College Foundation</b>
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 769,967	\$ 106,522
Restricted Cash and Cash Equivalents	133,777	-
Investments	27,957,480	8,022,008
Restricted Investments	1,826,674	-
Receivables		
Property Taxes	17,749,133	-
Governmental Claims	12,315,884	-
Tuition and Fees, Net of Allowance for Doubtful Accounts of \$4,417,559	1,068,906	-
Other Receivables	936,480	5,455
Inventories	153,386	-
Prepaid Expenses	689,077	-
Total Current Assets	<u>63,600,764</u>	<u>8,133,985</u>
Non-Current Assets		
Investments	-	3,902,997
Works of Art	-	18,248
Capital Assets, Net of Accumulated Depreciation	61,914,614	809,504
Total Non-Current Assets	<u>61,914,614</u>	<u>4,730,749</u>
<b>Total Assets</b>	<u>125,515,378</u>	<u>12,864,734</u>
<b>Deferred Outflows of Resources</b>		
Federal, Trust, or Grant Pension Contributions	60,841	-
Total Deferred Outflows of Resources	<u>60,841</u>	<u>-</u>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	2,561,905	6,953
Accrued Expenses	1,036,824	-
Accrued Interest Payable	29,404	-
Deposits Held in Custody	175,499	122,817
Unearned Revenue	98,983	-
Annuity Payable	-	23,648
Planned Retirement Payable, Due in One Year	269,370	-
Bonds Payable, Due in One Year	6,729,180	-
Total Current Liabilities	<u>10,901,165</u>	<u>153,418</u>
Non-Current Liabilities		
Annuity Payable	-	440,019
Accrued Compensated Absences	419,603	-
Planned Retirement Payable, Due in More Than One Year	1,569,795	-
Bonds Payable, Due in More Than One Year	9,425,000	-
Total Non-Current Liabilities	<u>11,414,398</u>	<u>440,019</u>
<b>Total Liabilities</b>	<u>22,315,563</u>	<u>593,437</u>

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



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF NET POSITION (CONCLUDED)  
JUNE 30, 2017**

	<b>Lake Land College</b>	<b>Component Unit Lake Land College Foundation</b>
<b>Deferred Inflows of Resources</b>		
Deferred Tuition and Fees	1,525,789	-
Deferred Property Tax	18,607,744	-
Total Deferred Inflows of Resources	20,133,533	-
<b>Net Position</b>		
Net Investment in Capital Assets	53,560,342	-
Restricted for:		
Capital Projects	1,826,674	-
Debt Service	651,954	-
Permanently Restricted	-	2,786,367
Temporarily Restricted	-	5,493,973
Unrestricted	27,088,153	3,990,957
<b>Total Net Position</b>	<b>\$ 83,127,123</b>	<b>\$ 12,271,297</b>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Lake Land College</u>	<u>Component Unit Lake Land College Foundation</u>
<b>Revenues</b>		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$4,417,559	\$ 15,513,380	\$ -
Contributions	-	996,788
Auxiliary Enterprise Revenue	1,531,171	-
Department of Corrections Instructional	6,854,936	-
Revenue from Educational Services and Materials	628,492	-
Other	163,026	280,456
<b>Total Operating Revenues</b>	<u>24,691,005</u>	<u>1,277,244</u>
<b>Expenses</b>		
Operating Expenses:		
Instruction	19,854,501	-
Academic Support	830,444	-
Student Services	2,165,984	800,435
Public Service/Continuing Education	4,092,604	-
Operation and Maintenance of Plant	1,908,536	-
Institutional Support	11,035,751	-
Scholarships, Student Grants, and Waivers	10,444,915	-
Auxiliary Enterprise	2,600,160	-
Depreciation	4,068,438	15,227
On-Behalf Expenditures	15,331,267	-
<b>Total Operating Expenses</b>	<u>72,332,600</u>	<u>815,662</u>
<b>Operating Income (Loss)</b>	<u>(47,641,595)</u>	<u>461,582</u>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Lake Land College</u>	<u>Component Unit Lake Land College Foundation</u>
<b>Non-Operating Revenues (Expenses)</b>		
State Grants and Contracts	13,695,045	-
Property Taxes	17,456,123	-
Personal Property Replacement Taxes	474,221	-
Federal Grants and Contracts	11,408,238	-
Local Grants and Contracts	129,578	-
On-Behalf Revenues	15,331,267	-
Loss Impairment of Capital Assets	(638,370)	-
Gain on Sale of Capital Asset	315,729	-
Bond Premium Amortization (Interest Expense), Net	(285,814)	-
Investment Income	570,385	862,446
Other	(59,813)	
<b>Total Non-Operating Revenues (Expenses)</b>	<u>58,396,589</u>	<u>862,446</u>
<b>Increase (Decrease) in Net Position</b>	10,754,994	1,324,028
<b>Net Position, July 1, 2016</b>	<u>72,372,129</u>	<u>10,947,269</u>
<b>Net Position, June 30, 2017</b>	<u>\$ 83,127,123</u>	<u>\$ 12,271,297</u>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Cash Flows from Operating Activities</b>	
Tuition and Fees	\$ 15,038,495
Payments to Suppliers	(28,454,419)
Payments to Employees	(29,427,824)
Department of Corrections Instructional	7,870,911
Auxiliary Enterprise Charges	1,531,171
Other Receipts	791,518
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(32,650,148)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Local Property Taxes	18,788,955
Grants and Contracts	19,042,146
Proceeds from Notes and Bonds Payable	1,300,000
Principal Paid on Noncapital Debt	(5,005,000)
Interest Paid on Noncapital Debt	(544,243)
Agency Receipts	727,475
Agency Payments	(712,578)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>33,596,755</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of Capital Assets	(3,224,696)
Sale of Capital Asset	1,628,542
Principal Paid on Capital Debt	(755,000)
Interest Paid on Capital Debt	(61,502)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(2,412,656)</u>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sales and Maturities of Investments	6,277,805
Purchases of Investments	(6,317,179)
Income from Investments	570,385
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>531,011</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(935,038)
<b>Cash and Cash Equivalents, July 1, 2016</b>	<u>1,838,782</u>
<b>Cash and Cash Equivalents, June 30, 2017</b>	<u>\$ 903,744</u>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF CASH FLOWS (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Reconciliation of Operating Income (Loss) to Net**

**Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (47,641,595)
-------------------------	-----------------

Adjustments to Reconcile Operating Income (Loss) to  
Net Cash Provided (Used) by Operating Activities:

Depreciation Expense	4,068,438
On-Behalf Revenues	15,331,267

Change in Current Assets and Liabilities:

(Increase) Decrease in Tuition and Fees Receivables (Net)	80,602
(Increase) Decrease in Operating Receivables	(5,307,959)
(Increase) Decrease in Inventories	20,600
(Increase) Decrease in Prepaid Expenses	(265,822)
Increase (Decrease) in Accounts Payable	605,669
Increase (Decrease) in Accrued Expenses	15,593
Increase (Decrease) in Accrued Compensated Absences	100,234
Increase (Decrease) in Planned Retirement Payable	404,636
Increase (Decrease) in Deferred Tuition and Fees	(61,811)

<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (32,650,148)</u></b>
---	-------------------------------

**Noncash Investing, capital and noncapital financing transactions:**

During the year, the College issued Bonds Series, 2017 which advanced refunded a Debt Certificate issued during the year ended June 30, 2017.	<u>\$ 1,330,000</u>
---	---------------------

Change in Fair Value of Investments	<u>\$ 136,223</u>
-------------------------------------	-------------------

Amortization of Bond Premium	<u>\$ 313,200</u>
------------------------------	-------------------

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Lake Land Community College District No. 517 (the College) is organized under the Illinois Public Community College Act with partial funding by the Illinois Community College Board. The College encompasses parts of 15 counties in East Central Illinois. The main campus is located in Mattoon, with extension centers in Effingham, Pana, and Marshall.

**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 position, the statement of revenues, expenses and changes in net position, and the statement of cash flows of the College.

In addition, the accompanying financial statements include the accounts of the Lake Land College Foundation, Inc. (Foundation), defined as a component unit of the College under GASB Statements No. 14 and 61, *The Financial Reporting Entity* and No. 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 17 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 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 differ from GASB revenue recognition criteria and presentation. 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.

The accompanying financial statements include all entities for which the Board of Trustees of the College has financial accountability.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

As a public institution, the College is considered a special-purpose government under the provisions of GASB No. 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-purposes 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.

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 and are accounted for as non-operating revenues. 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 these amounts for which revenues 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 No. 3, *Revenue Recognition – Property Taxes*, GASB Statement No. 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 consider 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, including GASB No. 74, *Financial Reporting Financial reporting for Postemployment Benefit Plans Other than Pensions*, and GASB No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)**

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 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 the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may 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 and the FDIC Bank Deposit Program which management considers to be investments.

**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 the current exchange rates. Cash deposits and money market accounts are reported at carrying amount, which reasonably estimates fair value.

**Receivables**

Receivables consist of tuition and fee charges to students, auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in Illinois, and property tax receivables. Receivables also include amounts due from the federal, 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, which is based on management's assessment of collectability of specific students' accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories**

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

**Capital Assets**

Capital assets include property, equipment, and infrastructure assets; such as roads, parking lots and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Buildings	40 Years
Building Improvements	8-20 Years
Land Improvements	10 Years
Vehicles	5 Years
Equipment	8 Years
Technology Hardware/Software	4 Years

**Library Books and Textbooks**

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

**Advances to Grantors**

Advances from grantors include amounts received from grant and contract sponsors for which eligibility requirements have not yet been met.

**Summer Tuition Received in Advance**

Summer tuition received in advanced includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2017.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

A deferred inflow of resources represents the acquisition of resources that are applicable to a future reporting period. At June 30, 2017, deferred inflows of resources included tax levies accrued that are levied for use in the next fiscal year and student tuition and fees that were collected or accrued for the next academic year.

**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, 2017, the College recorded a liability of \$419,603. 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.

**Amortization of Debt Issuance Premiums/Discounts**

The College amortizes debt issuance premiums and discounts by the effective interest method over the period the related debt issue is outstanding. The debt premium/discount is amortized by using the same interest rate as the related debt issue and the current period amortization is shown as a decrease (for a premium) or increase (for a discount) to current period interest expense.

**Net Position**

The College's net position is classified as follows:

*Net Investment in Capital Assets* – This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position (Concluded)**

*Restricted* – This represents assets/resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties, reduced by liabilities and deferred inflow resources related to those assets. Sources of restricted revenue included federal, state, and private grants and contracts. Externally restricted funds may be utilized only in accordance with the purpose established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use in achieving any of its institutional purposes. 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* – This represents unrestricted assets/resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and 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 Board of Trustees to meet current expenses for any lawful 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.

**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 Position. 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 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.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

The 2016 property tax extension has been deferred to comply with the Government Accounting Standards Board Statement No. 33 since it was levied to finance activities of the 2017/2018 academic 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 property tax receipts from July through November.

**Federal Financial Assistance Programs**

The College participates in federally funded PELL Grants, SEOG Grants, Federal Work-Study, and Federal Family Education Loan Programs. Federal programs are audited in accordance with the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 and the Trust and Agency Funds.

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.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pension benefits to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

**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 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 the related investments for general or specific purposes.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**Component Unit (Concluded)**

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

Investments are reported at fair value.

**Subsequent Events**

The College has evaluated subsequent events through September 27, 2017, the date which the financial statements were available to be issued.

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Deposits**

The College maintains and operates a majority of its cash balances in a common checking account, as 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.

As of June 30, 2017, the carrying balance of the College's cash deposits was \$903,744, which includes \$2,090 of cash on hand, and the bank balance was \$1,038,744, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

Statutes authorize the College to invest in obligations of the U.S. Treasury, direct obligation 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, any mutual funds that invest primarily in corporate investment grade or global government short-term bonds, 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 statute and further limits the amount invested in each category (See Concentration Risk disclosure below)

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to the debt investment will not fulfill its obligations. The College requires that the purchase of mutual bond funds that invest primarily in short-term global government bonds be rated in at least the top ten categories by a recognized rating service. The College held bonds which were either explicitly or implicitly guaranteed by the U.S. Government, and are not subject to credit risk disclosures.

As of June 30, 2017, the College held \$3,159,857 in money market funds all with Moody's AAA ratings. The mutual bond funds balance of \$26,264,297 were unrated as of June 30, 2017.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. To guard against custodial credit risk for deposits with financial institutions, the College's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral with a written agreement and held at an independent, third-party institution, in the name of the College. At June 30, 2017, 100% of the College's investments were held by various custodians in the Colleges' name and were not subject to creditors of the custodians.

The College's investments in money market funds, as well as mutual bond 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 NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)**

*Concentration of Credit Risk*

The College's investment policy limits investments in collateralized repurchase agreements, commercial paper, and the Illinois Public Treasurer's Investment Pool to 33% of the total investments, investments in banks and mutual bond funds are limited to 90% of the total investments, and 100% of the total investments can be invested in U.S. Government securities and money market mutual funds registered under the Investment Company Act of 1940, Mutual Fund investments may hold an allocation of not more than 25% in foreign government bonds. The College's investments, including those restricted, by category at June 30, 2017, were as follows:

Investment	Fair Value	%
Investments administered by Wells Fargo Advisors:		
Open ended Mutual Funds	\$ 26,147,645	87.79%
Money Market Accounts	1,333,183	4.48%
Fixed Income	476,652	1.60%
Investments administered by First Mid-Illinois Bank Fund Trust:		
Money Market Accounts	<u>1,826,674</u>	<u>6.13%</u>
Total	<u><u>\$ 29,784,154</u></u>	<u><u>100.00%</u></u>

The mutual bond funds have not disclosed to the College whether derivatives are used, held, or were written during the period covered by the financial statements.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College's investment policy does not limit the maturities of investments 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.



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk (Concluded)*

The schedule below assumes that callable investments will be called.

Weighted Average Maturity	Mutual Bond Funds	Government Bonds	Certificates of Deposit	Money Market and Savings Accounts	Total
On Demand	\$ -	\$ -	\$ -	\$ 3,159,857	\$ 3,159,857
0-1 Year	4,101,782	-	-	-	4,101,782
1-3 Years	7,532,364	-	-	-	7,532,364
3-7 Years	5,295,028	-	-	-	5,295,028
7-10 Years	5,369,606	-	-	-	5,369,606
10-15 Years	4,325,517	-	-	-	4,325,517
Total	<u>\$ 26,624,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,159,857</u>	<u>\$ 29,784,154</u>

The College accounts for its investments in accordance with GASB No. 72, *Fair Value Measurement and Application*, which provides the framework for measuring fair value. The three levels of the fair value hierarchy under GASB No. 72 are described below.

Level 1 – Inputs to the valuation methodology derive from unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

The investments requiring the additional fair value disclosures are as follows:

	Cost	Level 1	Total Fair Value
Open Ended Mutual Bond Funds	<u>\$ 26,624,297</u>	<u>\$ 26,488,074</u>	<u>\$ 26,488,074</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED)**

**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 4, for more information on these.

**NOTE 3: CAPITAL ASSETS**

The following is a schedule of changes in capital asset categories for the fiscal year ended June 30, 2017. The investment in capital assets is determined by reducing historical cost by accumulated depreciation. Depreciation expense for June 30, 2017 was \$4,068,438.

	<u>Primary Government/Business-Type Activity</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/17</u>
Historical Cost:				
Capital Assets Not Being Depreciated:				
Land	\$ 981,487	\$ -	\$ -	\$ 981,487
Construction in Progress	<u>4,439,360</u>	<u>1,573,840</u>	<u>(2,407,202)</u>	<u>3,605,998</u>
Total Capital Assets				
Not Being Depreciated	<u>5,420,847</u>	<u>1,573,840</u>	<u>(2,407,202)</u>	<u>4,587,485</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	91,995,684	2,407,202	(2,469,793)	91,933,093
Equipment	<u>9,053,878</u>	<u>94,674</u>	<u>(326,232)</u>	<u>8,822,319</u>
Total Capital Assets				
Being Depreciated	<u>101,049,562</u>	<u>2,501,876</u>	<u>(2,796,025)</u>	<u>100,755,412</u>
Less Accumulated Depreciation:				
Buildings and Improvements	32,799,384	3,441,749	(474,977)	35,766,156
Equipment	<u>7,224,670</u>	<u>626,689</u>	<u>(189,232)</u>	<u>7,662,127</u>
Total Accumulated Depreciation	<u>40,024,054</u>	<u>\$ 4,068,438</u>	<u>\$ (664,209)</u>	<u>43,428,283</u>
Capital Assets, Net	<u>\$ 66,446,354</u>			<u>\$ 61,914,614</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 4: CONSTRUCTION IN PROGRESS**

The College has the following construction projects in progress at June 30, 2017:

	Project Budget	Expended to 06/30/17	Committed
PHS Levied Projects			
West Building Renovation	\$ 1,400,000	\$ 1,262,073	\$ 137,927
Total PHS Levied Projects	<u>1,400,000</u>	<u>1,262,073</u>	<u>137,927</u>
CDB Projects			
Student Center	<u>8,962,100</u>	<u>1,646,688</u>	<u>7,315,412</u>
CAP Projects			
West - ES - Upgrade	943,000	697,237	245,763
Other	284,909	-	284,909
Total CAP Projects	<u>1,227,909</u>	<u>697,237</u>	<u>530,672</u>
Total Construction in Progress	<u>\$ 11,590,009</u>	<u>\$ 3,605,998</u>	<u>\$ 7,984,011</u>

Construction in progress additions include capitalized interest expense of \$97,285. 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 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. At June 30, 2017, the balance in this account was \$1,826,674.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 5: CHANGES IN GENERAL LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2017:

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Bonds Payable	\$ 20,370,000	\$ 1,330,000	\$ 5,760,000	\$ 15,940,000
Bond Premium	515,898	-	301,718	214,180
Notes Payable	-	1,300,000	1,300,000	-
Planned Retirement Payable	1,434,529	174,559	66,293	1,542,795
Accrued Compensated Absences	319,369	419,603	319,369	419,603
Total	<u>\$ 22,639,796</u>	<u>\$ 3,224,162</u>	<u>\$ 7,747,380</u>	<u>\$ 18,116,578</u>

	Amount Due Within One Year
Bonds Payable	\$ 6,515,000
Bond Premium	214,180
Planned Retirement Payable	269,370
Total	<u>\$ 6,998,550</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 6: BONDS PAYABLE**

Long-term debt consists of the following at June 30, 2017:

Series 2013 general obligation funding bonds, payable in annual principal installments ranging from \$2,580,000 to \$2,635,000, and annual interest payments at a stated rate of 2.0% (effective interest rate of 1.37% with bond premium), due December 1, 2017.	\$ 2,635,000
Series 2013B general obligation funding bonds, payable in annual principal installments ranging from \$1,135,000 to \$2,865,000, and annual interest payments at an average rate of 1.75%, due December 1, 2019.	3,220,000
Series 2014 general obligations funding bonds, payable in annual principal installments ranging from \$645,000 to \$1,695,000 and annual interest payments at a stated rate of 3.0% (effective interest rate of 1.48% with bond premium), due December 1, 2018.	4,000,000
Series 2016A general obligation funding bonds, payable in annual principal installments ranging from \$1,515,000 to \$1,685,000, and annual interest payments at a stated rate ranging from 3.0% to 4.0% (effective interest rate of 1.70% with bond premium), due June 1, 2019.	3,305,000
Series 2016B general obligation funding bonds, payable in annual principal installments ranging from \$130,000 to \$160,000, and annual interest payments at a stated rate ranging from 2.0% to 2.25% (effective interest rate of 2.05% with bond premium), due June 1, 2027.	1,450,000
Series 2017 general obligation funding bonds, payable in annual principal installments ranging from \$435,000 to \$450,000, and annual interest payments at a stated rate ranging from 1.15% to 1.50% , due December 1, 2019.	1,330,000
Total Bonds Payable	<u>1,330,000</u> <u>\$ 15,940,000</u>

Total interest expense for the year ended June 30, 2017 was \$482,741, with capitalized interest representing \$104,791 of this amount, and \$285,814 recognized as interest expense in the Statement of Revenues, Expenses and Changes in Net Position. The interest expense of \$285,814 net of amortization of bond premium of \$301,718.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 6: BONDS PAYABLE (CONCLUDED)**

At June 30, 2017, the annual cash flow requirements of principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 6,515,000	\$ 314,297	\$ 6,829,297
2019	6,655,000	137,646	6,792,646
2020	1,720,000	37,475	1,757,475
2021	140,000	20,000	160,000
2022	145,000	17,150	162,150
2023-2027	765,000	40,750	805,750
Bonds Payable Subtotal	15,940,000	<u>\$ 567,318</u>	<u>\$ 16,507,318</u>
Unamortized Bond Premium	214,180		
Total Bonds Payable	<u>\$ 16,154,180</u>		

**NOTE 7: RETIREMENT COMMITMENTS**

**General Information about the Pension Plan**

*Plan Description*

Lake Land College District No. 517 contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) 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 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 at [www.SURS.org](http://www.SURS.org).

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)**

*Benefits Provided*

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

*Contributions*

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2016 and 2017 respectively, was 12.69% and 12.53% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

**Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Net Pension Liability*

At June 30, 2016 SURS reported a net pension liability (NPL) of \$25,965,271,744. The net pension liability was measured as of June 30, 2015.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)**

*Employer Proportionate Share of Net Pension Liability*

The amount of the proportionate share of the net pension liability to be recognized for Lake Land College District No. 517 is \$-0-. The proportionate share of the State's net pension liability associated with Lake Land College District No. 517 is \$154,077,204 or 0.5934%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2016 was determined based on the June 30, 2015 actuarial valuation rolled forward. The basis of allocation was used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2016.

*Pension Expense*

At June 30, 2016 SURS reported a collective net pension expense of \$2,566,164,865.

*Employer Proportionate Share of Pension Expense*

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2016. As a result, Lake Land College District No. 517 recognized on-behalf revenue and pension expense of \$15,227,551 for the fiscal year ended June 30, 2017.

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 14,215,882	\$ 2,298,574
Changes in assumption	655,463,758	-
Net differences between projected and actual earnings on pension plan investments	1,431,081,306	635,552,976
Total	<u>\$ 2,100,760,946</u>	<u>\$ 637,851,550</u>



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)**

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expense

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ 539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
2021	-
Thereafter	-
Total	\$ 1,462,909,396

Employer Deferral of Fiscal Year 2017 Pension Expense

Employer paid \$60,841 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016 and are recognized as deferred outflows of resources as of June 30, 2017.

Assumptions and Other Inputs

*Actuarial Assumptions*

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2016

Mortality rates were based on the RP2014 Combined Mortality Table, projected with projected generational mortality and a separate mortality assumption for disabled participants.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
<b>Total</b>	<u>100%</u>	<u>5.09%</u>
<b>Inflation</b>		<u>2.75%</u>
<b>Expected Arithmetic Return</b>		<u>7.84%</u>

*Discount Rate*

A single discount rate of 7.010% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 7: RETIREMENT COMMITMENTS (CONCLUDED)**

*Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate*

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.01%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point-higher:

1% Decrease 6.01%	Current Single Discount Rate Assumption 7.01%	1% Increase 8.01%
\$31,348,831,631	\$25,965,271,744	\$21,502,421,700

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

**NOTE 8: PLANNED RETIREMENT**

To enhance long-range planning, College employees are encouraged to submit resignations up to four years in advance of their planned retirement date. Upon acceptance of the resignation by the Board of Trustees, qualified employees will receive a guaranteed 6% raise on their contractual based salary for each of the last four years of service. A formula using years of service determines the paid incentive. This incentive will be paid on the first payroll following 60 calendar days after the retirement date. The College records a liability for all qualified employees who have had their resignations accepted by the Board of Trustees. At June 30, 2017, the balance of the planned retirement liability was \$1,569,795.

**NOTE 9: POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by 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.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 9: POSTEMPLOYMENT BENEFITS (CONCLUDED)**

Health, dental and vision benefits include basic benefits for annuitants and their 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 Employees' Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retire 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.

The State pays for a portion of the employer costs for the benefits provided. The total cost of the State's portion of the health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an 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 the dependents.

A summary of post-employment benefit provision, 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 Central Management Services. A copy of the financial statements of the Department of Central Management Services, may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, IL 62706.

**NOTE 10: INTERGOVERNMENTAL AGREEMENT**

In September 2017, the College entered into an educational partnership agreement (Community College Education Agreement) with 36 other Illinois community colleges to provide additional educational programs to the citizens of each district. The cooperating institutions in this agreement will be treated as in district in relation to admission policies for their programs. Colleges sending student to any receiving cooperating institution will no longer pay chargebacks to the receiving college.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 11: 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 College carries commercial insurance.

The College also carries commercial insurance for all other risks of loss, including general liability, property and worker's compensation insurance. Settled claims resulting from these risk have not exceeded commercial insurance.

**NOTE 12: CONTINGENT LIABILITIES AND COMMITMENTS**

*Litigation*

As of June 30, 2017, the College is a defendant in a lawsuit. The College intends to vigorously defend this lawsuit. Management believes that the liability insurance of the College is sufficient to cover any potential asserted claims.

*Federal and State Grants*

The College has received a number of Federal and State grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, College management believes that such disallowances, if any, will not be material.

**NOTE 13: COMPONENT UNIT**

The Lake Land College Foundation, Inc. (component unit of Lake Land College) accounts for its investments in accordance with financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which provides the framework for measuring fair value. The framework provides a fair value hierarchy that priorities the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017**

**NOTE 13: COMPONENT UNIT (CONTINUED)**

Level 3 – Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

The Foundation’s investments are held primarily by a national banking association and managed by an investment advisor in accordance with the terms of an investment advisor agreement. Investments shown below were measured at fair value as described in Note 1.

The purpose of the Foundation’s investments is to provide income and capital to meet current and future needs of the Foundation. The earnings of investment funds donated by individuals and businesses are to be distributed on a semi-annual basis primarily for student scholarships. The primary force behind all investment decisions shall be the achievement of capital protection and the safety and security of all investments.

Investments as of June 30, 2017, consisted of the following:

	Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Fair Value
Money Market	\$ 470,610	\$ 470,610	\$ -	\$ 470,610
Mutual Funds	3,748,244	4,003,419	-	4,003,419
Exchange Traded Funds	3,027,307	3,447,433	-	3,447,433
Bonds	105,008	-	100,546	100,546
Current	7,351,169	7,921,462	100,546	8,022,008
Real Estate	2,542,875	-	2,542,875	2,542,875
U.S. Government Obligations	49,703	-	53,695	53,695
Bonds	1,362,136	-	1,306,427	1,306,427
Noncurrent	3,954,714	-	3,902,997	3,902,997
Total Investments	<u>\$ 11,305,883</u>	<u>\$ 7,921,462</u>	<u>\$ 4,003,543</u>	<u>\$ 11,925,005</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)  
JUNE 30, 2017**

**NOTE 13: COMPONENT UNIT (CONCLUDED)**

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment Income	\$ 62,093	\$ 187,709	\$ -	\$ 249,802
Investment Fees	(17,112)	(52,538)	-	(69,650)
Realized Gains	136,471	415,682	-	552,153
Unrealized Gains (Losses)	105,831	-	-	105,831
Total Investment Return	<u>\$ 287,283</u>	<u>\$ 550,853</u>	<u>\$ -</u>	<u>\$ 838,136</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE CISTRIC NO. 517  
MATTOON, IL**

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES  
RETIREMENT SYSTEM OF ILLINOIS TREND DATA  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>SCHEDULE OF SHARE OF NET PENSION LIABILITY</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>LAKE LAND COLLEGE</b>			
( a ) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%
( b ) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -
( c ) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Employer	133,234,506	139,107,184	154,077,204
Total ( b ) + ( c )	<u>\$133,234,506</u>	<u>\$139,107,184</u>	<u>\$154,077,204</u>
Employer DB Covered Payroll	\$ 22,225,415	\$ 21,416,911	\$ 21,444,618
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of DB Covered Payroll	599.47%	649.52%	718.49%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.58%

<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>LAKE LAND COLLEGE</b>				
Federal, Trust, Grant and Other Contribution	\$ 44,728	\$ 86,474	\$ 69,447	\$ 60,841
Contribution in Relation to Required Contribution	44,728	86,474	69,447	60,841
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer Covered Payroll	\$ 514,282	\$ 738,466	547,258	485,562
Contributions as a Percentage of Covered Payroll	8.70%	11.71%	12.69%	12.53%

<b>LAKE LAND COLLEGE</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
On-Behalf Payments for Community College Health Insurance Program	\$ 111,183	\$ 109,111	\$ 110,412	\$ 103,716

\* Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

Fiscal Year 2017 Total DB Contribution: \$ 1,643,900

Fiscal Year 2017 Total SMP Contributions: \$ 210,212

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE CISTRICK NO. 517  
MATTOON, IL**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

*Changes of Benefit Terms.* There were no benefit changes recognized in the Total Pension Liability as of June 30, 2016.

*Changes of Assumptions.* In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- **Mortality Rates:** Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- **Salary Increase:** Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- **Normal Retirement Rates:** Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- **Early Retirement Rates:** Change to a slight increase to the rates at ages 55 and 56.
- **Turnover Rates:** Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- **Disability Rates:** Decrease rates and have separate rates for males and females to reflect observed experience.
- **Dependent Assumption:** Main the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

**SUPPLEMENTAL INFORMATION**

**Financial Statements**

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

COMBINED BALANCE SHEET  
ALL FUND TYPES  
JUNE 30, 2017

	Governmental Fund Types			Proprietary	Fiduciary	Total (Memorandum Only)	
	General	Special Revenue	Bond and Interest	Capital Projects	Enterprise		Trust and Agency
<b>Assets</b>							
Cash and Cash Equivalents	\$ 429,659	\$ 86,223	\$ 17,558	\$ 24,581	\$ 334,580	\$ 5,415	\$ 898,016
Investments	-	25,395,916	-	2,561,564	-	-	27,957,480
Receivables							
Property Taxes	8,142,281	1,742,453	6,505,158	1,359,241	-	-	17,749,133
Governmental Claims	6,325,056	5,990,828	-	-	-	-	12,315,884
Tuition and Fees, Net of Allowances	1,068,906	-	-	-	-	-	1,068,906
Other	96,678	824,452	-	-	14,502	848	936,480
Due From Other Funds	10,456,256	60,000	950,000	-	1,670,000	170,000	13,306,256
Inventories	-	-	-	-	153,386	-	153,386
Prepaid Expenses	403,276	285,801	-	-	-	-	689,077
Restricted Investments	-	-	-	1,826,674	-	-	1,826,674
Capital Assets, Net of Depreciation	-	-	-	-	190,526	-	190,526
Total Assets	<u>26,922,112</u>	<u>34,385,673</u>	<u>7,472,716</u>	<u>5,772,060</u>	<u>2,362,994</u>	<u>176,263</u>	<u>77,091,818</u>
<b>Deferred Outflows of Resources</b>	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 26,922,112</u>	<u>\$ 34,385,673</u>	<u>\$ 7,472,716</u>	<u>\$ 5,772,060</u>	<u>\$ 2,362,994</u>	<u>\$ 176,263</u>	<u>\$ 77,091,818</u>
<b>Liabilities</b>							
Accounts Payable	\$ 1,616,669	\$ 866,039	\$ -	\$ 69,724	\$ 8,709	\$ 764	\$ 2,561,905
Accrued Salaries	815,767	204,704	-	-	16,353	-	1,036,824
Accrued Compensated Absences	249,182	157,827	-	-	12,594	-	419,603
Planned Retirement Payable	1,839,165	-	-	-	-	-	1,839,165
Deposits Held in Custody	-	-	-	-	-	175,499	175,499
Unearned Revenue	-	98,983	-	-	-	-	98,983
Due To Other Funds	-	7,516,256	-	6,100,000	-	-	13,616,256
Total Liabilities	<u>4,520,783</u>	<u>8,843,809</u>	<u>-</u>	<u>6,169,724</u>	<u>37,656</u>	<u>176,263</u>	<u>19,748,235</u>
<b>Deferred Inflows of Resources</b>							
Deferred Tuition and Fees	1,525,789	-	-	-	-	-	1,525,789
Deferred Property Taxes	8,530,198	1,832,825	6,820,762	1,423,959	-	-	18,607,744
Total Deferred Inflows of Resources	<u>10,055,987</u>	<u>1,832,825</u>	<u>6,820,762</u>	<u>1,423,959</u>	<u>-</u>	<u>-</u>	<u>20,133,533</u>
<b>Fund Equities</b>							
Net Investment in Capital Assets	-	-	-	-	190,526	-	190,526
Retained Earnings - Unreserved	-	-	-	-	2,134,812	-	2,134,812
Reserved for Construction Projects Unreserved	-	-	-	1,826,674	-	-	1,826,674
Designated	-	23,709,039	651,954	(3,648,297)	-	-	20,712,696
Undesignated	12,345,342	-	-	-	-	-	12,345,342
Total Fund Balances	<u>12,345,342</u>	<u>23,709,039</u>	<u>651,954</u>	<u>(1,821,623)</u>	<u>2,325,338</u>	<u>-</u>	<u>37,210,050</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 26,922,112</u>	<u>\$ 34,385,673</u>	<u>\$ 7,472,716</u>	<u>\$ 5,772,060</u>	<u>\$ 2,362,994</u>	<u>\$ 176,263</u>	<u>\$ 77,091,818</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	
<b>Revenues</b>					
Local Government	\$ 7,910,562	\$ 2,145,749	\$ 6,047,009	\$ 1,352,803	\$ 17,456,123
State Government	12,449,678	8,574,524	-	-	21,024,202
Federal Government	-	11,408,238	-	-	11,408,238
Student Tuition and Fees	15,413,900	99,480	-	-	15,513,380
Investment Income	3,353	531,516	38	35,478	570,385
Nongovernmental Gifts, Grants, and Bequests	115,578	14,000	-	-	129,578
Other	721,388	70,130	-	-	791,518
Total Revenue	<u>36,614,459</u>	<u>22,843,637</u>	<u>6,047,047</u>	<u>1,388,281</u>	<u>66,893,424</u>
On-Behalf - Community College Health Insurance Program	103,716	-	-	-	103,716
On-Behalf - State Universities Retirement System	15,227,551	-	-	-	15,227,551
Total On-Behalf Payments	<u>15,331,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,331,267</u>
<b>Total Revenues</b>	<u>51,945,726</u>	<u>22,843,637</u>	<u>6,047,047</u>	<u>1,388,281</u>	<u>82,224,691</u>
<b>Expenditures</b>					
Instruction	13,306,263	6,609,079	-	-	19,915,342
Academic Support	735,319	95,125	-	-	830,444
Student Services	1,872,733	293,251	-	-	2,165,984
Public Service/Continuing Education	721,416	3,371,188	-	-	4,092,604
Operation and Maintenance of Plant	3,279,869	589,190	-	22,152	3,891,211
Institutional Support	6,240,894	3,008,345	482,741	1,303,771	11,035,751
Scholarships, Student Grants, and Waivers	2,506,810	7,938,105	-	-	10,444,915
Capital Outlay	23,424	176,731	-	1,524,607	1,724,762
Total Expenditures	<u>28,686,728</u>	<u>22,081,014</u>	<u>482,741</u>	<u>2,850,530</u>	<u>54,101,013</u>
On-Behalf - Community College Health Insurance Program	103,716	-	-	-	103,716
On-Behalf - State Universities Retirement System	15,227,551	-	-	-	15,227,551
Total On-Behalf Payments	<u>15,331,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,331,267</u>
<b>Total Expenditures</b>	<u>44,017,995</u>	<u>22,081,014</u>	<u>482,741</u>	<u>2,850,530</u>	<u>69,432,280</u>
<b>Excess (Deficiency of Revenue over Expenditures)</b>	<u>7,927,731</u>	<u>762,623</u>	<u>5,564,306</u>	<u>(1,462,249)</u>	<u>12,792,411</u>
<b>Other Financing Sources (Uses)</b>					
Bond Proceeds	-	-	-	1,330,000	1,330,000
Interest on Debt Certificate	-	-	(26,600)	-	(26,600)
Debt Certificate Proceeds	-	-	-	1,300,000	1,300,000
Principal Payment on Debt	-	-	(5,763,110)	-	(5,763,110)
Bond Issue Cost	-	-	(33,213)	-	(33,213)
Proceeds from Sale of Building	1,628,542	-	-	-	1,628,542
Transfers From (To) Other Funds	(1,271,915)	-	156,516	-	(1,115,399)
<b>Total Other Financing Sources (Uses)</b>	<u>356,627</u>	<u>-</u>	<u>(5,666,407)</u>	<u>2,630,000</u>	<u>(2,679,780)</u>
<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>8,284,358</u>	<u>762,623</u>	<u>(102,101)</u>	<u>1,167,751</u>	<u>10,112,631</u>
<b>Fund Balance, July 1, 2016</b>	<u>4,060,984</u>	<u>22,946,416</u>	<u>754,055</u>	<u>(2,989,374)</u>	<u>24,772,081</u>
<b>Fund Balance, June 30, 2017</b>	<u>\$ 12,345,342</u>	<u>\$ 23,709,039</u>	<u>\$ 651,954</u>	<u>\$ (1,821,623)</u>	<u>\$ 34,884,712</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund		Special Revenue Funds		Bond and Interest Fund		Capital Projects Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues</b>								
Local Government	\$ 8,487,956	\$ 7,910,562	\$ 2,039,166	\$ 2,145,749	\$ 6,122,555	\$ 6,047,009	\$ 1,400,000	\$ 1,352,803
State Government	15,750,982	12,449,678	9,833,990	8,574,524	-	-	-	-
Federal Government	14,296	-	9,627,864	11,408,238	-	-	-	-
Student Tuition and Fees	15,430,880	15,413,900	-	99,480	-	-	-	-
Interest Income	146,000	3,353	-	531,516	-	38	-	35,478
Nongovernmental Gifts, Grants, and Bequests	-	115,578	-	14,000	-	-	-	-
Other	1,309,568	721,388	432,794	70,130	-	-	-	-
Total Direct Revenues	41,139,682	36,614,459	21,933,814	22,843,637	6,122,555	6,047,047	1,400,000	1,388,281
On-Behalf - Community College Health Insurance Program	-	103,716	-	-	-	-	-	-
On-Behalf - State Universities Retirement System	-	15,227,551	-	-	-	-	-	-
Total On-Behalf Payments	-	15,331,267	-	-	-	-	-	-
<b>Total Revenues</b>	<b>41,139,682</b>	<b>51,945,726</b>	<b>21,933,814</b>	<b>22,843,637</b>	<b>6,122,555</b>	<b>6,047,047</b>	<b>1,400,000</b>	<b>1,388,281</b>
<b>Expenditures</b>								
Instruction	19,752,377	13,306,263	10,097,015	6,609,079	-	-	-	-
Academic Support	2,086,143	735,319	-	95,125	-	-	-	-
Student Services	3,181,496	1,872,733	677,607	293,251	-	-	-	-
Public Service/Continuing Education	2,180,134	721,416	492,261	3,371,188	-	-	-	-
Operation and Maintenance of Plant	4,098,003	3,279,869	623,765	589,190	-	-	851,000	22,152
Institutional Support	7,373,637	6,240,894	815,400	3,008,345	513,469	482,741	-	1,303,771
Scholarships, Student Grants, and Waivers	1,205,000	2,506,810	8,936,693	7,938,105	-	-	-	-
Capital Outlay	-	23,424	-	176,731	-	-	-	1,524,607
Total Direct Expenditures	39,876,790	28,686,728	21,642,741	22,081,014	513,469	482,741	851,000	2,850,530
On-Behalf - Community College Health Insurance Program	-	103,716	-	-	-	-	-	-
On-Behalf - State Universities Retirement System	-	15,227,551	-	-	-	-	-	-
Total On-Behalf Payments	-	15,331,267	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>39,876,790</b>	<b>44,017,995</b>	<b>21,642,741</b>	<b>22,081,014</b>	<b>513,469</b>	<b>482,741</b>	<b>851,000</b>	<b>2,850,530</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>1,262,892</b>	<b>7,927,731</b>	<b>291,073</b>	<b>762,623</b>	<b>5,609,086</b>	<b>5,564,306</b>	<b>549,000</b>	<b>(1,462,249)</b>
<b>Other Financing Sources (Uses)</b>								
Bond Proceeds	-	-	-	-	-	-	-	1,330,000
Interest on Debt Certificate	-	-	-	-	-	(26,600)	-	-
Debt Certificate Proceeds	-	-	-	-	-	-	-	1,300,000
Principal Payment on Debt	-	-	-	-	(5,760,000)	(5,763,110)	-	-
Bond Issue Cost	-	-	-	-	-	(33,213)	-	-
Proceeds from Sale of Building	-	1,628,542	-	-	-	-	-	-
Tuition Chargeback	30,000	-	-	-	-	-	-	-
Transfers From (To) Other Funds	(1,292,892)	(1,271,915)	-	-	150,914	156,516	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,262,892)</b>	<b>356,627</b>	<b>-</b>	<b>-</b>	<b>(5,609,086)</b>	<b>(5,666,407)</b>	<b>-</b>	<b>2,630,000</b>
<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ -</b>	<b>8,284,358</b>	<b>\$ 291,073</b>	<b>762,623</b>	<b>\$ -</b>	<b>(102,101)</b>	<b>\$ 549,000</b>	<b>1,167,751</b>
<b>Fund Balance, July 1, 2016</b>		<b>4,060,984</b>		<b>22,946,416</b>		<b>754,055</b>		<b>(2,989,374)</b>
<b>Fund Balance, June 30, 2017</b>		<b>\$ 12,345,342</b>		<b>\$ 23,709,039</b>		<b>\$ 651,954</b>		<b>\$ (1,821,623)</b>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Proprietary Fund Type</b>	
	<b>Enterprise Fund</b>	
	<b>Budget</b>	<b>Actual</b>
<b>Operating Revenues</b>		
Bookstore	\$ 1,125,400	\$ 580,388
Food Service	27,940	24,092
Activity Fees	315,000	275,141
Print Shop	532,794	537,328
Farm Revenue	75,000	102,858
Other	21,000	11,364
<b>Total Operating Revenue</b>	<u>2,097,134</u>	<u>1,531,171</u>
<b>Operating Expenses</b>		
Salaries	528,922	516,473
Employee Benefits	161,898	129,136
Contractual Services	172,613	112,857
General Material and Supplies	1,331,895	706,887
Conference and Meeting	128,111	110,072
Fixed Charges	320,725	306,465
Capital Outlay	10,000	-
Other	615,539	718,270
<b>Total Operating Expenses</b>	<u>3,269,703</u>	<u>2,600,160</u>
<b>Operating Income (Loss)</b>	(1,172,569)	(1,068,989)
<b>Non-operating Revenues (Expenses)</b>	<u>-</u>	<u>-</u>
<b>Income (Loss) Before Operating Transfers</b>	(1,172,569)	(1,068,989)
<b>Operating Transfers From (To) Other Funds</b>	<u>1,139,439</u>	<u>1,115,399</u>
<b>Net Income (Loss)</b>	<u>\$ (33,130)</u>	46,410
<b>Retained Earnings, July 1, 2016</b>		<u>2,278,928</u>
<b>Retained Earnings, June 30, 2017</b>		<u>\$ 2,325,338</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2017**

	Proprietary Fund Type
	Enterprise Fund
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Customers	\$ 1,555,363
Cash Payments to Suppliers and Others	(1,933,781)
Cash Payments to Employees for Service	(646,915)
<b>Net Cash Provided (Used) by Operating Activities</b>	(1,025,333)
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Transfers In	1,115,399
Change in Due From/To Other Funds	(170,000)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	945,399
<b>Cash Flows from Investing Activities</b>	
Purchase of Capital Asset	(11,750.00)
<b>Net Cash Provided by Investing Activities</b>	(11,750.00)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(91,684)
<b>Cash and Cash Equivalents, July 1, 2016</b>	426,264
<b>Cash and Cash Equivalents, June 30, 2017</b>	\$ 334,580
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (1,068,989)
<b>Adjustments to Reconcile Operating Income (Loss) to Net</b>	
<b>Cash Provided by (Used for) Operating Activities:</b>	
Depreciation	15,074
(Increase) Decrease in Inventories	20,600
(Increase) Decrease in Receivables and Other Assets	3,591
Increase (Decrease) in Accounts Payable	5,697
Increase (Decrease) in Accrued Expenses and Other Liabilities	(1,306)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ (1,025,333)



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**COMBINING BALANCE SHEET  
GOVERNMENTAL FUND TYPES - GENERAL FUND  
JUNE 30, 2017**

	Education Fund	Operations and Maintenance Fund	Total General Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 425,760	\$ 3,899	\$ 429,659
Accounts Receivable			
Property Taxes	7,462,726	679,555	8,142,281
Governmental Claims	6,325,056	-	6,325,056
Tuition Receivables, Net of Allowances	1,068,906	-	1,068,906
Other	96,678	-	96,678
Due From Other Funds	8,431,256	2,025,000	10,456,256
Prepaid Expenses	403,276	-	403,276
Total Assets	<u>24,213,658</u>	<u>2,708,454</u>	<u>26,922,112</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 24,213,658</u>	<u>\$ 2,708,454</u>	<u>\$ 26,922,112</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 1,486,918	\$ 129,751	\$ 1,616,669
Accrued Salaries	815,767	-	815,767
Accrued Compensated Absences	216,555	32,627	249,182
Planned Retirement Payable	1,839,165	-	1,839,165
Total Liabilities	<u>4,358,405</u>	<u>162,378</u>	<u>4,520,783</u>
<b>Deferred Inflows of Resources</b>			
Deferred Tuition and Fees	1,525,789	-	1,525,789
Deferred Property Taxes	7,818,284	711,914	8,530,198
<b>Total Deferred Inflows of Resources</b>	<u>9,344,073</u>	<u>711,914</u>	<u>10,055,987</u>
<b>Fund Balances</b>			
Unreserved	<u>10,511,180</u>	<u>1,834,162</u>	<u>12,345,342</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 24,213,658</u>	<u>\$ 2,708,454</u>	<u>\$ 26,922,112</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPES - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Education Fund	Operations and Maintenance Fund	Total General Funds
<b>Revenues</b>			
Local Government	\$ 7,235,173	\$ 675,389	\$ 7,910,562
State Government	11,062,699	1,386,979	12,449,678
Student Tuition and Fees	15,413,900	-	15,413,900
Investment Income	3,353	-	3,353
Nongovernmental Gifts, Grants, and Bequests	41,708	73,870	115,578
Other	440,602	280,786	721,388
<b>Total Revenues</b>	<b>34,197,435</b>	<b>2,417,024</b>	<b>36,614,459</b>
On-Behalf - Community College Health Insurance Program	97,296	6,420	103,716
On-Behalf - State Universities Retirement System	14,284,987	942,564	15,227,551
<b>Total On-Behalf Payments</b>	<b>14,382,283</b>	<b>948,984</b>	<b>15,331,267</b>
<b>Total Revenues</b>	<b>48,579,718</b>	<b>3,366,008</b>	<b>51,945,726</b>
<b>Expenditures</b>			
Instruction	13,306,263	-	13,306,263
Academic Support	735,319	-	735,319
Student Services	1,872,733	-	1,872,733
Public Service/Continuing Education	721,416	-	721,416
Operation and Maintenance of Plant	-	3,279,869	3,279,869
Institutional Support	6,240,894	-	6,240,894
Scholarships, Student Grants, and Waivers	2,506,810	-	2,506,810
Capital Outlay	16,464	6,960	23,424
<b>Total Direct Expenditures</b>	<b>25,399,899</b>	<b>3,286,829</b>	<b>28,686,728</b>
On-Behalf - Community College Health Insurance Program	97,296	6,420	103,716
On-Behalf - State Universities Retirement System	14,284,987	942,564	15,227,551
<b>Total On-Behalf Payments</b>	<b>14,382,283</b>	<b>948,984</b>	<b>15,331,267</b>
<b>Total Expenditures</b>	<b>39,782,182</b>	<b>4,235,813</b>	<b>44,017,995</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>8,797,536</b>	<b>(869,805)</b>	<b>7,927,731</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Building	1,628,542	-	1,628,542
Transfers From (To) Other Funds	(1,282,525)	10,610	(1,271,915)
<b>Total Other Financing Sources (Uses)</b>	<b>346,017</b>	<b>10,610</b>	<b>356,627</b>
<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>9,143,553</b>	<b>(859,195)</b>	<b>8,284,358</b>
<b>Fund Balance, July 1, 2016</b>	<b>1,367,627</b>	<b>2,693,357</b>	<b>4,060,984</b>
<b>Fund Balance, June 30, 2017</b>	<b>\$ 10,511,180</b>	<b>\$ 1,834,162</b>	<b>\$ 12,345,342</b>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

COMBINING BALANCE SHEET  
GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Restricted Purposes Fund	Audit Fund	Working Cash Fund	Liability, Protection and Settlement Fund	Total Special Revenue Funds
<b>Assets</b>					
Current Assets					
Cash and Cash Equivalents	\$ 68,249	\$ 4,006	\$ 11,671	\$ 2,297	\$ 86,223
Investments	-	-	25,395,916	-	25,395,916
Accounts Receivable					
Property Taxes	-	126,016	-	1,616,437	1,742,453
Governmental Claims	5,990,828	-	-	-	5,990,828
Other Receivables	824,452	-	-	-	824,452
Due From Other Funds	-	60,000	-	-	60,000
Prepaid Expenses	-	-	-	285,801	285,801
Total Assets	<u>6,883,529</u>	<u>190,022</u>	<u>25,407,587</u>	<u>1,904,535</u>	<u>34,385,673</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 6,883,529</u>	<u>\$ 190,022</u>	<u>\$ 25,407,587</u>	<u>\$ 1,904,535</u>	<u>\$ 34,385,673</u>
<b>Liabilities</b>					
Current Liabilities					
Accounts Payable	\$ 866,039	\$ -	\$ -	\$ -	\$ 866,039
Accrued Salaries	204,704	-	-	-	204,704
Accrued Compensated Absences	132,733	2,159	-	22,935	157,827
Unearned Revenue	98,983	-	-	-	98,983
Due To Other Funds	5,671,256	-	1,565,000	280,000	7,516,256
Deposits Held in Custody of Others	-	-	-	-	-
Total Liabilities	<u>6,973,715</u>	<u>2,159</u>	<u>1,565,000</u>	<u>302,935</u>	<u>8,843,809</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	<u>-</u>	<u>132,061</u>	<u>-</u>	<u>1,700,764</u>	<u>1,832,825</u>
<b>Fund Balances</b>					
Reserved	<u>(90,186)</u>	<u>55,802</u>	<u>23,842,587</u>	<u>(99,164)</u>	<u>23,709,039</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 6,883,529</u>	<u>\$ 190,022</u>	<u>\$ 25,407,587</u>	<u>\$ 1,904,535</u>	<u>\$ 34,385,673</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Restricted Purposes Fund	Audit Fund	Working Cash Fund	Liability, Protection and Settlement Fund	Total Special Revenue Funds
<b>Revenues</b>					
Local Government	\$ 198,391	\$ 135,245	\$ -	\$ 1,812,113	\$ 2,145,749
State Government	8,574,524	-	-	-	8,574,524
Federal Government	11,408,238	-	-	-	11,408,238
Student Tuition and Fees	99,480	-	-	-	99,480
Investment Income	-	-	531,516	-	531,516
Nongovernmental Gifts, Grants, and Bequests	14,000	-	-	-	14,000
Other	70,130	-	-	-	70,130
<b>Total Revenues</b>	<u>20,364,763</u>	<u>135,245</u>	<u>531,516</u>	<u>1,812,113</u>	<u>22,843,637</u>
<b>Expenditures</b>					
Instruction	6,609,079	-	-	-	6,609,079
Academic Support	95,125	-	-	-	95,125
Student Services	208,392	-	-	84,859	293,251
Public Service/Continuing Education	3,371,188	-	-	-	3,371,188
Operations and Maintenance of Plant	10,856	-	-	578,334	589,190
Institutional Support	2,077,800	91,721	110,318	728,506	3,008,345
Scholarships, Student Grants, and Waivers	7,938,105	-	-	-	7,938,105
Capital Outlay	176,731	-	-	-	176,731
<b>Total Expenditures</b>	<u>20,487,276</u>	<u>91,721</u>	<u>110,318</u>	<u>1,391,699</u>	<u>22,081,014</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(122,513)</u>	<u>43,524</u>	<u>421,198</u>	<u>420,414</u>	<u>762,623</u>
<b>Fund Balance, July 1, 2016</b>	<u>32,327</u>	<u>12,278</u>	<u>23,421,389</u>	<u>(519,578)</u>	<u>22,946,416</u>
<b>Fund Balance, June 30, 2017</b>	<u>\$ (90,186)</u>	<u>\$ 55,802</u>	<u>\$ 23,842,587</u>	<u>\$ (99,164)</u>	<u>\$ 23,709,039</u>

**SUPPLEMENTAL INFORMATION**

**Other**

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**RECONCILIATION AND SCHEDULE OF BUDGET BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF NET POSITION**

Fund Balance - All Fund Types - Budget Basis	\$	37,210,050
Reconciling Items:		
Investment in Capital Assets of Governmental Fund Types		103,301,222
Accumulated Depreciation on Capital Assets of Governmental Fund Types		(43,122,141)
Capitalized Interest on Construction in Progress, Including Assets Placed in Service		1,860,735
Federal, Trust or Grant Pension Contribution (Deferred Outflow)		60,841
Amount to be Provided for Debt Payments		(15,940,000)
Bond Premium		(214,180)
Accrued Interest Payable		(29,404)
		\$ 83,127,123
Net Position on Statement of Net Position	\$	83,127,123

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

Excess (Deficiency) of Revenue over Expenditures - Budget Basis	\$	10,159,041
Reconciling Items:		
Depreciation Expense on Capital Assets of Governmental Fund Types		(4,068,438)
Proceeds from Sale of Capital Asset		(1,628,542)
Gain on Sale of Capital Asset		315,729
Loss on Impairment of Capital Asset		(638,370)
Federal, Trust or Grant Pension Contribution (Deferred Outflow)		60,841
Principal Repayments of Debt		5,763,110
Proceeds from Notes and Bonds Payable		(2,630,000)
Bond Premium Proceeds/Amortization		313,200
Change in Accrual of Interest for Debt		(16,082)
Purchases of Capital Assets of Governmental Fund Types		3,224,696
Capitalized Interest Expense		(100,191)
		\$ 10,754,994
Increase (Decrease) in Net Position	\$	10,754,994

**EXPENDITURES AND TRANSFERS IN EXCESS OF BUDGET**

	Budget	Actual Expenditures	Variance Over Budget
Bond and Interest Fund	\$ 6,273,469	\$ 6,305,664	\$ 32,195
Capital Projects Funds	\$ 851,000	\$ 2,850,530	\$ 1,999,530
Restricted Fund	\$ 19,997,814	\$ 20,487,276	\$ 489,462

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS**

*UNAUDITED*

**LEVY YEARS 2016, 2015, AND 2014**

	2016 Levy Payable in 2017*	2015 Levy Payable in 2016*	2014 Levy Payable in 2015*
<b>Assessed Valuation (by County)</b>			
Christian	\$ 73,874,399	\$ 71,385,076	\$ 68,076,769
Clark	212,245,897	203,587,126	192,037,058
Clay	16,620,111	15,772,840	14,847,312
Coles	689,025,490	667,196,717	654,199,196
Crawford	23,391	21,193	19,045
Cumberland	149,015,412	137,345,150	128,649,172
Douglas	80,188,187	76,383,196	73,644,709
Edgar	275,481,592	227,112,066	211,950,082
Effingham	680,629,852	653,168,551	627,555,718
Fayette	108,067,878	108,563,794	103,605,411
Jasper	15,977,464	14,622,564	14,055,017
Macon	4,356,677	4,129,395	4,090,896
Montgomery	2,619,177	2,434,363	2,388,159
Moultrie	245,450,191	237,667,073	230,465,860
Shelby	372,552,244	301,029,191	290,042,378
	<u>\$ 2,926,127,962</u>	<u>\$ 2,720,418,295</u>	<u>\$ 2,615,626,782</u>
<b>Tax Rates (Per \$100 of Assessed Valuation)</b>			
Education	0.1487	0.1503	0.1550
Foundation	0.1155	0.1158	0.0881
Operations, Buildings and Maintenance	0.0250	0.0250	0.0250
Bond and Interest	0.2280	0.2251	0.1665
Life Safety	0.0500	0.0500	0.0434
Audit	0.0050	0.0050	0.0050
Liabilities Protections and Settlement	0.0615	0.0661	0.0582
	<u>0.6337</u>	<u>0.6373</u>	<u>0.5412</u>
<b>Taxes Extended</b>			
Education	\$ 4,351,150	\$ 4,088,445	\$ 4,054,222
Foundation	3,379,680	3,150,000	2,304,367
Operations, Buildings and Maintenance	731,530	680,000	653,907
Bond and Interest	6,671,570	6,122,555	4,353,785
Life Safety	1,463,060	1,360,000	1,135,000
Audit	146,310	136,000	130,781
Liabilities Protections and Settlement	1,799,570	1,800,000	1,520,000
	<u>\$ 18,542,870</u>	<u>\$ 17,337,000</u>	<u>\$ 14,152,062</u>
<b>Total Current Taxes Collected</b>	<u>\$ 852,673</u>	<u>\$ 17,261,158</u>	<u>\$ 14,229,630</u>
<b>Percentage of Extensions Collected</b>	<u>4.60%</u>	<u>99.56%</u>	<u>100.55%</u>

\* Tax rates vary by county. Taxes extended represents actual extensions from all counties. Therefore, rate times assessed valuation does not compute to taxes extended.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Levy Year</u>	<u>Valuation</u>	<u>Combined Rate</u>	<u>Taxes Extended</u>	<u>Total Collected to June 30, 2016</u>	<u>Collected During Year Ended June 30, 2017</u>	<u>Total Collected to June 30, 2017</u>	<u>Percent Collected June 30, 2017</u>	<u>Taxes Written-off</u>
2016	\$ 2,926,127,962	0.6337	\$ 18,601,806	\$ -	\$ 852,673	\$ 852,673	4.58%	\$ -
2015	2,720,418,295	0.6373	17,337,000	-	17,261,158	17,261,158	99.56%	-
2014	2,615,626,782	0.5412	14,152,062	14,229,630	-	14,229,630	100.55%	-
Total			<u>\$ 50,090,868</u>	<u>\$ 14,229,630</u>	<u>\$ 18,113,831</u>	<u>\$ 32,343,461</u>		<u>\$ -</u>

**2016 TAXES EXTENDED**

	<u>Collected at June 30, 2017</u>	<u>Uncollected June 30, 2017</u>	<u>Estimate for Uncollectible Taxes</u>	<u>Balance after Estimated Uncollectible Taxes</u>
Education	\$ 349,620	\$ 4,082,726	\$ -	\$ 4,432,346
Foundation	-	3,380,000	-	3,380,000
Operations, Building and Maintenance	32,359	679,555	-	711,914
Bond and Interest	315,604	6,505,158	-	6,820,762
Life Safety	64,718	1,359,241	-	1,423,959
Audit	6,045	126,016	-	132,061
Liability, Protection and Settlement	84,327	1,616,437	-	1,700,764
Total	<u>\$ 852,673</u>	<u>\$ 17,749,133</u>	<u>\$ -</u>	<u>\$ 18,601,806</u>



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SUMMARY OF ASSESSED VALUATIONS  
*Most Recent Three Years*  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2017	\$ 2,926,127,962
2016	2,720,418,295
2015	2,615,626,782
	<u>\$ 8,262,173,039</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN  
*UNAUDITED*  
FOR THE YEAR ENDED JUNE 30, 2017**

**Assessed Valuation (by County) - 2016 Levy**

Christian	\$ 73,874,399
Clark	212,245,897
Clay	16,620,111
Coles	689,025,490
Crawford	23,391
Cumberland	149,015,412
Douglas	80,188,187
Edgar	275,481,592
Effingham	680,629,852
Fayette	108,067,878
Jasper	15,977,464
Macon	4,356,677
Montgomery	2,619,177
Moultrie	245,450,191
Shelby	372,552,244
	<u>\$ 2,926,127,962</u>
Debt Limit, 2.875% of Assessed Valuation (50 ILCS 405/1)	\$ 84,126,179
Less: Total Indebtedness	15,940,000
<b>Legal Debt Margin</b>	<b>\$ 68,186,179</b>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF DEBT MATURITIES  
GOVERNMENT FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Bond Type</b>	<b>Interest Rate</b>	<b>Amounts due During Year</b>		
			<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017-2018	Series 2013	2.00%	\$ 2,635,000	\$ 26,350	\$ 2,661,350
2017-2018	Series 2013B	1.75%	-	69,256	69,256
2017-2018	Series 2014	3.00%	1,695,000	71,175	1,766,175
2017-2018	Series 2016A	4.00%	1,620,000	99,800	1,719,800
2017-2018	Series 2016B	2.00%	130,000	28,100	158,100
2017-2018	Series 2017	1.15%	435,000	19,615	454,615
2018-2019	Series 2013B	1.75%	2,865,000	45,978	2,910,978
2018-2019	Series 2014	3.00%	1,525,000	22,875	1,547,875
2018-2019	Series 2016A	4.00%	1,685,000	33,700	1,718,700
2018-2019	Series 2016B	2.00%	135,000	25,450	160,450
2018-2019	Series 2017	1.30%	445,000	9,643	454,643
2019-2020	Series 2013B	2.00%	1,135,000	11,350	1,146,350
2019-2020	Series 2016B	2.00%	135,000	22,750	157,750
2019-2020	Series 2017	1.50%	450,000	3,375	453,375
2020-2021	Series 2016B	2.00%	140,000	20,000	160,000
2021-2022	Series 2016B	2.00%	145,000	17,150	162,150
Thereafter	Series 2016B	2.00-2.25%	765,000	40,751	805,751
<b>Total</b>			<b>\$ 15,940,000</b>	<b>\$ 567,318</b>	<b>\$ 16,507,318</b>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF EXPENSES FOR TORT IMMUNITY PURPOSES  
FOR THE YEAR ENDED JUNE 30, 2017**

Administrative Salaries	\$	283,743
Administrative Benefits		67,951
Campus Security Salaries		319,051
Campus Security Benefits		74,591
Contractual Services		12,626
Material and Supplies		8,672
Repairs		1,508
General Liability Insurance		257,003
Workers Compensation Insurance		72,165
Unemployment Insurance		28,255
Social Security/Medicare		266,134
Total Tort Immunity Purposes Expenses	\$	<u>1,391,699</u>

Since the College levies property taxes for tort immunity liability insurance purposes, as required by Public Act 94-068 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 2016 as levied by the counties within the College's district was \$1,800,000. 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.

**SUPPLEMENTAL INFORMATION**

**Uniform Financial Statements**

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**ALL FUNDS SUMMARY  
UNIFORM FINANCIAL STATEMENT #1  
FISCAL YEAR ENDED JUNE 30, 2017**

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Auxiliary Enterprises Fund	Trust and Agency Fund	Working Cash Fund	Total
<b>Fund Balance, July 1, 2016</b>	\$ 1,367,627	\$ 2,693,357	\$ (2,989,374)	\$ 754,055	\$ 32,327	\$ 12,278	\$ (519,578)	\$ 2,278,928	\$ -	\$ 23,421,389	\$ 27,051,009
<b>Revenues</b>											
Local Tax Revenue	7,235,173	675,389	1,352,803	6,047,009	-	135,245	1,812,113	-	-	-	17,257,732
Other Local Sources	-	-	-	-	103,266	-	-	-	6,376	-	109,642
ICCB Grants	10,588,478	1,386,979	-	-	8,486,078	-	-	-	-	-	20,461,535
Other State Revenue	14,759,208	942,564	-	-	88,634	-	-	-	-	-	15,790,406
Federal Revenue	-	-	-	-	11,408,050	-	-	-	-	-	11,408,050
Student Tuition and Fees	15,413,900	-	-	-	-	-	-	275,141	-	-	15,689,041
Bond Proceeds	-	-	1,330,000	-	-	-	-	-	-	-	1,330,000
Note Proceeds	-	-	1,300,000	-	-	-	-	-	-	-	1,300,000
Other Revenue	2,114,205	354,656	35,478	38	278,735	-	-	1,256,030	706,203	531,516	5,276,861
<b>Total Direct Revenues</b>	<b>50,110,964</b>	<b>3,359,588</b>	<b>4,018,281</b>	<b>6,047,047</b>	<b>20,364,763</b>	<b>135,245</b>	<b>1,812,113</b>	<b>1,531,171</b>	<b>712,579</b>	<b>531,516</b>	<b>88,623,267</b>
<b>Expenditures</b>											
Instruction	22,833,632	-	-	-	6,785,810	-	-	-	-	-	29,619,442
Academic Support	1,133,471	-	-	-	95,125	-	-	-	-	-	1,228,596
Student Services	3,138,628	-	-	-	208,392	-	84,859	-	-	-	3,431,879
Public Service/Continuing Education	1,048,876	-	-	-	3,371,188	-	-	-	-	-	4,420,064
Auxiliary Services	-	-	-	-	-	-	-	1,994,264	-	-	1,994,264
Operations and Maintenance	-	4,229,393	1,546,759	542,554	10,856	-	578,334	-	-	-	6,907,896
Institutional Support	9,023,469	-	1,303,771	5,763,110	2,077,800	91,721	728,506	605,896	-	110,318	19,704,591
Scholarships, Student Grants, & Waivers	2,506,810	-	-	-	7,938,105	-	-	-	712,579	-	11,157,494
<b>Total Direct Expenditures</b>	<b>39,684,886</b>	<b>4,229,393</b>	<b>2,850,530</b>	<b>6,305,664</b>	<b>20,487,276</b>	<b>91,721</b>	<b>1,391,699</b>	<b>2,600,160</b>	<b>712,579</b>	<b>110,318</b>	<b>78,464,226</b>
<b>Net Transfers</b>	<b>(1,282,525)</b>	<b>10,610</b>	<b>-</b>	<b>156,516</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,115,399</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30, 2017</b>	<b>\$ 10,511,180</b>	<b>\$ 1,834,162</b>	<b>\$ (1,821,623)</b>	<b>\$ 651,954</b>	<b>\$ (90,186)</b>	<b>\$ 55,802</b>	<b>\$ (99,164)</b>	<b>\$ 2,325,338</b>	<b>\$ -</b>	<b>\$ 23,842,587</b>	<b>\$ 37,210,050</b>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SUMMARY OF FIXED ASSETS AND DEBT  
UNIFORM FINANCIAL STATEMENT #2  
FISCAL YEAR ENDED JUNE 30, 2017**

	Fixed Asset/Debt Account Groups <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2017</u>
<b>Fixed Assets</b>				
Sites, Building, Additions and Improvements	\$ 97,212,190	\$ 3,981,042	\$ (4,876,995)	\$ 96,316,237
Equipment	8,761,550	94,674	(326,232)	8,529,992
Total Fixed Assets	<u>105,973,740</u>	<u>4,075,716</u>	<u>(5,203,227)</u>	<u>104,846,229</u>
Less: Accumulated Depreciation	<u>39,732,986</u>	<u>4,053,364</u>	<u>(664,209)</u>	<u>43,122,141</u>
<b>Net Fixed Assets</b>	<u><u>\$ 66,240,754</u></u>	<u><u>\$ 22,352</u></u>	<u><u>\$ (4,539,018)</u></u>	<u><u>\$ 61,724,088</u></u>
<b>Fixed Debt</b>				
Bonds Payable	\$ 20,370,000	\$ 1,330,000	\$ (5,760,000)	\$ 15,940,000
Debt Certificates Payable	<u>-</u>	<u>1,300,000</u>	<u>(1,300,000)</u>	<u>-</u>
<b>Total Fixed Liabilities</b>	<u><u>\$ 20,370,000</u></u>	<u><u>\$ 2,630,000</u></u>	<u><u>\$ (7,060,000)</u></u>	<u><u>\$ 15,940,000</u></u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #3  
FISCAL YEAR ENDED JUNE 30, 2017**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating Revenues by Sources</b>			
Local Government Revenues:			
Local Taxes	\$ 7,235,173	\$ 675,389	\$ 7,910,562
Corporate Personal Property Replacement Tax	474,221	-	474,221
Total Local Government	<u>7,709,394</u>	<u>675,389</u>	<u>8,384,783</u>
State Government:			
ICCB Credit Hour Grants	5,262,447	-	5,262,447
ICCB Equalization Grants	3,726,766	1,386,979	5,113,745
ICCB Career and Technical Education	1,271,786	-	1,271,786
Illinois Department of Corrections	327,479	-	327,479
Other State Revenue	14,284,987	942,564	15,227,551
Total State Government	<u>24,873,465</u>	<u>2,329,543</u>	<u>27,203,008</u>
Student Tuition and Fees:			
Tuition	12,104,641	-	12,104,641
Fees	3,309,259	-	3,309,259
Total Student Tuition and Fees	<u>15,413,900</u>	<u>-</u>	<u>15,413,900</u>
Other Sources:			
Sales and Service Fees	440,602	-	440,602
Facilities	-	280,786	280,786
Investment Income	3,353	-	3,353
Donations	41,708	73,870	115,578
Proceeds from Sale of Building	1,628,542	-	1,628,542
Total Other Sources	<u>2,114,205</u>	<u>354,656</u>	<u>2,468,861</u>
<b>Total Revenue</b>	<b>50,110,964</b>	<b>3,359,588</b>	<b>53,470,552</b>
<b>Less Non-Operating Items:*</b>			
Proceeds from Sale of Building	<u>(1,628,542)</u>	<u>-</u>	<u>(1,628,542)</u>
<b>Adjusted Revenue</b>	<b><u>\$ 48,482,422</u></b>	<b><u>\$ 3,359,588</u></b>	<b><u>\$ 51,842,010</u></b>

\*Intercollege revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #3 (CONCLUDED)  
FISCAL YEAR ENDED JUNE 30, 2017**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating Expenditures</b>			
By Program:			
Instruction	\$ 22,833,632	\$ -	\$ 22,833,632
Academic Support	1,133,471	-	1,133,471
Student Services	3,138,628	-	3,138,628
Public Service/Continuing Education	1,048,876	-	1,048,876
Operation and Maintenance of Plant	-	4,229,393	4,229,393
Institutional Support	9,023,469	-	9,023,469
Scholarships, Student Grants, and Waivers	2,506,810	-	2,506,810
<b>Total Direct Expenditures</b>	39,684,886	4,229,393	43,914,279
<b>Less Non-Operating Items:*</b>			
Transfers to Non-operating Funds	(1,282,525)	10,610	(1,271,915)
<b>Adjusted Expenditures</b>	\$ 38,402,361	\$ 4,240,003	\$ 42,642,364
By Object:			
Salaries	\$ 15,549,511	\$ 1,026,001	\$ 16,575,512
Employee Benefits	3,274,549	318,113	3,592,662
Contractual Services	1,135,020	344,507	1,479,527
General Materials and Supplies	1,417,270	125,183	1,542,453
Conference and Meeting	109,654	-	109,654
Fixed Charges	447,313	227,294	674,607
Utilities	-	1,159,593	1,159,593
Capital Outlay	16,464	6,960	23,424
Scholarships, Student Grants	2,506,810	-	2,506,810
Other	943,308	79,178	1,022,486
SURS Pension On-Behalf Payments	14,284,987	942,564	15,227,551
<b>Total Direct Expenditures</b>	39,684,886	4,229,393	43,914,279
<b>Less Non-Operating Items:*</b>			
Transfers to Non-operating Funds	(1,282,525)	10,610	(1,271,915)
<b>Adjusted Expenditures</b>	\$ 38,402,361	\$ 4,240,003	\$ 42,642,364

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #4  
FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Restricted Purposes Fund</u>
<b>Revenues by Source</b>	
Total Local Government	\$ 103,266
State Government:	
ICCB - Credit Hour Grant	1,209,766
ICCB - Adult Educations and Family Literacy	680,349
Illinois Department of Corrections	6,033,834
Illinois Student Assistance Commission	562,129
Other	88,634
Total State Government	<u>8,574,712</u>
Federal Government:	
Department of Education	8,294,406
Department of Labor	3,113,644
Total Federal Government	<u>11,408,050</u>
Other Sources:	
John Deere Program	99,480
Illinois Community Colleges Online	95,125
Donation	14,000
Other	70,130
Total Other Sources	<u>278,735</u>
<b>Total Restricted Purposes Fund Revenues</b>	<b>\$ 20,364,763</b>
<b>Expenditures By Program</b>	
Instruction	\$ 6,785,810
Academic Support	95,125
Student Services	208,392
Public Service/Continuing Education	3,371,188
Operations and Maintenance	10,856
Institutional Support	2,077,800
Scholarships, Student Grants, and Waivers	7,938,105
<b>Total Restricted Purposes Fund Expenditures</b>	<b>\$ 20,487,276</b>
<b>Expenditures By Object</b>	
Salaries	\$ 5,709,031
Employee Benefits	1,608,725
Contractual Services	2,389,073
General Materials and Supplies	1,627,703
Travel and Conference/Meeting	152,281
Fixed Charges	426,094
Utilities	7,714
Capital Outlay	176,731
Scholarships, Student Grants, and Waivers	7,903,053
Other	486,871
<b>Total Restricted Purposes Fund Expenditures</b>	<b>\$ 20,487,276</b>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**CURRENT FUNDS EXPENDITURES BY ACTIVITY  
UNIFORM FINANCIAL STATEMENT #5  
YEAR ENDED JUNE 30, 2017**

<b>Instruction</b>	
Instructional Programs	\$ 24,793,284
Instructional Support	4,768,795
Other	56,460
Total Instruction	<u>29,618,539</u>
<b>Academic Support</b>	
Learning Resource Center	864,554
Academic Administration and Planning	2,948
Academic Computing Support	361,091
Total Academic Support	<u>1,228,593</u>
<b>Student Services</b>	
Admissions and Records	2,026,713
Counseling and Career Guidance	642,082
Student Financial Aid	340,426
Other	422,657
Total Student Services Support	<u>3,431,878</u>
<b>Public Service/Continuing Education</b>	
Center for Business and Industry	807,186
Commercial Driver Training	239,436
LWIOA	3,118,214
Other	255,228
Total Public Service/Continuing Education	<u>4,420,064</u>
<b>Auxiliary Services</b>	
	<u>1,484,765</u>
<b>Operations and Maintenance of Plant</b>	
Maintenance	1,194,739
Custodial	815,506
Grounds	213,792
Campus Security	416,447
Transportation	43,629
Utilities	984,974
Administration	537,204
Other	532,719
Total Operations and Maintenance of Plant	<u>4,739,010</u>
<b>Institutional Support</b>	
Executive Office	654,077
Business Office	1,511,655
General Administrative Services	4,346,362
General Institution Support	1,816,540
Institutional Research	80,194
Administrative Data Processing	1,834,813
Non-Operating	1,678,246
Total Institutional Support	<u>11,921,887</u>
<b>Scholarships, Student Grants, and Waivers</b>	
	<u>10,661,404</u>
<b>Total Current Funds Expenditures</b>	<u><u>\$ 67,506,140</u></u>

\*Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

**SUPPLEMENTAL INFORMATION**

**Certification of Chargeback Reimbursement**

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT**

**FOR FISCAL YEAR 2017**

**All Non-Capital Audited Operating Expenditures for Fiscal Year 2017 From the Following Funds:**

1	Education Fund	\$	39,668,422
2	Operations and Maintenance Fund		4,222,433
3	Public Building Commission Operation and Maintenance Fund		-
4	Bond and Interest Fund		482,741
5	Public Building Commission Rental Fund		-
6	Restricted Purposes Fund		20,304,721
7	Audit Fund		91,721
8	Liability, Protection, and Settlement Fund		1,391,699
9	Auxiliary Enterprises Fund (subsidy only)		<u>2,590,159</u>
<b>10</b>	<b>Total Non-Capital Expenditures (sum of lines 1-9)</b>	<b>\$</b>	<b>68,751,896</b>
11	Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) From Sources Other than State and Federal Funds		<u>2,350,540</u>
<b>12</b>	<b>Total Costs Included (line 10 plus line 11)</b>		<u><u>71,102,436</u></u>
13	Total Certified Semester Credit Hours for Fiscal Year 2017		<u>172,546.5</u>
<b>14</b>	<b>Per Capita Cost (line 12 divided by line 13)</b>	<b>\$</b>	<u><u>412.08</u></u>
15	All Fiscal Year 2017 State and Federal Operating Grants For Non-Capital Expenditures, Except ICCB Grants	\$	<u>21,760,553</u>
16	Fiscal Year 2017 State and Federal Grants Per Semester Credit Hour (line 15 divided by line 13)		<u>126.11</u>
17	District's Average ICCB Grant Rate (excluding equalization grant) for Fiscal Year 2018		<u>29.36</u>
18	Districts's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2018		<u>133.00</u>
<b>19</b>	<b>Chargeback Reimbursement Per Semester Credit Hour (line 14 less lines 16, 17, and 18)</b>	<b>\$</b>	<u><u>123.60</u></u>

**APPROVED:**

\_\_\_\_\_  
Chief Fiscal Officer Date

**APPROVED:**

\_\_\_\_\_  
Chief Executive Officer Date

**STATE COMPLIANCE SECTION**

**Illinois Community College Board  
State Grants Financial Compliance Section**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS  
FOR CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANTS AND  
ADULT EDUCATION AND FAMILY LITERACY GRANTS**

Board of Trustees  
Lake Land College  
Community College District No. 517  
Mattoon, Illinois 61938

**Report on the Financial Statements**

We have audited the accompanying balance sheets of the Career and Technical Education-Program Improvement and Adult Education and Family Literacy Grants of Lake Land Community College District No. 517 as of June 30, 2017, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended.

**Management's Responsibility for the Financial Statements**

These financial statements are the responsibility of the College's management. Management's responsibilities include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 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 Lake Land Community College District No. 517 and the State of Illinois and the Illinois Community College Board (ICCB). We believe that our audit provides a reasonable basis for our opinion and Lake Land Community College District No. 517 is in compliance, in all material respects, with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement and Adult Education and Family Literacy Grants of Lake Land Community College District No. 517 as of June 30, 2017, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Information**

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
September 27, 2017



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATE ADULT EDUCATION RESTRICTED FUNDS**

**BALANCE SHEET  
JUNE 30, 2017**

	State Basic	Performance	Total (Memorandum Only)
<b>Assets</b>			
Current Assets			
Receivable - Other	\$ 50,931	\$ 40,692	\$ 91,623
<b>Total Assets</b>	\$ 50,931	\$ 40,692	\$ 91,623
 <b>Liabilities and Fund Balances</b>			
Current Liabilities			
Due To Other Funds	\$ 50,931	\$ 40,692	\$ 91,623
Total Liabilities	50,931	40,692	91,623
Fund Balance			
Reserved	-	-	-
<b>Total Liabilities and Fund Balances</b>	\$ 50,931	\$ 40,692	\$ 91,623

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**STATE ADULT EDUCATION RESTRICTED FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>			
Grant	\$ 290,744	\$ 60,581	\$ 351,325
<b>Expenditures by Program</b>			
Instruction	283,971	-	283,971
Subtotal Instructional & Student Services	<u>283,971</u>	<u>-</u>	<u>283,971</u>
<b>Program Support</b>			
General Administration	6,773	60,581	67,354
Subtotal Program Support	<u>6,773</u>	<u>60,581</u>	<u>67,354</u>
<b>Total Expenditures</b>	<u>290,744</u>	<u>60,581</u>	<u>351,325</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-
<b>Fund Balance, July 1, 2016</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30, 2017</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**ICCB COMPLIANCE STATEMENT FOR THE  
ADULT EDUCATION AND FAMILY LITERACY GRANT**

**EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY  
FOR THE YEAR ENDED JUNE 30, 2017**

	Audited Expenditure Amount	Actual Expenditure Percentage
<b><u>State Basic</u></b>		
Instruction (45% Minimum Required)	\$ 283,971	97.67%
General Administration (15% Maximum Allowed)	\$ 6,773	2.33% **

\*\* Due to the State of Illinois funding situation for the year ended June 30, 2017, the State Basic 2017 grant year is extended through December 31, 2017. According to the Illinois Community College Board representative, the College has until December 31, 2017 to meet the allocation requirements not to exceed 15%.

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT**

**BALANCE SHEET  
JUNE 30, 2017**

<b>Assets</b>	
Current Assets	\$ <u>          -</u>
<b>Liabilities and Fund Balances</b>	
Current Liabilities	\$ -
Fund Balance Reserved	<u>          -</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ <u>          -</u></u>

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Revenues*</b>		
State	\$	<u>65,748</u>
<b>Expenditures*</b>		
Current Year's Grant		
Materials and Supplies		12,372
Conference and Meeting		6,548
Capital Outlay		<u>46,828</u>
<b>Total Expenditures</b>		<u><u>65,748</u></u>
<b>Excess of Revenues Over (Under) Expenditures</b>		-
<b>Fund Balance, July 1, 2016</b>		<u>-</u>
<b>Fund Balance, June 30, 2017</b>	\$	<u><u>-</u></u>

**\*ICCB Grant Funds Only**

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

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The accompanying statements include only those transactions resulting from the Career and Technical Education-Program Improvement 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, 2017. 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 are not capitalized.

**NOTE 2: PAYMENTS 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 NO. 517  
MATTOON, ILLINOIS**

**BACKGROUND INFORMATION ON STATE GRANT ACTIVITY  
JUNE 30, 2017**

**Unrestricted Grants**

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Performance Grants

Grants provided to colleges based on measures for advancing success of students who are academically or financially at risk and focus on increasing college course, certificate, and degree completion.

Equalization Grants

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

**Restricted Adult Education Grants/State**

State Basic – Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of 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 school 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.

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

**STATE COMPLIANCE SECTION**

**Schedules of Enrollment Data and  
Reconciliation of Semester Credit Hours**





**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 No. 517  
Mattoon, Illinois 61938

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Lake Land Community College District No. 517 for the year ended June 30, 2017.

**Management's Responsibility**

The Schedule of Enrollment Data and Other Bases upon Which Claims are Filed is the responsibility of the College's management. Management's responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the schedule based upon 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* issues by the Comptroller General of the United States.

**Opinion**

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.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
September 27, 2017

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED  
FOR THE YEAR ENDED JUNE 30, 2017**

Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)

Categories	Summer		Fall		Spring		Total (Note 3)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
(Notes 1 & 2)								
Baccalaureate	8,342.0	8.00	31,806.0	33.0	30,205.0	18.0	70,353.0	59.0
Business Occupational	5,215.5	15.5	9,307.5	162.0	8,493.5	85.5	23,016.5	263.0
Technical Occupational	9,564.0	-	19,692.5	503.5	21,762.0	308.0	51,018.5	811.5
Health Occupational	2,910.0	-	7,362.5	184.0	10,258.5	96.0	20,531.0	280.0
Remedial Developmental	745.5	-	2,875.0	15.00	1,661.0	-	5,281.5	15.0
Adult Basic/Secondary Education	5.0	-	102.0	412.0	47.0	351.5	154.0	763.5
<b>Total</b>	<b>26,782.0</b>	<b>23.5</b>	<b>71,145.5</b>	<b>1,309.5</b>	<b>72,427.0</b>	<b>859.0</b>	<b>170,354.5</b>	<b>2,192.0</b>

Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.

Note 3) Total of unrestricted and restricted should equal the SU and SR record totals.

	Attending In-District	Attending Out-of District on Chargeback or Contractual Agreement	Total
<b>Reimbursable Semester Credit Hours (All Terms)</b>	94,039.0	-	94,039.0
	Dual Credit	Dual Enrollment	
<b>Reimbursable Semester Credit Hours (All Terms)</b>	13,465.5	-	
<b>District Prior Year Equalized Assessed Valuation</b>			<b>\$ 2,926,127,962</b>

Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	729.0	1,059.0	1,317.0	3,105.0
Business Occupational	2,384.5	3,236.0	2,405.5	8,026.0
Technical Occupational	7,734.0	12,083.5	13,454.5	33,272.0
Health Occupational	-	15.0	-	15.0
Remedial Development	188.0	301.0	435.5	924.5
Adult Basic/Secondary Education	-	-	-	-
<b>Total</b>	<b>11,035.5</b>	<b>16,694.5</b>	<b>17,612.5</b>	<b>45,342.5</b>

Signatures

\_\_\_\_\_  
Chief Executive Officer (CEO)

\_\_\_\_\_  
Chief Fiscal Officer (CFO)

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

**RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS  
FOR THE YEAR ENDED JUNE 30, 2017**

<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	70,353.0	70,353.0	-	59.0	59.0	-
Business Occupational	23,016.5	23,016.5	-	263.0	263.0	-
Technical Occupational	51,018.5	51,018.5	-	811.5	811.5	-
Health Occupational	20,531.0	20,531.0	-	280.0	280.0	-
Remedial Developmental	5,281.5	5,281.5	-	15.0	15.0	-
Adult Basic/Secondary Education	154.0	154.0	-	763.5	763.5	-
<b>Total</b>	<u>170,354.5</u>	<u>170,354.5</u>	<u>-</u>	<u>2,192.0</u>	<u>2,192.0</u>	<u>-</u>

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND  
COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Total Attending (Unrestricted and Restricted)	Total Attending As Certified To The ICCB	Difference
Reimbursable In-District Residents	94,039.0	94,039.0	-
Reimbursable Out-of-District on Chargeback or Contractual Agreement	-	-	-
<b>Total</b>	<u>94,039.0</u>	<u>94,039.0</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	13,465.5	13,465.5	-
Dual Enrollment	-	-	-
<b>Total</b>	<u>13,465.5</u>	<u>13,465.5</u>	<u>-</u>

**RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Categories</u>	Total Reimbursable Correctional Credit Hours	Total Reimbursable Correctional Credit Hours Certified to The ICCB	Difference
Baccalaureate	3,105.0	3,105.0	-
Business Occupational	8,026.0	8,026.0	-
Technical Occupational	33,272.0	33,272.0	-
Health Occupational	15.0	15.0	-
Remedial Development	924.5	924.5	-
Adult Basic/Secondary Education	-	-	-
<b>Total</b>	<u>45,342.5</u>	<u>45,342.5</u>	<u>-</u>

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS  
JUNE 30, 2017**

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:

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

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

- Students enrolled in courses taught at business and industry locations in the district.
- Full-time students enrolled at Eastern Illinois University, except students on an F-1 visa, who will be classified as out-of-state.
- 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:

- 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 the residency status, the student must present a property tax statement from the address listed in order to verify correct residency status.
- Out-of-district students may meet the residency requirements by presenting a voter's registration card verifying in-district residency.
- The college accepts employer signed affidavits verifying a student works at least 35 hours per week at the employer's business locations in the college district.
- 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 received the in-district tuition rate.

**FEDERAL COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORMED GUIDANCE**

Board of Trustees  
Lake Land College  
Community College District No. 517  
Mattoon, Illinois 61938

**Report on Compliance for Each Major Federal Program**

We have audited Lake Land Community College District No. 517's (College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audits Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

## Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance 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, 2017.

## Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
September 27, 2017

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grant or Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Direct Grants:			
TRIO - Student Support Services	84.042A	N/A	\$ 208,393
TRIO - Talent Search	84.044A	N/A	252,973
			<u>461,366</u>
Federal Student Assistance Cluster			
Federal Pell Grant Program	84.063	N/A	5,395,132 (M)
Federal Direct Student Loans	84.268	N/A	1,673,940 (M)
Federal Supplemental Educational Opportunity	84.007	N/A	91,682 (M)
Federal Work Study Program	84.033	N/A	51,072 (M)
Total Federal Student Assistance Cluster			<u>7,211,826</u>
Passed Through the Illinois Community College Board:			
Adult Education and Family Literacy Federal Basic	84.002A	F5170117	172,410
Career and Technical Education Basic Grants to States	84.048	CTE51717	282,231
Improving Teacher Quality State Grants	84.367A	BTG51717	2,429
<b>Total U.S. Department of Education</b>			<u>8,130,262</u>
<b>U.S. Department of Labor</b>			
Passed Through Illinois Department of Commerce and Economic Opportunity			
Workforce Innovation and Opportunity Act (WIOA) Cluster:			
WIOA Adult Programs - Incentive	17.258	14-632023	7,457
WIOA Youth Activities - Incentive	17.259	15-681023	7,951
WIOA Dislocated Workers - Incentive	17.278	16-681023	11,463
			<u>26,871</u>
WIOA Adult Program	17.258	14-632023	190,761
WIOA Youth Activities	17.259	15-681023	315,763
WIOA Dislocated Workers	17.278	16-681023	235,565
			<u>742,089</u>
WIOA Adult Program	17.258	14-632023	905,121
WIOA Youth Activities	17.259	15-681023	649,922
WIOA Dislocated Workers	17.278	16-681023	505,024
			<u>2,060,067</u>
WIOA Trade Case Management			
WIOA Dislocated Workers	12.278	15-653023	33,058
WIOA Dislocated Workers	17.278	16-651023	8,563
			<u>41,621</u>
Total WIOA Cluster			<u>2,870,648</u>
Trade Adjustment Assistance	17.245	14-661023	62,341
Trade Adjustment Assistance	17.245	15-661023	64,886
Total Trade Adjustment Assistance			<u>127,227</u>
WIOA National Dislocated Worker / WIA National Emergency	17.277	15-672023	116,472
<b>Total U.S. Department of Labor</b>			<u>3,114,347</u>
<b>U.S. Department of Veterans Affairs</b>			
Post - 9/11 Veterans Educational Assistance	64.028	N/A	163,629
<b>Total U.S. Department of Veterans Affairs</b>			<u>163,629</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 11,408,238</u>
<b>(M) Major Program</b>			



**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1: BASIS OF PRESENTATION**

**General**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lake Land College Community College No. 517 (College) under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

**Basis of Accounting**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources and measurement focus and the accrual basis of accounting. The College's Schedule of Expenditures of Federal Awards is prepared in conformity with the same basis of accounting.

**NOTE 2: SUBRECIPIENTS**

During fiscal year 2017, the College maintained subrecipient agreements with C.E.F.S. Economic Opportunity Corporation under the Workforce Innovation and Opportunity Act Cluster. The amount provided to C.E.F.S. through this Act amounted to \$2,671,500.

**NOTE 3: LOANS OR LOAN GUARANTEES OUTSTANDING**

During fiscal year 2017, the Collage participated in two guaranteed student loan program sponsored by the U.S. Department of Education.

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 students or their parents.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 3: LOANS OR LOAN GUARANTEES OUTSTANDING (CONCLUDED)**

During the year ended June 30, 2017, the College's students or their parents were eligible to receive the following guaranteed loans:

Stafford Loans:	
Subsidized	\$ 935,869
Unsubsidized	671,311
Parents Loans for Undergraduate Students (PLUS)	<u>66,760</u>
 Total	 <u>\$ 1,673,940</u>

**NOTE 4: INDIRECT COST RATE**

The College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**BACKGROUND INFORMATION ON FEDERAL GRANT ACTIVITY  
JUNE 30, 2017**

**Restricted Adult Education 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 Education Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 21<sup>st</sup> 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.

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued:  | Unmodified |
| 2. Internal control over financial reporting:  |            |
| a.) Material weaknesses identified?  | No         |
| b.) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| c.) Noncompliance material to the financial statements noted?                              | No         |

**Federal Awards**

- |  |             |
|--|-------------|
| 1. Internal control over major program:  |             |
| a.) Material weaknesses identified?  | No          |
| b.) Significant deficiencies identified that are not considered to be material weaknesses?                             | No          |
| 2. Type of auditor’s report issued on compliance for major programs:   | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? | No          |
| 4. Identification of major programs:   |             |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Federal Student Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | No        |

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 517  
MATTOON, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2016-001	Internal Control over Preparation of Financial Statements	Corrected