

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2014

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Section:	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Component Unit - Statement of Financial Position	14
Component Unit - Statement of Activities	15
Notes to Financial Statements	16
Supplemental Financial Information:	
Schedules of Management Information	34
Combined Balance Sheet-All Fund Types	35
Combined Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-All Budgeted Governmental Fund Types	36
Combined Statement of Revenue, Expenses and Changes in Retained Earnings-Budget and Actual-Proprietary Fund Type	38
Combining Balance Sheet - Governmental Fund Types - General Fund	39
Combining Balance Sheet - Governmental Fund Types - Special Revenue Funds	40
Combining Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-Governmental Fund Types-General Fund	41
Combining Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-Governmental Fund Types-Special Revenue Funds	42
Reconciliation and Schedule of Budget Basis	43
Assessed Valuations and Taxes Extended and Collected	44
Summary of Taxes Receivable and Tax Collections	45
Schedule of Debt Maturities-Governmental Fund Types	46
Schedule of Legal Debt Margin	47
Schedule of Expenses for Tort Immunity Purposes	48
Accompanying Information:	
Special Reports Section:	
Uniform Financial Statements	
Uniform Financial Statement-All Funds Summary	52
Summary of Fixed Assets and Debt	53
Operating Revenue by Source	54
Operating Expenditures	55
Restricted Purposes Fund Revenue by Source	56
Restricted Purposes Fund Expenditures	57

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2014

TABLE OF CONTENTS  
(Continued)

Page

Accompanying Information (continued):

Special Reports Section (continued):

Uniform Financial Statements (continued)

Current Funds Expenditures by Activity	58
Certification of Chargeback Reimbursement for Fiscal Year 2015	60

Illinois Board of Higher Education:

Cooperative Work Study Program:

Independent Auditor's Report - Illinois Cooperative Work Study Program	62
Statement of Revenue and Expenditures (Modified Cash Basis)	64
Notes to Financial Statement	65

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	67
---	----

Financial Statements:

Career and Technical Education-Program Improvement-Balance Sheet	69
Career and Technical Education-Program Improvement-Statement of Revenue, Expenditures and Changes in Fund Balance	70
State Adult Education and Family Literacy Restricted Funds-Balance Sheet	71
State Adult Education and Family Literacy Restricted Funds-Statement of Revenue, Expenditures and Changes in Fund Balance	72
Federal Basic Adult Education Restricted Fund-Balance Sheet	73
Federal Basic Adult Education Restricted Fund-Statement of Revenue, Expenditures and Changes in Fund Balance	74
Notes to ICCB Grant Programs Financial Statements	75
State Adult Education and Family Literacy Restricted Funds-Expenditure Amounts and Percentages for ICCB Grant Funds Only	76
Background Information on ICCB Grant Activity	77

Compliance Section-Enrollment Data:

Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	80
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	82
Reconciliation of Total Reimbursable Semester Credit Hours, Reconciliation of In-District/Chargeback and Cooperative/Contractual Agreement Reimbursable Credit Hours, and Reconciliation of Total Correctional Semester Credit Hours	83
Documentation of Residency Verification Steps	84
Summary of Assessed Valuations - Most Recent Three Years	85

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2014

TABLE OF CONTENTS  
(Continued)

Page

Federal Awards - Compliance Section:

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>	87
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	89
Schedule of Expenditures of Federal Awards	91
Notes to Schedule of Expenditures of Federal Awards	93
Schedule of Findings and Questioned Costs	96
Schedule of Prior Year Findings	98

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

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activity and the discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2014, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the College's component unit 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 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 policies 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 opinions.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the College, as of June 30, 2014, and the respective changes in financial position, and, where applicable, 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 on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board, who considers it to be an essential part of the financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental financial information and accompanying information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental financial information, the accompanying information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 October 2, 2014, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Doehring, Windus & Co. LLP*

Mattoon, Illinois  
October 2, 2014

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, 2014. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements (pages 10-15) and the footnotes (beginning on page 16). Included in the basic financial statements (page 14) is information on the College's component unit, the Lake Land College Foundation, Inc., which also has a separately issued financial statement that may be obtained by calling the Foundation Office at (217) 234-5354. Responsibility for the completeness and fairness of the College's report rests with the College.

USING THE ANNUAL REPORT

The financial statements focus on the College as a whole, versus the traditional presentation by fund types. The College's financial statements (see pages 10-15) are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net 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 and state revenues. This approach is intended to summarize and simplify the user's analysis of the cost of the various services which the College provides to its students, the district, and the local community.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

	Net Position As of June 30,		Increase (Decrease)
	2014	2013	
Current assets	\$ 46,853,748	\$ 49,630,365	\$ (2,776,617)
Noncurrent Assets			
Capital assets, net of depreciation	66,643,180	63,459,093	3,184,087
Total assets	113,496,928	113,089,458	407,470
Current liabilities	8,886,195	18,185,903	(9,299,708)
Noncurrent Liabilities	20,514,950	16,332,040	4,182,910
Total liabilities	29,401,145	34,517,943	(5,116,798)
Deferred Inflows of Resources	13,617,000	13,176,000	441,000
Net position			
Net Investment in capital assets	54,493,477	48,349,093	6,144,384
Restricted	2,374,766	2,457,314	(82,548)
Unrestricted	13,610,540	14,589,108	(978,568)
Total net position	\$ 70,478,783	\$ 65,395,515	\$ 5,083,268

Operating Results for the Years Ended  
June 30,

	2014	2013	Increase (Decrease)
Operating revenue			
Tuition and fees	\$ 10,700,740	\$ 9,837,962	\$ 862,778
Auxiliary	1,176,054	968,370	207,684
Department of Corrections instructional	6,088,072	5,722,165	365,907
Other	2,258,730	1,922,286	336,444
Total	<u>20,223,596</u>	<u>18,450,783</u>	<u>1,772,813</u>
Less operating expenses	<u>60,686,611</u>	<u>61,158,661</u>	<u>(472,050)</u>
Operating income (loss)	<u>(40,463,015)</u>	<u>(42,707,878)</u>	<u>2,244,863</u>
Non-operating revenue (expenses)			
Other state revenues	13,501,472	13,777,496	(276,024)
SURS on-behalf contributions	8,711,368	8,185,326	526,042
Federal and local grants and contracts	9,060,248	10,991,399	(1,931,151)
Property taxes	13,147,881	12,099,665	1,048,216
Investment income	852,594	151,654	700,940
Interest expense	(283,765)	(337,957)	54,192
Disposal of fixed assets	(788,021)	(9,115)	(778,906)
Non-operating revenue (net)	<u>44,201,777</u>	<u>44,858,468</u>	<u>(656,691)</u>
Capital Appropriations	596,939	-	596,939
Capital grants	<u>747,567</u>	<u>282,231</u>	<u>465,336</u>
Increase in net position	5,083,268	2,432,821	2,650,447
Net position, beginning of year	<u>65,395,515</u>	<u>62,962,694</u>	<u>2,432,821</u>
Net position, end of year	<u>\$ 70,478,783</u>	<u>\$ 65,395,515</u>	<u>\$ 5,083,268</u>

For the year ended June 30, 2014 the College recorded total operating revenues of \$20,223,596 and total operating expenses of \$60,686,611. The difference produced an operating loss of \$40,463,015. Net non-operating revenue of \$44,201,777 plus capital appropriations and contributions totaling \$1,344,506 offsets this loss and results in an overall increase in net position of \$5,083,268.

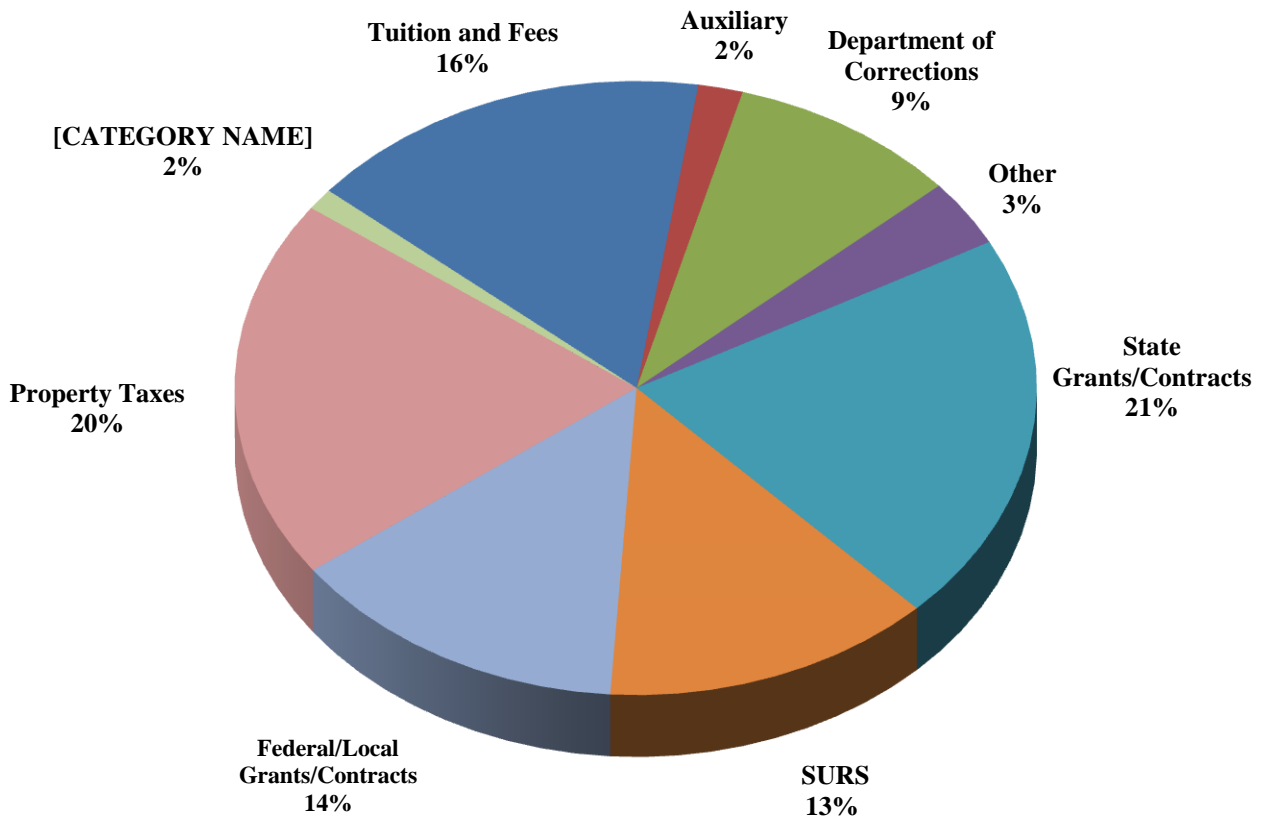
Non-operating revenue included local property taxes of \$13,147,881, other state revenues of \$13,501,472, SURS on-behalf contributions of \$8,711,368, federal grants and local contracts of \$9,060,248, investment expense net of interest earnings of \$568,829 and loss on disposal of fixed assets of \$(788,021).

Of the College's total revenue, operating revenue accounted for approximately 30%, non-operating revenues accounted for 68%, and capital appropriations and contributions accounted for 2%. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$10,700,740, auxiliary enterprise revenues totaling \$1,176,054, instructional revenues from the Department of Corrections totaling \$6,088,072 and other miscellaneous revenue of \$2,258,730.

The College had net position at the beginning of the year totaling \$65,395,515. The current year increase in net position of \$5,083,268 brought the total of net position at the end of the year to \$70,478,783.



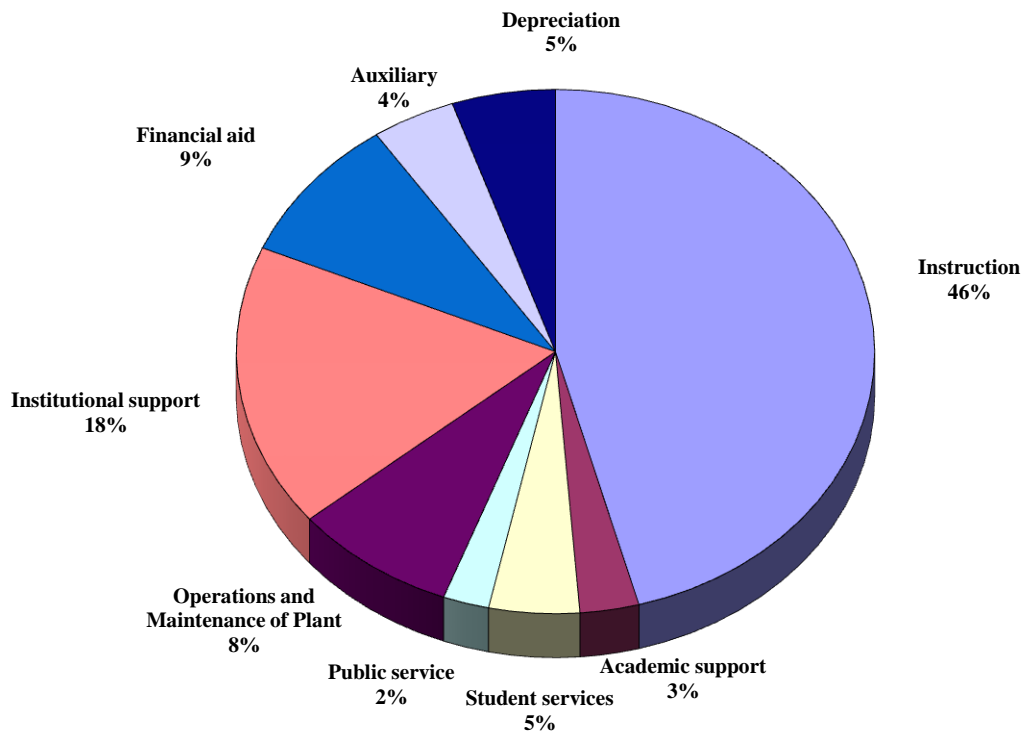
## Revenue by Source



Operating Expenses  
For the Years Ended June 30,

	2014	2013	Increase (Decrease)
Operating expense			
Instruction	\$ 27,786,791	\$ 27,001,758	\$ 785,033
Academic support	1,813,390	1,973,669	(160,279)
Student services	2,785,696	2,740,518	45,178
Public service	1,416,557	1,624,972	(208,415)
Operations and maintenance of plant	5,035,017	5,044,012	(8,995)
Institutional support	10,605,905	11,260,851	(654,946)
Financial aid	5,485,593	5,880,973	(395,380)
Auxiliary	2,573,116	2,549,933	23,183
Depreciation	3,184,546	3,081,975	102,571
Total	<u>\$ 60,686,611</u>	<u>\$ 61,158,661</u>	<u>\$ (472,050)</u>

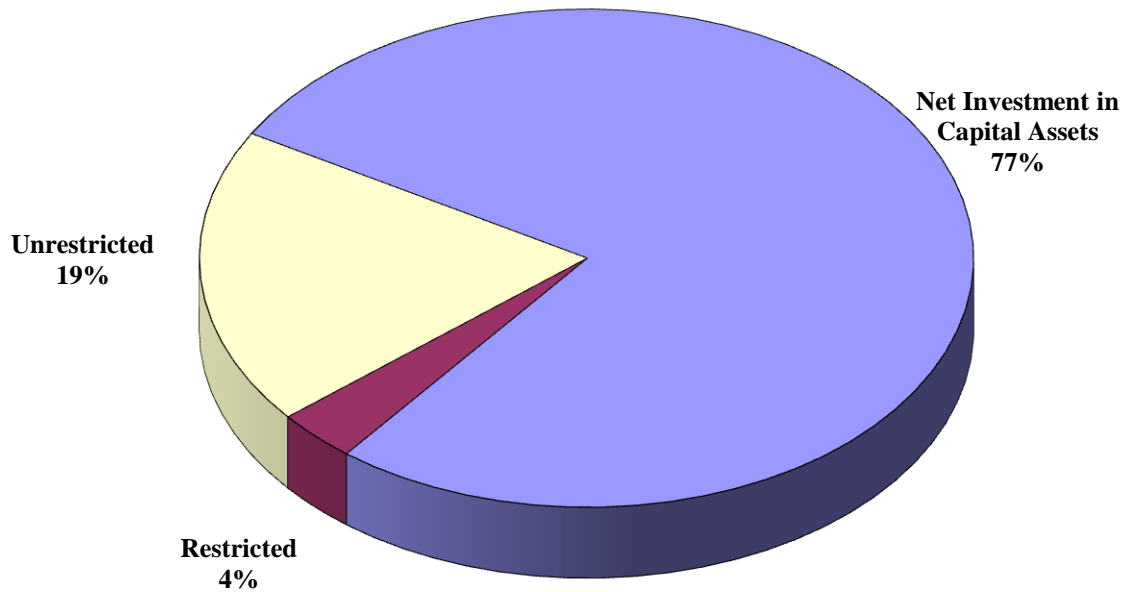
**Operating Expenses**



Analysis of Net Position  
June 30,

	2014	2013	Increase (Decrease)
Net Position			
Net Investment in Capital Assets	\$ 54,493,477	\$ 48,349,093	\$ 6,144,384
Restricted	2,374,766	2,457,314	(82,548)
Unrestricted	13,610,540	14,589,108	(978,568)
Total	<u>\$ 70,478,783</u>	<u>\$ 65,395,515</u>	<u>\$ 5,083,268</u>

### Analysis of Net Position



	Capital Assets, Net June 30,		Increase (Decrease)
	2014	2013	
Capital Assets			
Land	\$ 981,487	\$ 981,487	\$ -
Building	78,351,358	72,099,894	6,251,464
Equipment	7,941,317	8,798,850	(857,533)
Construction in progress	13,005,760	14,544,849	(1,539,089)
Total	100,279,922	96,425,080	3,854,842
Less Accumulated Depreciation	(33,636,742)	(32,965,987)	(670,755)
Net Capital Assets	\$ 66,643,180	\$ 63,459,093	\$ 3,184,087

As of June 30, 2014, the College had recorded approximately \$100.3 million invested in capital assets, approximately \$33.6 million in accumulated depreciation and approximately \$66.7 million in net capital assets. Capital asset additions exceeded deletions by approximately \$3.9 million (see Notes 6 and 7). Accumulated depreciation increased approximately \$.7 million during the year.

During fiscal year 2014 the College issued \$7.9 million in General Obligation Bonds. The entire \$7.9 million is still outstanding at June 30, 2014. During the year, the College paid \$11.7 million in principal on Alternate Revenue Bonds issued in fiscal year 2007, 2013 General Obligation Bonds issued in fiscal year 2013, Working Cash Bonds issued in fiscal year 2012, General Obligation Bonds issued in fiscal year 2010, and a loan obligation. The balance on the 2007 Alternative Revenue Bonds is \$1.70 million, the balance of the Working Cash Bonds is \$6.1 million, and the balance of the 2010 General Obligation Bonds is \$2.3 million at June 30, 2014. The payment schedule for the balance of the remaining bond issues is provided in the notes to the financial statements (see note 9).

The College began the construction on the energy savings program in September 2007 and continuing through 2014 with the remodel of the North East Classroom Building. As a result the College has built two buildings and renovated five additional buildings.

Solar energy can be converted into electricity through photovoltaic methods. Recent efficiency performances of solar cells are making it a viable source of energy generation and it is totally non-polluting. By placing solar panels on the roof of classroom buildings, energy generation will be located close to the demand closing the gap to carbon neutrality. The College installed an additional 320 kW Solar Array in 2014.

Lake Land has a vision to become carbon neutral through a variety of systems designed to reduce electrical demand while generating electricity through renewable sources. This holistic approach will create something unique in Illinois that can be a model for the nation. With our proven systems of a unique geothermal design, lighting upgrades, thin client technology and behavioral education, it is estimated that a 40 percent reduction in current electrical demand is achievable while generating 3 million kWhs of electricity through renewable energy generation. Lake Land College, as a public higher education institution, is not eligible for tax incentives and must rely on grants to accomplish our vision. For more information on these projects see note 7 for details.

## THE COLLEGE'S ECONOMIC OUTLOOK

Through prudent financial decisions made during the past two decades by the Board of Trustees, Lake Land College enters the 2015 fiscal year in a solid position. While colleges throughout the state are facing dire financial conditions due to decreased and lethargic state funding, the Board's decision to raise tuition by \$5.00 per credit hour and fees \$2.50 per credit hour, Lake Land College is operating with a balanced budget. In addition, nearly 40 percent of the district's graduating high school class chose Lake Land College as their choice for higher education.

While the College is conservatively meeting current financial needs, private, state and federal grants are providing growth opportunities. The College is in the fifth year of a five year TRIO Student Support Services grant which will assist in developing and educating first generation and low-income college students. Grant funds will be used to purchase equipment, develop training programs for jobs of the future, provide finances for personnel and assist dislocated workers.

## CONTACTING FINANCIAL MANAGEMENT

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF NET POSITION

June 30, 2014

**ASSETS**

Current assets:

Cash	\$ 569,993
Investments	21,072,775
Receivables, net	22,536,842
Due from component unit	41,013
Inventories	279,188
Prepaid expenditures	539,745
Restricted investments	1,814,192
Total current assets	46,853,748

Noncurrent assets:

Capital assets, net of accumulated depreciation	66,643,180
Total assets	113,496,928

**LIABILITIES**

Current liabilities:

Accounts payable	1,714,339
Accrued salaries	870,346
Accrued interest payable	121,557
Deposits held for others	157,636
Advances from grantors	251,728
Summer tuition received in advance	1,606,677
Current portion of long-term obligations	4,163,912
Total current liabilities	8,886,195

Noncurrent liabilities:

Accrued compensated absences	304,242
Planned retirement payable	228,482
Bonds payable, including bond premium	19,982,226
Total noncurrent liabilities	20,514,950
Total liabilities	29,401,145

**DEFERRED INFLOWS OF RESOURCES**

Deferred property taxes	13,617,000

**NET POSITION**

Net investment in capital assets	54,493,477
Restricted for:	
Capital projects	1,814,192
Grant purposes	85,341
Debt service	475,233
Unrestricted	13,610,540
Total net position	\$ 70,478,783

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2014

Revenues:	
Operating revenue:	
Student tuition and fees, net of scholarship allowances of \$3,136,461	\$ 10,698,567
Chargeback revenue	2,173
Auxiliary enterprises revenue	1,176,054
Department of Corrections instructional	6,088,072
Revenue from educational services and materials	543,069
Other operating revenue	<u>1,715,661</u>
Total operating revenue	<u>20,223,596</u>
Expenses:	
Operating expenses:	
Instruction	27,786,791
Academic support	1,813,390
Student services	2,785,696
Public service	1,416,557
Operations and maintenance of plant	5,035,017
Institutional support	10,605,905
Financial aid	5,485,593
Auxiliary enterprises	2,573,116
Depreciation	<u>3,184,546</u>
Total operating expenses	<u>60,686,611</u>
Operating loss	<u>(40,463,015)</u>
Non-operating revenues (expenses):	
State grants and contracts	21,769,808
Property taxes	13,147,881
Personal property replacement tax	443,032
Federal grants and contracts	8,649,880
Local grants and contracts	410,368
Loss on disposal of capital assets	(788,021)
Interest expense	(283,765)
Investment income	<u>852,594</u>
Non-operating revenues, net	<u>44,201,777</u>
Income before capital appropriations and grants	3,738,762
Capital appropriations	596,939
Capital grants	<u>747,567</u>
Increase in net position	5,083,268
Net position, beginning of year	<u>65,395,515</u>
Net position, end of year	<u><u>\$ 70,478,783</u></u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF CASH FLOWS

Year Ended June 30, 2014

Cash flows from operating activities:	
Tuition and fees	\$ 11,198,109
Payments to suppliers	(23,925,215)
Payments to employees	(26,340,922)
Department of Corrections instructional	6,011,011
Auxiliary enterprise charges	1,193,633
Other	<u>2,251,704</u>
Net cash (used) by operating activities	<u>(29,611,680)</u>
Cash flows from noncapital financing activities:	
Local property taxes	13,350,573
State appropriations	13,201,045
Grants and contracts	8,902,117
Principal paid on noncapital debt	(615,000)
Interest paid on noncapital debt	(390,090)
Agency receipts	663,742
Agency payments	<u>(652,662)</u>
Net cash provided by noncapital financing activities	<u>34,459,725</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(6,559,715)
Proceeds from note and bonds payable	7,865,000
Principal paid on capital debt and leases	(11,090,000)
Interest paid on capital debt and leases	(55,117)
Proceeds from bond premium	289,001
Capital grants	<u>747,567</u>
Net cash (used) by capital and related financing activities	<u>(8,803,264)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	11,194,595
Income from investments	1,161,386
Purchase of investments	<u>(9,324,532)</u>
Net cash provided by investing activities	<u>3,031,449</u>
Net decrease in cash	(923,770)
Cash, beginning of year	<u>1,493,763</u>
Cash, end of year	<u><u>\$ 569,993</u></u>

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



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517  
STATEMENT OF CASH FLOWS (Continued)  
Year Ended June 30, 2014

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

Operating loss	\$ (40,463,015)
----------------	-----------------

Adjustments to reconcile operating loss to net cash  
used by operating activities:

Depreciation expense	3,184,546
State on-behalf payments for fringe benefits	8,711,368
Change in assets and liabilities:	
Decrease in operating receivables	584
(Increase) in due from component unit	(7,026)
(Increase) in inventories and prepaid assets	(63,700)
(Decrease) in accounts payable	(1,253,151)
Increase in accrued salaries and compensated absences	65,331
(Decrease) in planned retirement payable	(223,920)
Increase in advances from grantors	11,938
(Decrease) in advances in tuition	(15,635)
Increase in deferred property taxes	441,000

Net cash (used) by operating activities	<u><u>\$ (29,611,680)</u></u>
---	-------------------------------

Noncash investing, capital and noncapital financing transactions:

Change in fair value of investments	<u><u>\$ 308,792</u></u>
Amortization of bond premium	<u><u>\$ 191,678</u></u>
Capital appropriations expended by the Illinois Capital Development Board on behalf of the College	<u><u>\$ 596,939</u></u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT  
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION  
June 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 161,034
Investments, current	<u>6,645,445</u>
Total current assets	<u>6,806,479</u>

Noncurrent assets:

Investments, noncurrent	1,594,837
Works of art	18,248
Property and equipment, net	<u>696,449</u>
Total noncurrent assets	<u>2,309,534</u>

Total assets	<u><u>\$ 9,116,013</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 645
Due to Lake Land College	41,013
Agency funds	<u>68,895</u>
Total liabilities	<u>110,553</u>

Net assets:

Unrestricted	2,247,295
Temporarily restricted	3,067,213
Permanently restricted	<u>3,690,952</u>
Total net assets	<u>9,005,460</u>

Total liabilities and net assets	<u><u>\$ 9,116,013</u></u>
----------------------------------	----------------------------

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT  
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and reclassifications:				
Contributions	\$ 221,571	\$ 280,079	\$ 175,328	\$ 676,978
Special events	39,582	5,563	-	45,145
Rental income	36,600	-	-	36,600
Investment income, net of fees	54,236	183,033	-	237,269
Realized gains	50,080	169,070	-	219,150
Unrealized gains	147,316	473,644	-	620,960
Change in actuarial value of split interest agreements	-	-	(6,754)	(6,754)
Net assets released from restrictions	338,205	(338,205)	-	-
	<u>887,590</u>	<u>773,184</u>	<u>168,574</u>	<u>1,829,348</u>
Total revenues, gains, and reclassifications				
Expenses				
Program services	445,258	-	-	445,258
Management and general	138,167	-	-	138,167
Fundraising	32,546	-	-	32,546
	<u>615,971</u>	<u>-</u>	<u>-</u>	<u>615,971</u>
Total expenses				
Change in net assets	271,619	773,184	168,574	1,213,377
Net assets, beginning of year	<u>1,975,676</u>	<u>2,294,029</u>	<u>3,522,378</u>	<u>7,792,083</u>
Net assets, end of year	<u>\$ 2,247,295</u>	<u>\$ 3,067,213</u>	<u>\$ 3,690,952</u>	<u>\$ 9,005,460</u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

In accordance with Government Accounting Standards Board (GASB) Statements 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the accompanying financial statements present the statement of net 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 Lake Land College Foundation, Inc. (Foundation), defined as a component unit of the College under GASB Statements 14, *The Financial Reporting Entity* and 39, *Determining Whether Certain Organizations are Component Units*. The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the College. The 19-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. The economic resources held by the Foundation are entirely for the benefit of the College, its students, and its programs. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

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

During the year ended June 30, 2014, the Foundation provided \$406,616 in scholarships and other support to the College and its students. Financial statements for the Foundation can be obtained by calling the Foundation Office at (217) 234-5354.

**Basis of Presentation**

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (continued)**

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

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

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

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges, including GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ending June 30, 2014.

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 management to make estimates and assumptions that affect reported amounts of assets, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments are reported at fair value, with unrealized gains or losses included in investment income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

**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 as shown in Note 5. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Receivables are recorded net of estimated uncollectible amounts, which is based on management's assessment of collectability of specific student 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.

**Inventories**

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

**Capital Assets**

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

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

Property, plant and equipment of the College are depreciated using the straight-line method over the useful lives shown below. Depreciation expense for fiscal year 2014 is \$3,184,546.

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Library Books and Textbooks**

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

**Advances from 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 advance includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2014.

**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, 2014, deferred inflows of resources includes tax levies accrued that are levied for use in the next fiscal 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, 2014, the College recorded a liability of \$304,242. The College considers the entire liability to be long term based on a review of employee usage.

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

**Net Position**

The College's total net position is classified as follows:

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

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

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**On-Behalf Payments for Fringe Benefits**

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College has reported on-behalf payments made by the State of Illinois to the State Universities' Retirement System of Illinois (SURS) of \$8,711,368 for retirement costs for the year ended June 30, 2014. These costs are reflected as nonoperating revenues and operating expenses with the expenses allocated to each educational and general program.

**Scholarship Discounts and Allowances**

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

**Property Taxes**

The 2013 property tax extension has been deferred to comply with the Government Accounting Standards Board Statement 33 since it was levied to finance activities of the 2014/2015 school year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

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

**Federal Financial Assistance Programs**

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



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets**

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

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

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

**Component Unit**

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

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

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

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

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

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

Investments are reported at fair value.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

## **2 DEPOSITS AND INVESTMENTS**

### **Deposits**

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

As of June 30, 2014, the carrying balance of the College's cash deposits was \$569,993 which includes \$1,867 of cash on hand, and the bank balances totaled \$2,043,291, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name. Also, the College's investments in certificates of deposit and a savings account were fully covered by federal depository insurance.

### **Investments**

Statutes authorize the College to invest in obligations of the U.S. Treasury, direct obligations of any bank as defined by the Illinois Banking Act, short term obligations of corporations subject to certain qualifications, money market mutual funds registered under the Investment Company Act of 1940 subject to certain restrictions, 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 law and further limits the amount invested within each category (See Concentration Risk disclosure below).

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. 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, 2014, the College held \$20,232 in the Illinois Funds Money Market Fund with a Standard and Poor's AAAM rating and other money market funds of \$2,785,259 all with Moody's Aaa ratings. The mutual bond funds of \$18,809,309 were unrated as of June 30, 2014.

### Custodial Credit Risk

Custodial credit risk is the risk that when, in the event a financial institution or counterparty fails, the College would not be able to recover the value of deposits, investments or collateral securities that are in possession of an outside party. The College's policy for reducing exposure to this risk is to require deposits in excess of the federally insured amount to be collateralized at 100%. One hundred percent of the College's investments are held by various custodians in the College's name and are not subject to creditors of the custodians.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**2 DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk (continued)

The College's investments in the Illinois Funds, 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.

Concentration 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 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, 2014, were as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>%</u>
Investments administered by Wells Fargo Advisors:		
Open ended mutual bond funds	\$ 18,809,309	82.18
Federal Home Loan Bank Bonds	194,091	0.85
Federal Home Loan Mortgage Corporation Bonds	92,814	0.41
Certificates of deposit	932,522	4.07
Money market accounts	828,810	3.62
Investments administered by First Mid-Illinois Bank Fund Trust:		
Sweep Savings Account	2,297	0.01
Federated Ultrashort Govt Fund #969	142,225	0.62
Northern Institutional Govt Select Fund	1,814,192	7.93
Illinois Funds Money Market Fund	20,232	0.09
Certificates of deposit	50,443	0.22
G.S. Money Market Fund Class B	32	-
Total	<u>\$ 22,886,967</u>	<u>100.00</u>

The Illinois Funds are in the custody of an appointed custodian by the State Treasurer and are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act (15 ILCS 520/11). Details on the nature of these investments are available within the State of Illinois' Comprehensive Annual Financial Report. The Illinois Funds do not have any direct or indirect investments in derivative instruments.

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.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**2 DEPOSITS AND INVESTMENTS (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average maturity method is presented below to display the interest rate risk of the College's investments. 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	\$ -	\$ -	\$ -	\$ 2,807,788	\$ 2,807,788
0-1 Year	7,902,433	286,905	703,104	-	8,892,442
1-3 Years	1,931,380	-	279,861	-	2,211,241
3-7 Years	6,109,302	-	-	-	6,109,302
7-10 Years	2,740,214	-	-	-	2,740,214
10-15 Years	125,980	-	-	-	125,980
Total	<u>\$ 18,809,309</u>	<u>\$ 286,905</u>	<u>\$ 982,965</u>	<u>\$ 2,807,788</u>	<u>\$ 22,886,967</u>

**3 RECEIVABLES**

Receivables consist of the following at June 30, 2014:

Property taxes	\$ 13,416,342
Governmental claims	7,415,104
Student accounts receivable, net of allowances of \$3,832,636	1,068,863
Other receivables	636,533
	<u>\$ 22,536,842</u>

**4 RESTRICTED INVESTMENTS**

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**5 PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES**

Property taxes receivable and the related allowance for uncollected taxes were computed as follows for the year ended June 30, 2014:

2013 Equalized assessed valuation	<u>\$ 2,546,880,097</u>		
	<u>2013 Taxes Extended</u>	<u>2013 Taxes Collected</u>	<u>Property Taxes Receivable*</u>
General Fund:			
Education Fund	\$ 6,094,684	\$ (89,810)	\$ 6,004,874
Operations, Building and Maintenance Fund	<u>636,720</u>	<u>(9,383)</u>	<u>627,337</u>
Total general funds	<u>6,731,404</u>	<u>(99,193)</u>	<u>6,632,211</u>
Special Revenue Fund:			
Audit Fund	112,000	(1,650)	110,350
Liability, Protection and Settlement Fund	<u>1,430,000</u>	<u>(21,072)</u>	<u>1,408,928</u>
Total special revenue funds	<u>1,542,000</u>	<u>(22,722)</u>	<u>1,519,278</u>
Bond and Interest Fund	<u>4,208,596</u>	<u>(62,017)</u>	<u>4,146,579</u>
Capital Projects Fund:			
Operations, Building and Maintenance Fund (Restricted)	<u>1,135,000</u>	<u>(16,726)</u>	<u>1,118,274</u>
Total	<u>\$ 13,617,000</u>	<u>\$ (200,658)</u>	<u>\$ 13,416,342</u>

\* Based on review of prior year property tax receipts, management believes that property taxes receivable will be fully collectible for the fiscal year ended June 30, 2014. Property taxes receivable and the related collections on the 2013 tax levy are recorded as deferred inflows of resources at June 30, 2014.

**6 CAPITAL ASSETS**

A summary of changes in capital asset categories follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 981,487	\$ -	\$ -	\$ 981,487
Construction in progress	<u>14,544,849</u>	<u>6,761,992</u>	<u>(8,301,081)</u>	<u>13,005,760</u>
Total capital assets not being depreciated	<u>15,526,336</u>	<u>6,761,992</u>	<u>(8,301,081)</u>	<u>13,987,247</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**6 CAPITAL ASSETS (Continued)**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated				
Buildings	\$ 72,099,894	\$ 8,426,181	\$ (2,174,717)	\$ 78,351,358
Equipment	8,798,850	269,562	(1,127,095)	7,941,317
Total capital assets being depreciated	<u>80,898,744</u>	<u>8,695,743</u>	<u>(3,301,812)</u>	<u>86,292,675</u>
Less accumulated depreciation for:				
Buildings	25,802,500	2,609,152	(1,394,272)	27,017,380
Equipment	7,163,487	575,394	(1,119,519)	6,619,362
Total accumulated depreciation	<u>32,965,987</u>	<u>3,184,546</u>	<u>(2,513,791)</u>	<u>33,636,742</u>
Total capital assets being depreciated, net	<u>47,932,757</u>	<u>5,511,197</u>	<u>(788,021)</u>	<u>52,655,933</u>
Capital assets, net	<u>\$ 63,459,093</u>	<u>\$ 12,273,189</u>	<u>\$ (9,089,102)</u>	<u>\$ 66,643,180</u>

**7 CONSTRUCTION IN PROGRESS**

The College has the following construction projects in progress at June 30, 2014:

	Project Budget	Expended to June 30, 2014	Committed
Energy savings projects			
North East - Energy Savings Renovation	\$ 7,080,193	\$ 7,243,850	\$ (163,657)
Wind Turbine	100,000	106,337	(6,337)
Total energy savings projects	<u>7,180,193</u>	<u>7,350,187</u>	<u>(169,994)</u>
PHS levied projects			
North East Health & Safety Renovation	1,100,000	1,273,329	(173,329)
Wind Turbine	415,242	369,863	45,379
Total PHS levied projects	<u>1,515,242</u>	<u>1,643,192</u>	<u>(127,950)</u>
DCEO grant projects			
ARRA-Wind	500,000	531,968	(31,968)
Total DCEO grant projects	<u>500,000</u>	<u>531,968</u>	<u>(31,968)</u>
CBJT projects			
Wind Turbine	450,000	476,292	(26,292)
Total CBJT projects	<u>450,000</u>	<u>476,292</u>	<u>(26,292)</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**7 CONSTRUCTION IN PROGRESS (Continued)**

	Project Budget	Expended to June 30, 2014	Committed
CDB projects			
Student Center	\$ 12,179,100	\$ 1,251,710	\$ 10,927,390
Total CDB projects	<u>12,179,100</u>	<u>1,251,710</u>	<u>10,927,390</u>
Other projects			
ICECF - Solar Array - VoTech	851,004	306,423	544,581
IGEN - Solar Array - West	254,983	256,260	(1,277)
Tuckpointing Project	374,000	200,556	173,444
Solar Array - West	39,576	40,075	(499)
Well Field - Local	1,498,842	847,546	651,296
Northeast - Engineering Costs	-	74,668	(74,668)
IL Clean Energy Grant - Wind Turbine	25,690	26,883	(1,193)
Total other projects	<u>3,044,095</u>	<u>1,752,411</u>	<u>1,291,684</u>
Total construction in progress	<u>\$ 24,868,630</u>	<u>\$ 13,005,760</u>	<u>\$ 11,862,870</u>

Construction in progress additions include capitalized interest expense of \$307,422. The Protection Health Safety (PHS) projects are funded through a tax levy (protection health safety) that cannot exceed .05 percent per year.

A new Student Center is being added to the Administration Building. Under a trust agreement that is a prerequisite in obtaining the award from the Capital Development Board (CDB), the College has contributed funds into a government money market account to fund a portion of the local share of the building project. The balance of this account is \$1,814,192 at June 30, 2014.

**8 CHANGES IN LONG-TERM LIABILITIES**

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
Note payable	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -
Bonds payable	18,995,000	7,865,000	3,705,000	23,155,000
Bond premium	636,017	289,001	191,678	733,340
Planned retirement payable	710,200	114,698	338,618	486,280
Accrued compensated absences	330,321	-	26,079	304,242
Total	<u>\$ 28,671,538</u>	<u>\$ 8,268,699</u>	<u>\$ 12,261,375</u>	<u>\$ 24,678,862</u>
				Amount Due Within One Year
Bonds payable				\$ 3,680,000
Bond premium				226,114
Planned retirement payable				<u>257,798</u>
				<u>\$ 4,163,912</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**9 LONG-TERM DEBT**

Long-term debt consists of the following at June 30, 2014:

Alternative revenue bonds, payable in annual principal installments ranging from \$90,000 to \$170,000, and semi-annual interest payments at an average rate of 4.36%, due December 1, 2026.	\$ 1,715,000
Series 2010 bonds, payable in annual principal installments ranging from \$2,305,000 to \$3,000,000, and annual interest payments at an average rate of 2.21%, due June 30, 2015.	2,305,000
Series 2012 general obligation bonds, payable in annual principal installments ranging from \$615,000 to \$3,870,000, and annual interest payments at a stated rate of 4.0% (effective interest rate of 1.80% with bond premium), due December 1, 2016.	6,055,000
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.	5,215,000
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.	4,000,000
Series 2014 general obligation 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.	3,865,000
	\$ 23,155,000

Total interest expense for the year ended June 30, 2014, was \$591,187, with capitalized interest representing \$307,422 of this amount, and \$283,765 recognized as interest expense in the Statement of Revenues, Expenses and Changes in Net Position. This interest expense of \$283,765 is net of amortization of bond premium of \$191,678.

At June 30, 2014, the annual cash flow requirements of principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 3,680,000	\$ 673,658	\$ 4,353,658
2016	3,975,000	467,905	4,442,905
2017	4,245,000	330,731	4,575,731
2018	4,445,000	219,987	4,664,987
2019	4,510,000	117,535	4,627,535
2020-2024	1,815,000	178,904	1,993,904
2025-2029	485,000	30,033	515,033
Long-term debt subtotal	23,155,000	\$ 2,018,753	\$ 25,173,753
Unamortized bond premium	733,340		
Total	\$ 23,888,340		



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

## 10 LITIGATION

As of June 30, 2014, the College is a defendant in various lawsuits. The College's attorney states no opinion as to the outcome of these cases or the potential for loss. The attorney also states that the College intends to vigorously defend these lawsuits. Management believes that the liability insurance of the College is sufficient to cover the asserted claims.

## 11 PENSION PLAN

### Plan Description

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

### Funding Policy

Plan members are required to contribute 8.0% (police officers, 9.5%) of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 2015) is 35.80% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ending June 30, 2014, 2013, and 2012 were \$8,711,368, \$8,224,032, and \$5,781,672, respectively, equal to the required contributions for each year. The required employer contributions described in the foregoing sentence include amounts contributed by the College for employee salaries paid from federal and state grant funds, which were \$44,728, \$38,706, and \$61,251 for the years ended June 30, 2014, 2013, and 2012, respectively.

## 12 PLANNED RETIREMENT

To enhance long-range planning, College employees are encouraged to submit resignations up to four years in advance of their retirement date. Upon acceptance of the resignation by the Board of Trustees, qualified employees will receive a guaranteed 6% raise on their contractual base salary for each of the last four years of service. In addition, a years-of-service incentive will be paid on the first payroll following 60 calendar days after the retirement date. The incentive is based on a formula which includes total years of service. The College records a liability for all qualified employees who have had their resignations accepted by the Board of Trustees. At June 30, 2014, the balance of the planned retirement liability was \$486,280.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

### **13 POST EMPLOYMENT BENEFITS**

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

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

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

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

### **14 RISK MANAGEMENT**

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

In 2001, the College joined the Community College Insurance Cooperative (CCIC), a public entity risk pool currently operating as a common risk management and insurance program for independent organizations (seven at June 30, 2014). The College pays an annual premium to CCIC for its medical insurance coverage under a retrospectively rated policy (the initial premium is adjusted based on actual experience of the group during the period of coverage). The Agreement for Formation of the CCIC provides that CCIC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured individual.

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**15 INVESTMENTS - COMPONENT UNIT**

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 prioritizes 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.
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 above.

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, 2014, 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	\$ 123,252	\$ 123,252	\$ -	\$ 123,252
Mutual funds	3,029,523	3,664,037	-	3,664,037
Exchange traded funds	2,301,352	2,858,156	-	2,858,156
Current	<u>5,454,127</u>	<u>6,645,445</u>	<u>-</u>	<u>6,645,445</u>
U.S. Government obligations	437,098	-	433,697	433,697
Bonds	1,138,753	-	1,161,140	1,161,140
Noncurrent	<u>1,575,851</u>	<u>-</u>	<u>1,594,837</u>	<u>1,594,837</u>
	<u>\$ 7,029,978</u>	<u>\$ 6,645,445</u>	<u>\$ 1,594,837</u>	<u>\$ 8,240,282</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2014

**15 INVESTMENTS - COMPONENT UNIT (Continued)**

The following schedule summarizes the investment return and its classification in the Statements of Activities for the year ended June 30, 2014:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income	\$ 67,563	\$ 228,048	\$ -	\$ 295,611
Investment fees	(13,327)	(45,015)	-	(58,342)
Realized gains	50,080	169,070	-	219,150
Unrealized gains	147,316	473,644	-	620,960
Total investment return	\$ 251,632	\$ 825,747	\$ -	\$ 1,077,379

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517  
SCHEDULES OF MANAGEMENT INFORMATION  
Year Ended June 30, 2014

The following schedules on pages 35 through 58 are maintained for management information purposes to comply with Illinois Community College Board regulations.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

COMBINED BALANCE SHEET - ALL FUND TYPES

June 30, 2014

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	Auxiliary Enterprise Fund	Expendable Trust Funds	Nonexpendable Trust Funds	
<b>ASSETS</b>								
Cash	\$ 109,590	\$ 8,168	\$ 57,775	\$ 125	\$ 389,813	\$ 3,850	\$ 672	\$ 569,993
Investments	215,198	-	31	-	-	-	20,857,546	21,072,775
Accounts receivable:								
Property taxes	6,632,210	1,519,278	4,146,580	1,118,274	-	-	-	13,416,342
Governmental claims	3,090,055	4,325,049	-	-	-	-	-	7,415,104
Other receivables	1,252,151	425,617	-	-	23,842	3,786	-	1,705,396
Due from other funds	5,743,930	-	601,000	-	600,000	150,000	1,946,000	9,040,930
Due from component unit	39,938	-	-	-	1,075	-	-	41,013
Inventories	-	-	-	-	279,188	-	-	279,188
Prepaid expenditures	341,499	198,246	-	-	-	-	-	539,745
Restricted investments	-	-	-	1,814,192	-	-	-	1,814,192
Fixed assets, net	-	-	-	-	230,158	-	-	230,158
<b>Total assets</b>	<b>\$ 17,424,571</b>	<b>\$ 6,476,358</b>	<b>\$ 4,805,386</b>	<b>\$ 2,932,591</b>	<b>\$ 1,524,076</b>	<b>\$ 157,636</b>	<b>\$ 22,804,218</b>	<b>\$ 56,124,836</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 606,340	\$ 114,037	\$ -	\$ 986,523	\$ 7,439	\$ -	\$ -	\$ 1,714,339
Accrued salaries	702,286	160,690	-	-	7,370	-	-	870,346
Accrued compensated absences	258,603	34,759	-	-	10,880	-	-	304,242
Planned retirement payable	486,280	-	-	-	-	-	-	486,280
Summer tuition and grantor advances	1,679,502	178,903	-	-	-	-	-	1,858,405
Due to other funds	-	4,806,940	-	4,233,990	-	-	-	9,040,930
Deposits held for others	-	-	-	-	-	157,636	-	157,636
<b>Total liabilities</b>	<b>3,733,011</b>	<b>5,295,329</b>	<b>-</b>	<b>5,220,513</b>	<b>25,689</b>	<b>157,636</b>	<b>-</b>	<b>14,432,178</b>
Deferred inflows of resources								
Deferred property taxes	6,731,404	1,542,000	4,208,596	1,135,000	-	-	-	13,617,000
Fund balances:								
Retained earnings	-	-	-	-	1,498,387	-	-	1,498,387
Reserved for construction projects	-	-	-	1,814,192	-	-	-	1,814,192
Unreserved:								
Designated	-	-	596,790	-	-	-	-	596,790
Undesignated	6,960,156	(360,971)	-	(5,237,114)	-	-	22,804,218	24,166,289
<b>Total fund balances</b>	<b>6,960,156</b>	<b>(360,971)</b>	<b>596,790</b>	<b>(3,422,922)</b>	<b>1,498,387</b>	<b>-</b>	<b>22,804,218</b>	<b>28,075,658</b>
<b>Total liabilities, deferred inflows,     and fund balances</b>	<b>\$ 17,424,571</b>	<b>\$ 6,476,358</b>	<b>\$ 4,805,386</b>	<b>\$ 2,932,591</b>	<b>\$ 1,524,076</b>	<b>\$ 157,636</b>	<b>\$ 22,804,218</b>	<b>\$ 56,124,836</b>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenue:						
Local government	\$ 6,545,808	\$ 6,821,204	\$ 275,396	\$ 1,951,064	\$ 1,939,278	\$ (11,786)
State government	15,926,160	19,259,747	3,333,587	10,575,097	9,696,546	(878,551)
Federal government	14,296	9,585	(4,711)	11,234,868	8,669,736	(2,565,132)
Tuition and fees	14,527,361	13,835,028	(692,333)	-	-	-
Other sources	1,308,921	1,581,378	272,457	988,483	1,123,048	134,565
Total revenue	<u>38,322,546</u>	<u>41,506,942</u>	<u>3,184,396</u>	<u>24,749,512</u>	<u>21,428,608</u>	<u>(3,320,904)</u>
Expenditures:						
Instruction	18,148,257	19,965,350	1,817,093	9,366,437	8,406,660	(959,777)
Academic support	1,917,545	1,812,357	(105,188)	-	10,373	10,373
Student services	3,232,270	2,554,687	(677,583)	140,973	286,996	146,023
Public services/Continuing education	1,759,631	1,164,055	(595,576)	102,842	266,449	163,607
Operation and maintenance of plant	4,360,420	4,395,399	34,979	644,096	602,809	(41,287)
Institutional support	7,403,316	7,759,719	356,403	2,899,637	3,149,352	249,715
Scholarships/Grants/Waivers	227,000	478,561	251,561	11,769,794	8,143,493	(3,626,301)
Capital outlay	95,236	330,036	234,800	65,000	789,287	724,287
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>37,143,675</u>	<u>38,460,164</u>	<u>1,316,489</u>	<u>24,988,779</u>	<u>21,655,419</u>	<u>(3,333,360)</u>
Excess (deficiency) of revenue over expenditures	<u>1,178,871</u>	<u>3,046,778</u>	<u>1,867,907</u>	<u>(239,267)</u>	<u>(226,811)</u>	<u>12,456</u>
Other financing sources (uses):						
Proceeds from bond payable	-	-	-	-	-	-
Proceeds from bond premium	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
Transfer to other funds	(1,178,871)	(2,447,449)	(1,268,578)	-	-	-
Total other financing sources (uses)	<u>(1,178,871)</u>	<u>(2,447,449)</u>	<u>(1,268,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>599,329</u>	<u>\$ 599,329</u>	<u>\$ (239,267)</u>	<u>(226,811)</u>	<u>\$ 12,456</u>
Fund balances, beginning of year		<u>6,360,827</u>			<u>(134,160)</u>	
Fund balances, end of year		<u>\$ 6,960,156</u>			<u>\$ (360,971)</u>	



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	Bond and Interest Fund			Capital Projects Fund			Total (Memorandum Only)		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenue:									
Local government	\$ 4,092,715	\$ 4,105,885	\$ 13,170	\$ 1,100,000	\$ 1,088,310	\$ (11,690)	\$ 13,689,587	\$ 13,954,677	\$ 265,090
State government	-	-	-	4,612,162	596,939	(4,015,223)	31,113,419	29,553,232	(1,560,187)
Federal government	-	-	-	-	-	-	11,249,164	8,679,321	(2,569,843)
Tuition and fees	-	-	-	-	-	-	14,527,361	13,835,028	(692,333)
Other sources	-	14	14	-	200	200	2,297,404	2,704,640	407,236
Total revenue	<u>4,092,715</u>	<u>4,105,899</u>	<u>13,184</u>	<u>5,712,162</u>	<u>1,685,449</u>	<u>(4,026,713)</u>	<u>72,876,935</u>	<u>68,726,898</u>	<u>(4,150,037)</u>
Expenditures:									
Instruction	-	-	-	-	-	-	27,514,694	28,372,010	857,316
Academic support	-	-	-	-	-	-	1,917,545	1,822,730	(94,815)
Student services	-	-	-	-	-	-	3,373,243	2,841,683	(531,560)
Public services/Continuing education	-	-	-	-	-	-	1,862,473	1,430,504	(431,969)
Operation and maintenance of plant	-	-	-	-	36,809	36,809	5,004,516	5,035,017	30,501
Institutional support	-	-	-	-	-	-	10,302,953	10,909,071	606,118
Scholarships/Grants/Waivers	-	-	-	-	-	-	11,996,794	8,622,054	(3,374,740)
Capital outlay	-	-	-	5,888,000	5,651,033	(236,967)	6,048,236	6,770,356	722,120
Principal retirement	3,705,000	3,705,000	-	-	8,000,000	8,000,000	3,705,000	11,705,000	8,000,000
Interest and fiscal charges	558,145	752,629	194,484	-	-	-	558,145	752,629	194,484
Total expenditures	<u>4,263,145</u>	<u>4,457,629</u>	<u>194,484</u>	<u>5,888,000</u>	<u>13,687,842</u>	<u>7,799,842</u>	<u>72,283,599</u>	<u>78,261,054</u>	<u>5,977,455</u>
Excess (deficiency) of revenue over expenditures	<u>(170,430)</u>	<u>(351,730)</u>	<u>(181,300)</u>	<u>(175,838)</u>	<u>(12,002,393)</u>	<u>(11,826,555)</u>	<u>593,336</u>	<u>(9,534,156)</u>	<u>(10,127,492)</u>
Other financing sources (uses):									
Proceeds from bonds payable	-	-	-	-	7,865,000	7,865,000	-	7,865,000	7,865,000
Proceeds from bond premium	-	289,001	289,001	-	-	-	-	289,001	289,001
Transfer from other funds	170,430	152,427	(18,003)	175,838	-	(175,838)	346,268	152,427	(193,841)
Transfer to other funds	-	-	-	-	925,010	925,010	(1,178,871)	(1,522,439)	(343,568)
Total other financing sources (uses)	<u>170,430</u>	<u>441,428</u>	<u>270,998</u>	<u>175,838</u>	<u>8,790,010</u>	<u>8,614,172</u>	<u>(832,603)</u>	<u>6,783,989</u>	<u>7,616,592</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>89,698</u>	<u>\$ 89,698</u>	<u>\$ -</u>	<u>(3,212,383)</u>	<u>\$ (3,212,383)</u>	<u>\$ (239,267)</u>	<u>(2,750,167)</u>	<u>\$ (2,510,900)</u>
Fund balances, beginning of year		<u>507,092</u>			<u>(210,539)</u>			<u>6,523,220</u>	
Fund balances, end of year		<u>\$ 596,790</u>			<u>\$ (3,422,922)</u>			<u>\$ 3,773,053</u>	

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	Proprietary Fund Type		Variance Over (Under)
	Enterprise Fund		
	Budget	Actual	
Operating revenue:			
Bookstore sales	\$ 644,502	\$ 548,233	\$ (96,269)
Cafeteria	46,000	37,635	(8,365)
Activity fees	165,000	154,249	(10,751)
Print shop	508,250	673,017	164,767
Child care lab	86,832	33,223	(53,609)
Farm revenues	148,059	118,685	(29,374)
Auto shop and other	15,000	2,030	(12,970)
Total operating revenue	<u>1,613,643</u>	<u>1,567,072</u>	<u>(46,571)</u>
Operating expenses:			
Salaries	596,547	538,948	(57,599)
Employee benefits	127,474	106,913	(20,561)
Contractual services	113,785	110,109	(3,676)
General materials and supplies	748,916	709,590	(39,326)
Travel	144,479	144,707	228
Fixed charges	264,425	281,580	17,155
Capital outlay	148,502	-	(148,502)
Depreciation	-	22,608	22,608
Scholarships/Grants	430,000	672,375	242,375
Other	99,699	118,220	18,521
Total operating expenses	<u>2,673,827</u>	<u>2,705,050</u>	<u>31,223</u>
Net (loss) before operating transfers	(1,060,184)	(1,137,978)	(77,794)
Operating transfers:			
Transfers from other funds	<u>1,060,184</u>	<u>1,370,012</u>	<u>309,828</u>
Net income	<u>\$ -</u>	<u>232,034</u>	<u>\$ 232,034</u>
Retained earnings, July 1, 2013		<u>1,266,353</u>	
Retained earnings, June 30, 2014		<u>\$ 1,498,387</u>	

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - GENERAL FUND

June 30, 2014

	Education Fund	Operations, Building, and Maintenance Fund	Total
<u>ASSETS</u>			
Cash	\$ 17,788	\$ 91,802	\$ 109,590
Investments	215,198	-	215,198
Accounts receivable:			
Property taxes	6,004,873	627,337	6,632,210
Governmental claims	3,090,055	-	3,090,055
Other receivables	1,247,211	4,940	1,252,151
Due from component unit	39,938	-	39,938
Due from other funds	2,443,930	3,300,000	5,743,930
Prepaid expenditures	341,499	-	341,499
	<u>\$ 13,400,492</u>	<u>\$ 4,024,079</u>	<u>\$ 17,424,571</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 606,340	\$ -	\$ 606,340
Accrued salaries	691,404	10,882	702,286
Accrued compensated absences	216,295	42,308	258,603
Planned retirement payable	486,280	-	486,280
Due to other funds	-	-	-
Summer tuition and grantor advances	1,679,502	-	1,679,502
	<u>3,679,821</u>	<u>53,190</u>	<u>3,733,011</u>
Deferred inflows of resources			
Deferred property taxes	6,094,684	636,720	6,731,404
	<u>6,094,684</u>	<u>636,720</u>	<u>6,731,404</u>
Fund balances:			
Unreserved:			
Designated	-	-	-
Undesignated	3,625,987	3,334,169	6,960,156
	<u>3,625,987</u>	<u>3,334,169</u>	<u>6,960,156</u>
Total fund balances	<u>3,625,987</u>	<u>3,334,169</u>	<u>6,960,156</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 13,400,492</u>	<u>\$ 4,024,079</u>	<u>\$ 17,424,571</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS

June 30, 2014

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<u>ASSETS</u>				
Cash	\$ 7,554	\$ 88	\$ 526	\$ 8,168
Accounts receivable:				
Property taxes	-	110,350	1,408,928	1,519,278
Governmental claims	4,325,049	-	-	4,325,049
Other receivables	425,617	-	-	425,617
Due from component unit	-	-	-	-
Prepaid expenditures	-	-	198,246	198,246
Total assets	\$ 4,758,220	\$ 110,438	\$ 1,607,700	\$ 6,476,358
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 114,037	\$ -	\$ -	\$ 114,037
Accrued salaries	157,119	-	3,571	160,690
Accrued compensated absences	11,820	2,520	20,419	34,759
Summer tuition and grantor advances	178,903	-	-	178,903
Due to other funds	4,211,000	28,040	567,900	4,806,940
Total liabilities	4,672,879	30,560	591,890	5,295,329
 Deferred inflows of resources				
Deferred property taxes	-	112,000	1,430,000	1,542,000
 Fund balances:				
Unreserved:				
Designated	-	-	-	-
Undesignated	85,341	(32,122)	(414,190)	(360,971)
Total fund balances	85,341	(32,122)	(414,190)	(360,971)
Total liabilities, deferred inflows, and fund balances	\$ 4,758,220	\$ 110,438	\$ 1,607,700	\$ 6,476,358

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	Education Fund			Operations, Building and Maintenance Fund			Total		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
<b>Revenue:</b>									
Local government sources	\$ 5,895,808	\$ 6,193,129	\$ 297,321	\$ 650,000	\$ 628,075	\$ (21,925)	\$ 6,545,808	\$ 6,821,204	\$ 275,396
State government sources	12,884,458	16,018,380	3,133,922	3,041,702	3,241,367	199,665	15,926,160	19,259,747	3,333,587
Federal government sources	14,296	9,585	(4,711)	-	-	-	14,296	9,585	(4,711)
Tuition and fees	14,527,361	13,835,028	(692,333)	-	-	-	14,527,361	13,835,028	(692,333)
Other sources	889,136	804,586	(84,550)	419,785	776,792	357,007	1,308,921	1,581,378	272,457
<b>Total revenue</b>	<b>34,211,059</b>	<b>36,860,708</b>	<b>2,649,649</b>	<b>4,111,487</b>	<b>4,646,234</b>	<b>534,747</b>	<b>38,322,546</b>	<b>41,506,942</b>	<b>3,184,396</b>
<b>Expenditures:</b>									
Instruction	18,148,257	19,965,350	1,817,093	-	-	-	18,148,257	19,965,350	1,817,093
Academic support	1,917,545	1,812,357	(105,188)	-	-	-	1,917,545	1,812,357	(105,188)
Student services	3,232,270	2,554,687	(677,583)	-	-	-	3,232,270	2,554,687	(677,583)
Public service/Continuing education	1,759,631	1,164,055	(595,576)	-	-	-	1,759,631	1,164,055	(595,576)
Operation and maintenance of plant	-	-	-	4,360,420	4,395,399	34,979	4,360,420	4,395,399	34,979
Institutional support	7,403,316	7,759,719	356,403	-	-	-	7,403,316	7,759,719	356,403
Scholarships/Grants/Waivers	227,000	478,561	251,561	-	-	-	227,000	478,561	251,561
Capital outlay	95,236	34,100	(61,136)	-	295,936	295,936	95,236	330,036	234,800
<b>Total expenditures</b>	<b>32,783,255</b>	<b>33,768,829</b>	<b>985,574</b>	<b>4,360,420</b>	<b>4,691,335</b>	<b>330,915</b>	<b>37,143,675</b>	<b>38,460,164</b>	<b>1,316,489</b>
Excess (deficiency) of revenue over expenditures	1,427,804	3,091,879	1,664,075	(248,933)	(45,101)	203,832	1,178,871	3,046,778	1,867,907
<b>Other financing sources (uses):</b>									
Non-mandatory transfer from (to) other funds	(1,178,871)	(2,455,987)	(1,277,116)	-	8,538	8,538	(1,178,871)	(2,447,449)	(1,268,578)
<b>Total other financing sources (uses)</b>	<b>(1,178,871)</b>	<b>(2,455,987)</b>	<b>(1,277,116)</b>	<b>-</b>	<b>8,538</b>	<b>8,538</b>	<b>(1,178,871)</b>	<b>(2,447,449)</b>	<b>(1,268,578)</b>
Excess (deficiency) of revenue over expenditures and other sources (uses)	\$ 248,933	635,892	\$ 386,959	\$ (248,933)	(36,563)	\$ 212,370	\$ -	599,329	\$ 599,329
Fund balance, July 1, 2013		2,990,095			3,370,732			6,360,827	
Fund balance, June 30, 2014		\$ 3,625,987			\$ 3,334,169			\$ 6,960,156	

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	Restricted Purposes Fund			Audit Fund			Liability, Protection and Settlement Fund			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Over (Under)			Over (Under)			Over (Under)			Over (Under)
Revenue:												
Local government sources	\$ 394,064	\$ 361,591	\$ (32,473)	\$ 107,000	\$ 107,316	\$ 316	\$ 1,450,000	\$ 1,470,371	\$ 20,371	\$ 1,951,064	\$ 1,939,278	\$ (11,786)
State government sources	10,575,097	9,696,546	(878,551)	-	-	-	-	-	-	10,575,097	9,696,546	(878,551)
Federal government sources	11,234,868	8,669,736	(2,565,132)	-	-	-	-	-	-	11,234,868	8,669,736	(2,565,132)
Other sources	988,483	1,123,048	134,565	-	-	-	-	-	-	988,483	1,123,048	134,565
<b>Total revenue</b>	<b>23,192,512</b>	<b>19,850,921</b>	<b>(3,341,591)</b>	<b>107,000</b>	<b>107,316</b>	<b>316</b>	<b>1,450,000</b>	<b>1,470,371</b>	<b>20,371</b>	<b>24,749,512</b>	<b>21,428,608</b>	<b>(3,320,904)</b>
Expenditures:												
Instruction	9,366,437	8,406,660	(959,777)	-	-	-	-	-	-	9,366,437	8,406,660	(959,777)
Academic support	-	10,373	10,373	-	-	-	-	-	-	-	10,373	10,373
Student services	64,418	211,884	147,466	-	-	-	76,555	75,112	(1,443)	140,973	286,996	146,023
Public service/Continuing education	102,842	266,449	163,607	-	-	-	-	-	-	102,842	266,449	163,607
Operations and maintenance of plant	-	16,845	16,845	-	-	-	644,096	585,964	(58,132)	644,096	602,809	(41,287)
Institutional support	1,824,021	2,189,860	365,839	107,000	95,763	(11,237)	968,616	863,729	(104,887)	2,899,637	3,149,352	249,715
Scholarships/Grants/Waivers	11,769,794	8,143,493	(3,626,301)	-	-	-	-	-	-	11,769,794	8,143,493	(3,626,301)
Capital outlay	65,000	747,567	682,567	-	-	-	-	41,720	41,720	65,000	789,287	724,287
<b>Total expenditures</b>	<b>23,192,512</b>	<b>19,993,131</b>	<b>(3,199,381)</b>	<b>107,000</b>	<b>95,763</b>	<b>(11,237)</b>	<b>1,689,267</b>	<b>1,566,525</b>	<b>(122,742)</b>	<b>24,988,779</b>	<b>21,655,419</b>	<b>(3,333,360)</b>
Excess (deficiency) of revenue over expenditures	\$ -	(142,210)	\$ (142,210)	\$ -	11,553	\$ 11,553	\$ (239,267)	(96,154)	\$ 143,113	\$ (239,267)	(226,811)	\$ 12,456
Fund balance, July 1, 2013		227,551			(43,675)			(318,036)			(134,160)	
Fund balance, June 30, 2014		\$ 85,341			\$ (32,122)			\$ (414,190)			\$ (360,971)	

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION AND SCHEDULE OF BUDGET BASIS

Year Ended June 30, 2014

RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF NET POSITION

Fund balance-All fund types - budget basis	\$ 28,075,658
Reconciling items:	
Investment in capital assets of governmental fund types	98,364,029
Accumulated depreciation on capital assets of governmental fund types	(33,376,482)
Amount to be provided for debt payments	(23,155,000)
Bond premium	(733,340)
Accrued interest payable	(121,557)
Capitalized interest on construction in progress, including assets placed in service	1,425,475
	<u>1,425,475</u>
Net position on Statement of Net Position	<u>\$ 70,478,783</u>

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

Excess (deficiency) of revenue over expenditures - budget basis	\$ (1,756,992)
Reconciling items:	
Depreciation expense on capital assets of governmental fund types	(3,161,938)
Principal repayments of debt	11,705,000
Proceeds from notes and bonds payable	(7,865,000)
Proceeds from bond premium	(289,001)
Amortization of bond premium	191,678
Change in accrual of interest for debt	(30,236)
Purchases of capital assets of governmental fund types	6,770,356
Capitalized interest	307,422
Loss on disposal of capital assets	(788,021)
	<u>(788,021)</u>
Increase in net position	<u>\$ 5,083,268</u>

EXPENDITURES AND TRANSFERS IN EXCESS OF BUDGET

	Actual Expenditures	Budget	Variance Over Budget
Education Fund	\$ 36,224,816	\$ 33,962,126	\$ 2,262,690
Bond and Interest Fund	\$ 4,457,629	\$ 4,263,145	\$ 194,484
Auxiliary Enterprise Fund	\$ 2,705,050	\$ 2,673,827	\$ 31,223
Capital Projects Fund	\$ 13,687,842	\$ 5,888,000	\$ 7,799,842
Operations, Building and Maintenance Fund	\$ 4,691,335	\$ 4,360,420	\$ 330,915

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

ASSESSED VALUATIONS AND TAXES EXTENDED AND COLLECTED

Levy Years 2013, 2012, and 2011

	<u>2013 Levy</u>	<u>2012 Levy</u>	<u>2011 Levy</u>
Assessed valuations:			
Christian	\$ 66,859,642	\$ 66,908,662	\$ 65,243,687
Clark	183,366,164	179,922,027	179,145,975
Clay	14,073,835	13,268,396	12,721,347
Coles	645,188,186	639,571,953	631,471,223
Crawford	18,460	17,594	17,039
Cumberland	129,666,833	126,683,900	123,324,448
Douglas	69,380,167	64,712,246	64,520,895
Edgar	204,750,073	200,445,509	199,253,214
Effingham	610,339,424	600,024,784	586,139,718
Fayette	101,014,645	95,413,119	89,596,881
Jasper	12,702,340	12,469,721	11,673,001
Macon	3,807,527	3,514,508	3,309,192
Montgomery	2,277,515	2,192,802	2,089,459
Moultrie	223,080,959	210,245,070	203,068,136
Shelby	280,354,327	282,334,080	275,533,110
Total assessed valuations	<u>\$ 2,546,880,097</u>	<u>\$ 2,497,724,371</u>	<u>\$ 2,447,107,325</u>
Tax rates (per \$100 of assessed valuations):			
Education Fund *	0.1550	0.1570	0.1564
Foundation Tax	0.0843	0.0738	0.0695
Operations, Building and Maintenance Fund	0.0250	0.0250	0.0283
Bond and Interest Fund	0.1652	0.1648	0.1276
Life Safety	0.0446	0.0442	0.0538
Audit Fund	0.0044	0.0043	0.0039
Liability, Protection and Settlement Fund	0.0562	0.0584	0.0548
Total	<u>0.5347</u>	<u>0.5275</u>	<u>0.4943</u>
Taxes extended:			
Education Fund *	\$ 3,947,664	\$ 3,921,473	\$ 3,830,272
Foundation Tax	2,147,020	1,843,381	1,699,683
Operations, Building and Maintenance Fund	636,720	624,431	691,364
Bond and Interest Fund	4,208,596	4,115,715	3,121,672
Life Safety	1,135,000	1,105,000	1,316,656
Audit Fund	112,000	107,000	95,758
Liability, Protection and Settlement Fund	1,430,000	1,459,000	1,340,595
Total	<u>\$ 13,617,000</u>	<u>\$ 13,176,000</u>	<u>\$ 12,096,000</u>
Total current taxes collected	<u>\$ 200,658</u>	<u>\$ 13,098,601</u>	<u>\$ 12,034,298</u>
Percentage of extensions collected	<u>1.47%</u>	<u>99.41%</u>	<u>99.49%</u>

\* The 2012 levy for the Education Fund includes prior year tax adjustments levied of approximately \$50,000 from various counties, which the College expended in the Education Fund during Fiscal Year 2014.



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS

Year Ended June 30, 2014

Levy Year	Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2013	Collected During Year Ended June 30, 2014	Total Collected to June 30, 2014	Percent Collected June 30, 2014	Taxes Written-off
2013	\$ 2,546,880,097	0.5347	\$ 13,617,000	\$ -	\$ 200,658	\$ 200,658	1.47%	\$ -
2012	2,497,724,371	0.5275	13,176,000	-	13,098,601	13,098,601	99.41%	-
2011	2,447,107,325	0.4943	12,096,000	12,034,298	-	12,034,298	99.49%	-
Back taxes	-		-	-	-	-		-
		Total	<u>\$ 38,889,000</u>	<u>\$ 12,034,298</u>	<u>\$ 13,299,259</u>	<u>\$ 25,333,557</u>		<u>\$ -</u>

2013 TAXES EXTENDED

	Uncollected June 30, 2014	Estimate for Uncollectible Taxes	Balance after Estimated Uncollectible Taxes
Education	\$ 3,889,492	\$ -	\$ 3,889,492
Foundation	2,115,382	-	2,115,382
Operations, Building and Maintenance	627,337	-	627,337
Bond and Interest	4,146,579	-	4,146,579
Life Safety	1,118,274	-	1,118,274
Audit	110,350	-	110,350
Liability, Protection and Settlement	1,408,928	-	1,408,928
Total	<u>\$ 13,416,342</u>	<u>\$ -</u>	<u>\$ 13,416,342</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF DEBT MATURITIES  
GOVERNMENTAL FUND TYPES

Year Ended June 30, 2014

	Bond Type	Interest Rate	Amounts Due During Year			Unpaid Principal Balance June 30, 2014
			Principal	Interest	Total	
2014-2015	Working Cash - Fitness Center	6.00 %	\$ 100,000	\$ 70,618	\$ 170,618	\$ 100,000
2014-2015	Series 2010	2.50 %	2,305,000	28,813	2,333,813	2,305,000
2014-2015	Series 2012	4.00 %	1,275,000	216,700	1,491,700	1,275,000
2014-2015	Series 2013	2.00 %	-	104,300	104,300	-
2014-2015	Series 2013B	1.75 %	-	98,305	98,305	-
2014-2015	Series 2014	3.00 %	-	154,922	154,922	-
2015-2016	Working Cash - Fitness Center	5.75 %	105,000	64,599	169,599	105,000
2015-2016	Series 2012	4.00 %	3,870,000	113,800	3,983,800	3,870,000
2015-2016	Series 2013	2.00 %	-	104,300	104,300	-
2015-2016	Series 2013B	1.75 %	-	69,256	69,256	-
2015-2016	Series 2014	3.00 %	-	115,950	115,950	-
2016-2017	Working Cash - Fitness Center	5.60 %	110,000	58,500	168,500	110,000
2016-2017	Series 2012	4.00 %	910,000	18,200	928,200	910,000
2016-2017	Series 2013	2.00 %	2,580,000	78,500	2,658,500	2,580,000
2016-2017	Series 2013B	1.75 %	-	69,256	69,256	-
2016-2017	Series 2014	3.00 %	645,000	106,275	751,275	645,000
2017-2018	Working Cash - Fitness Center	3.85 %	115,000	53,206	168,206	115,000
2017-2018	Series 2013	2.00 %	2,635,000	26,350	2,661,350	2,635,000
2017-2018	Series 2013B	1.75 %	-	69,256	69,256	-
2017-2018	Series 2014	3.00 %	1,695,000	71,175	1,766,175	1,695,000
2018-2019	Working Cash - Fitness Center	3.85 %	120,000	48,682	168,682	120,000
2018-2019	Series 2013B	1.75 %	2,865,000	45,978	2,910,978	2,865,000
2018-2019	Series 2014	3.00 %	1,525,000	22,875	1,547,875	1,525,000
Thereafter	Working Cash - Fitness Center	3.90 - 4.05 %	1,165,000	197,587	1,362,587	1,165,000
Thereafter	Series 2013B	2.00 %	1,135,000	11,350	1,146,350	1,135,000
Total			<u>\$ 23,155,000</u>	<u>\$ 2,018,753</u>	<u>\$ 25,173,753</u>	<u>\$ 23,155,000</u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF LEGAL DEBT MARGIN

Year Ended June 30, 2014

Assessed valuation - 2013 Levy	<u>\$ 2,546,880,097</u>
Debt limit, 2.875% of assessed valuation (50 ILCS 405/1)	\$ 73,222,803
Less:	
Note payable	-
Bond indebtedness	<u>23,155,000</u>
Legal debt margin	<u>\$ 50,067,803</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENSES FOR TORT IMMUNITY PURPOSES

Year Ended June 30, 2014

Administrative salaries	\$	271,812
Administrative benefits		56,093
Campus security salaries		295,465
Campus security benefits		71,180
Contractual services		5,470
Materials and supplies		34,390
Repairs		-
General liability insurance		265,020
Workers compensation insurance		208,004
Unemployment insurance		11,011
Social Security/Medicare		300,252
Travel		47,828
		<hr/>
Total tort immunity purposes expenses	\$	<u>1,566,525</u>

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

The College's tax extension for tort immunity/liability insurance and Social Security/Medicare purposes for tax year 2012 as levied by the counties within the college district was \$1,459,000. 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.

ACCOMPANYING INFORMATION

SPECIAL REPORTS SECTION

UNIFORM FINANCIAL STATEMENTS

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
ALL FUNDS SUMMARY

Year Ended June 30, 2014

	Education Fund	Operations, Building and Maintenance Fund	Operations, Building and Maintenance Fund (Restricted)	Bond and Interest Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Auxiliary Enterprise Fund	Trust and Agency Fund	Working Cash Fund	Total (Memorandum Only)
Fund balances, July 1, 2013	\$ 2,990,095	\$ 3,370,732	\$ (210,539)	\$ 507,092	\$ 227,551	\$ (43,675)	\$ (318,036)	\$ 1,266,353	\$ -	\$ 22,043,077	\$ 29,832,650
Revenue:											
Local tax revenue	5,747,924	628,075	1,088,310	4,105,885	-	107,316	1,470,371	-	-	-	13,147,881
Other local revenue	445,205	-	-	-	361,591	-	-	-	-	-	806,796
ICCB grants	7,587,497	2,620,597	-	-	2,129,438	-	-	-	-	-	12,337,532
Other state revenue	8,430,883	620,770	596,939	-	7,567,108	-	-	-	-	-	17,215,700
Federal revenue	9,585	-	-	-	8,669,736	-	-	-	-	-	8,679,321
Student tuition and fees	13,835,028	-	-	-	-	-	-	-	-	-	13,835,028
Bond proceeds	-	-	7,865,000	-	-	-	-	-	-	-	7,865,000
Bond premium	-	-	-	289,001	-	-	-	-	-	-	289,001
Note proceeds	-	-	-	-	-	-	-	-	-	-	-
Other revenue	804,586	776,792	200	14	1,123,048	-	-	1,567,072	-	761,141	5,032,853
Total revenue	36,860,708	4,646,234	9,550,449	4,394,900	19,850,921	107,316	1,470,371	1,567,072	-	761,141	79,209,112
Expenditures:											
Instruction	19,980,550	-	-	-	8,551,234	-	-	-	-	-	28,531,784
Academic support	1,831,257	-	-	-	21,672	-	-	-	-	-	1,852,929
Student services	2,554,687	-	-	-	211,884	-	75,112	-	-	-	2,841,683
Public services/Continuing education	1,164,055	-	-	-	553,246	-	-	-	-	-	1,717,301
Auxiliary services	-	-	-	-	-	-	-	2,705,050	-	-	2,705,050
Operations and maintenance	-	4,691,335	13,687,842	752,629	321,742	-	627,684	-	-	-	20,081,232
Institutional support	7,759,719	-	-	3,705,000	2,189,860	95,763	863,729	-	-	-	14,614,071
Scholarships/Grants/Waivers	478,561	-	-	-	8,143,493	-	-	-	-	-	8,622,054
Total expenditures	33,768,829	4,691,335	13,687,842	4,457,629	19,993,131	95,763	1,566,525	2,705,050	-	-	80,966,104
Transfers, net	(2,455,987)	8,538	925,010	152,427	-	-	-	1,370,012	-	-	-
Fund balances, June 30, 2014	\$ 3,625,987	\$ 3,334,169	\$ (3,422,922)	\$ 596,790	\$ 85,341	\$ (32,122)	\$ (414,190)	\$ 1,498,387	\$ -	\$ 22,804,218	\$ 28,075,658



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
SUMMARY OF FIXED ASSETS AND DEBT

Year Ended June 30, 2014

	<u>Fixed Assets/Debt July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Fixed Assets/Debt June 30, 2014</u>
<u>Fixed Assets</u>				
Sites, buildings, additions and improvements	\$ 86,508,180	\$ 14,880,751	\$ (10,475,798)	\$ 90,913,133
Equipment	8,798,850	269,562	(1,127,095)	7,941,317
Accumulated depreciation	<u>(258,394)</u>	<u>(22,608)</u>	<u>20,742</u>	<u>(260,260)</u>
Net fixed assets	<u>\$ 95,048,636</u>	<u>\$ 15,127,705</u>	<u>\$ (11,582,151)</u>	<u>\$ 98,594,190</u>
 <u>Debt</u>				
Note payable	\$ 8,000,000	\$ -	\$ (8,000,000)	\$ -
Bonds payable	<u>18,995,000</u>	<u>7,865,000</u>	<u>(3,705,000)</u>	<u>23,155,000</u>
Total fixed liabilities	<u>\$ 26,995,000</u>	<u>\$ 7,865,000</u>	<u>\$ (11,705,000)</u>	<u>\$ 23,155,000</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
OPERATING REVENUE BY SOURCE

Year Ended June 30, 2014

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
Local government:			
Current taxes	\$ 5,747,924	\$ 628,075	\$ 6,375,999
Chargeback revenue	2,173	-	2,173
Corporate personal property replacement taxes	443,032	-	443,032
Total local government	<u>6,193,129</u>	<u>628,075</u>	<u>6,821,204</u>
State government:			
ICCB Base Operating Grant	3,915,970	-	3,915,970
ICCB Equalization Grant	3,127,621	2,620,597	5,748,218
ICCB Career and Technology Funds	543,906	-	543,906
Illinois Department of Corrections	340,285	-	340,285
SURS contribution	8,090,598	620,770	8,711,368
Total state government	<u>16,018,380</u>	<u>3,241,367</u>	<u>19,259,747</u>
Federal government:			
Pell administrative fee	9,585	-	9,585
Total federal government	<u>9,585</u>	<u>-</u>	<u>9,585</u>
Student tuition and fees:			
Tuition	10,053,983	-	10,053,983
Fees	3,069,992	-	3,069,992
Other student assessments	711,053	-	711,053
Total student tuition and fees	<u>13,835,028</u>	<u>-</u>	<u>13,835,028</u>
Other sources:			
Center for Business and Industry seminars	63,283	-	63,283
Revenue from other educational services and materials	479,786	-	479,786
Facilities rent	-	477,414	477,414
Investment revenue	3,099	-	3,099
Donations	20,825	296,786	317,611
Miscellaneous	237,593	2,592	240,185
Total other sources	<u>804,586</u>	<u>776,792</u>	<u>1,581,378</u>
Total revenue	36,860,708	4,646,234	41,506,942
Less nonoperating revenue: *			
Tuition chargeback revenue	2,173	-	2,173
Adjusted revenue	<u>\$ 36,858,535</u>	<u>\$ 4,646,234</u>	<u>\$ 41,504,769</u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
OPERATING EXPENDITURES

Year Ended June 30, 2014

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
Expenditures by program:			
Instruction	\$ 19,980,550	\$ -	\$ 19,980,550
Academic support	1,831,257	-	1,831,257
Student services	2,554,687	-	2,554,687
Public services/Continuing education	1,164,055	-	1,164,055
Operations and maintenance	-	4,691,335	4,691,335
Institutional support	7,759,719	-	7,759,719
Scholarships/Grants/Waivers	478,561	-	478,561
Transfers	2,455,987	(8,538)	2,447,449
	36,224,816	4,682,797	40,907,613
Total expenditures by program			
Less nonoperating items:*			
Tuition chargeback	15,766	-	15,766
Transfers to (from) nonoperating funds	2,455,987	(8,538)	2,447,449
	33,753,063	4,691,335	38,444,398
	\$ 33,753,063	\$ 4,691,335	\$ 38,444,398
Expenditures by object:			
Salaries	\$ 16,931,047	\$ 1,298,845	\$ 18,229,892
Employee benefits	11,338,552	934,585	12,273,137
Contractual services	1,110,444	363,123	1,473,567
General materials and supplies	2,387,254	508,832	2,896,086
Conference and meeting expense	348,934	939	349,873
Fixed charges	492,761	110,964	603,725
Utilities	58	1,178,111	1,178,169
Capital outlay	34,100	295,936	330,036
Other	647,118	-	647,118
Student grants and scholarships	478,561	-	478,561
Transfers	2,455,987	(8,538)	2,447,449
	36,224,816	4,682,797	40,907,613
Total expenditures by object			
Less nonoperating items: *			
Tuition chargeback	15,766	-	15,766
Transfers to (from) nonoperating funds	2,455,987	(8,538)	2,447,449
	33,753,063	4,691,335	38,444,398
	\$ 33,753,063	\$ 4,691,335	\$ 38,444,398

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
RESTRICTED PURPOSES FUND REVENUE BY SOURCE

Year Ended June 30, 2014

Local government:	
Other local sources	<u>\$ 361,591</u>
State government:	
ICCB Credit Hour Grant	1,471,300
ICCB Program Improvement Grant	40,141
ICCB Adult Education and Family Literacy Grant	246,934
ICCB Pathways to Results Grant	5,000
ICCB Accelerating Opportunity Implementation Grant	62,500
ICCB Performance Grant	1,834
Highway Construction Careers Training Program Grant	301,729
Illinois State Board of Education	88,347
Illinois Department of Corrections	6,088,072
Illinois Department of Commerce and Economic Opportunity	319,596
Illinois Board of Higher Education	26,962
Illinois Secretary of State	82,750
Illinois Student Assistance Commission	728,546
Other state sources	<u>232,835</u>
Total state government	<u>9,696,546</u>
Federal government:	
U.S. Department of Education	8,049,532
U.S. Department of Labor	495,073
U.S. Department of Veterans Affairs	116,458
Institute of Museum and Library Services	2,500
National Science Foundation	<u>6,173</u>
Total federal government	<u>8,669,736</u>
Other sources:	
John Deere program	812,106
Illinois Clean Energy Community Foundation	304,897
Miscellaneous	<u>6,045</u>
Total other sources	<u>1,123,048</u>
Total Restricted Purposes Fund revenue	<u><u>\$ 19,850,921</u></u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
RESTRICTED PURPOSES FUND EXPENDITURES

Year Ended June 30, 2014

Expenditures by program:

Instruction	\$ 8,551,234
Academic support	21,672
Student services	211,884
Public services/Continuing education	553,246
Operations and maintenance	321,742
Institutional support	2,189,860
Scholarships/Grants/Waivers	8,143,493

Total expenditures by program \$ 19,993,131

Expenditures by object:

Salaries	\$ 7,010,459
Employee benefits	1,854,908
Contractual services	137,406
Student financial aid	8,314,428
General materials and supplies	1,223,356
Conference and meeting expense	269,539
Fixed charges	415,257
Utilities	20,211
Capital outlay	747,567

Total expenditures by object \$ 19,993,131

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS  
CURRENT FUNDS EXPENDITURES BY ACTIVITY

Year Ended June 30, 2014

Instruction:	
Instructional programs	\$ 23,018,266
Instructional support	5,449,006
Other	64,512
Total instruction	28,531,784
Academic Support:	
Learning resource center	479,101
Academic administration and planning	611,400
Academic computing support	762,428
Total academic support	1,852,929
Student Services:	
Admissions and records	721,481
Counseling and career guidance	838,424
Student financial aid	994,433
Other	287,345
Total student services	2,841,683
Public Service/Continuing Education:	
Center for Business and Industry	541,686
Commercial Driver Training	193,931
Other	981,684
Total public service/continuing education	1,717,301
Auxiliary Services	2,705,050
Operations and Maintenance of Plant:	
Maintenance	448,309
Custodial services	934,563
Grounds	357,962
Campus security	420,033
Transportation	79,867
Utilities	1,236,582
Administration	1,385,023
Other	778,422
Total operations and maintenance of plant	5,640,761
Institutional Support:	
Executive office	3,748,802
Business office	1,667,211
General administrative services	1,190,227
General institutional support	2,005,221
Institutional research	73,757
Administrative data processing	1,992,952
Non-operating	230,901
Total institutional support	10,909,071
Scholarships/Grants/Waivers	8,622,054
Total current fund expenditures *	\$ 62,820,633

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


CERTIFICATION OF CHARGEBACK REIMBURSEMENT  
FOR FISCAL YEAR 2015

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517


CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2015

ALL FISCAL YEAR 2014 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1.	Education Fund	\$	33,734,729
2.	Operations, Building and Maintenance Fund		4,395,399
3.	Public Building Commission and Operation and Maintenance Fund		-
4.	Bond and Interest Fund		752,629
5.	Public Building Commission Rental Fund		-
6.	Restricted Purposes Fund		19,245,564
7.	Audit Fund		95,763
8.	Liability, Protection and Settlement Fund		1,524,805
9.	Auxiliary Enterprises Fund (Subsidy Only)		<u>1,137,978</u>
10.	TOTAL NON-CAPITAL EXPENDITURES (sum of lines 1-9)		<u>\$ 60,886,867</u>
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$	<u>1,863,593</u>
12.	TOTAL COSTS INCLUDED (line 10 plus line 11)		<u>\$ 62,750,460</u>
13.	Total certified semester credit hours for fiscal year 2014		<u>208,266.5</u>
14.	PER CAPITA COST (line 12 divided by line 13)		<u>\$ 301.30</u>
15.	All fiscal year 2014 state and federal operating grants for noncapital expenditures, except ICCB grants	\$	<u>18,122,158</u>
16.	Fiscal year 2014 state and federal grants per semester credit hour (line 15 divided by line 13)		<u>\$ 87.01</u>
17.	District's average ICCB grant rate (excluding equalization grants) for fiscal year 2015		<u>\$ 27.46</u>
18.	District's student tuition and fee rate per semester credit hour for fiscal year 2015		<u>\$ 115.30</u>
19.	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)		<u><u>\$ 71.53</u></u>

Approved:   
Chief Fiscal Officer

10/11/14  
Date

Approved:   
Chief Executive Officer

10/11/14  
Date



ILLINOIS BOARD OF HIGHER EDUCATION  
COOPERATIVE WORK STUDY PROGRAM

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

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

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

and

To the Illinois Board of Higher Education

**Report on the Financial Statement**

We have audited the Statement of Revenue and Expenditures (modified cash basis) of the Illinois Cooperative Work Study Program Grant of Lake Land College, Community College District #517 (College) for the period of February 5, 2013 through June 30, 2014, and the related notes to the financial statement.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the modified cash basis of accounting described in Note 3; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. The accompanying statement was prepared for the purpose of complying with the terms of the Illinois Cooperative Work Study Program Grant and is not intended to be a complete presentation of the College's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that is free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and guidelines for the Illinois Cooperative Work Study Program Grant issued by the Illinois Board of Higher Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statement.

### **Auditor's Responsibility (continued)**

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 Statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois Cooperative Work Study Program Grant fund for the period of February 5, 2013 through June 30, 2014, in conformity with the modified cash basis described in Note 3. Pursuant to the terms of the grant referred to above, funds were expended for the project in the grant agreement and grant funds were not used for sectarian purposes.

### **Basis of Accounting**

We draw attention to Note 3 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Matters**

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

*Doehring, Windus & Co. LLP*

Illinois Department of Professional Regulation  
License Number 066-003408  
Mattoon, Illinois  
October 2, 2014

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION  
COOPERATIVE WORK STUDY PROGRAM

STATEMENT OF REVENUE AND EXPENDITURES  
(Modified Cash Basis)

For Grant Period Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>
Revenue:		
Cooperative Work Study Program Grant	<u>\$ 25,572</u>	<u>\$ 25,572</u>
Expenditures:		
Work study stipends	<u>25,572</u>	<u>25,572</u>
Total expenditures	<u>25,572</u>	<u>25,572</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION  
COOPERATIVE WORK STUDY PROGRAM

NOTES TO THE FINANCIAL STATEMENT

For Grant Period Ended June 30, 2014

**1 PROGRAM BACKGROUND**

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

**2 ORGANIZATION**

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

**3 BASIS OF PRESENTATION**

The financial statement is presented on a modified cash basis. Grants are recorded as revenue when cash is received from the State of Illinois, and expenditures are recorded when incurred or when obligations are established by executing purchase orders or firm contracts as of June 30, 2014. Expenditures must be paid or liquidated within 90 days after close of the program year.

ILLINOIS COMMUNITY COLLEGE BOARD  
STATE GRANTS  
FINANCIAL-COMPLIANCE SECTION

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

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

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

**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 College, Community College District #517 (College) as of June 30, 2014, and the related statements of revenues, expenditures and changes in fund balance - actual for the year then ended, and the related notes to the financial statements.

**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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board (ICCB). The procedures selected depend on the auditors' 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 policies 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 financial position of the Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of the College at June 30, 2014, 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 Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of the College's financial statements. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Program (page 76) is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Programs (page 76) 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic grant program financial statements as a whole.

*Doehring, Winters & Co. LLP*

Mattoon, Illinois  
October 2, 2014



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT  
BALANCE SHEET

June 30, 2014

ASSETS

Cash	\$	-
Total assets	\$	-

LIABILITIES AND FUND BALANCE

Accounts payable	\$	-
Total liabilities		-
Fund balance - reserved for encumbrances		-
Fund balance - unreserved		-
Total liabilities and fund balance	\$	-

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

Revenue:	
State sources	<u>\$          40,141</u>
Expenditures:	
Material and supplies	1,445
Instructional equipment	<u>38,696</u>
Total expenditures	<u>40,141</u>
Excess of expenditures over revenue	-
Fund balance, July 1, 2013	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$          -</u></u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

STATE ADULT EDUCATION AND FAMILY LITERACY  
RESTRICTED FUNDS  
BALANCE SHEET

June 30, 2014

	State Basic	Public Assistance	Performance	Total
<u>ASSETS</u>				
Cash	\$ -	\$ -	\$ 1,377	\$ 1,377
Governmental claims receivable	9,594	4,068	6,916	20,578
Total assets	\$ 9,594	\$ 4,068	\$ 8,293	\$ 21,955
 <u>LIABILITIES AND FUND BALANCE</u>				
Accounts payable	\$ 8,753	\$ 3,200	\$ 5,291	\$ 17,244
Accrued salaries	841	348	1,434	2,623
Total liabilities	9,594	3,548	6,725	19,867
Fund balance - reserved for encumbrances	-	520	1,568	2,088
Fund balance - unreserved	-	-	-	-
Total liabilities and fund balance	\$ 9,594	\$ 4,068	\$ 8,293	\$ 21,955

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	State Basic	Public Assistance	Performance	Total
Revenue:				
State sources	\$ 115,122	\$ 48,821	\$ 82,991	\$ 246,934
Total revenue	115,122	48,821	82,991	246,934
Expenditures:				
Instructional and Student Services:				
Instruction	63,977	32,530	-	96,507
Social work services	9,535	2,860	8,581	20,976
Guidance services	9,535	2,861	8,581	20,977
Assistive and adaptive equipment	-	-	-	-
Assessment and training	9,535	3,380	9,535	22,450
Student transportation services	-	-	-	-
Child care services	-	-	-	-
Total instructional and student services	92,582	41,631	26,697	160,910
Program Support:				
Improvement of instructional services	4,201	946	2,680	7,827
General administration	2,389	2,389	19,984	24,762
Operation & Maintenance of Plant Services	5,172	50	10,232	15,454
Data and information services	14,798	4,625	24,510	43,933
Total program support	26,560	8,010	57,406	91,976
Total expenditures	119,142	49,641	84,103	252,886
Excess (deficiency) of revenue over expenditures	(4,020)	(820)	(1,112)	(5,952)
Fund balance, July 1, 2013	4,020	1,340	2,680	8,040
Fund balance, June 30, 2014	\$ -	\$ 520	\$ 1,568	\$ 2,088

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517  
FEDERAL BASIC ADULT EDUCATION RESTRICTED FUND  
BALANCE SHEET

June 30, 2014

ASSETS

Government claims receivable	\$ 22,943
	<hr/>
Total assets	\$ 22,943
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 22,313
Accrued salaries	630
	<hr/>
Total liabilities	22,943
Fund balance - unreserved	<hr/> -
	<hr/>
Total liabilities and fund balance	\$ 22,943
	<hr/> <hr/>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

Revenue:		
Federal sources		\$ 103,168
		<u>103,168</u>
Total revenue		<u>103,168</u>
Expenditures:		
Instructional and Student Services:		
Instruction		66,335
Social work services		10,488
Guidance services		10,488
Assistive and adaptive equipment		116
Assessment and training		11,613
		<u>99,040</u>
Total instruction and student services		<u>99,040</u>
Program Support:		
General administration		1,816
Data and information services		2,312
		<u>4,128</u>
Total program support		<u>4,128</u>
Total expenditures		<u>103,168</u>
Excess of revenue over expenditures		-
Fund balance, July 1, 2013		<u>-</u>
Fund balance, June 30, 2014		<u>\$ -</u>

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO ICCB GRANT PROGRAMS FINANCIAL STATEMENTS

Year Ended June 30, 2014

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The accompanying statements include only those transactions resulting from the Illinois Community College Board (ICCB) 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, 2014. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

**Fixed Assets**

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

**2 PAYMENT OF PRIOR YEAR'S ENCUMBRANCES**

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% minimum required)	\$ 63,977	54% *
General administration (15% maximum allowed)	\$ 2,389	2%
State Public Assistance		
Instruction (45% minimum required)	\$ 32,530	66% *
General administration (15% maximum allowed)	\$ 2,389	5%

\* Percentage does not include instructional expenditures which were reserved for encumbrances.



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2014

**Unrestricted Grants**

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Equalization Grants

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

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.

**Restricted Grants/Special Initiatives**

Career and Technical Education-Program Improvement Grants

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

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

Public Assistance

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

Performance

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

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2014

**Restricted Adult Education Grants/State (Continued)**

Federal Basic

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

COMPLIANCE SECTION  
ENROLLMENT DATA

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

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

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

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Lake Land College, Community College District #517, for the year ended June 30, 2014.

**Management's Responsibility**

This Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is 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 schedule.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the schedule based upon our audit. Our audit was made 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 schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. Our audit also included tests of compliance with applicable laws, regulations, and rules for claiming credit hours for apportionment funding. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

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 accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed is fairly presented in all material respects in accordance with the provisions of the aforementioned guidelines.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the Schedule of Student Enrollment and Other Bases Upon Which Claims are Filed of the College. The supplementary reconciliation of Semester Credit Hours (page 83) and Documentation of Residency Verification Steps (page 84) are presented for purposes of additional analysis and are not a required part of the schedule, but are supplementary information required by the Illinois Community College Board.

The supplementary reconciliation of Semester Credit Hours and Documentation of Residency Verification Steps are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the schedule. Such information has been subjected to the auditing procedures applied in the audit of the schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule or to the schedule itself, 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 schedule as a whole.

*Doehring, Winder & Co. LLP*

Mattoon, Illinois  
October 2, 2014

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2014

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	10,142.5	0.0	38,348.0	55.0	36,273.5	60.0	84,764.0	115.0
Business occupational	5,556.0	0.0	13,449.5	0.0	12,714.0	0.0	31,719.5	0.0
Technical occupational	9,770.0	0.0	24,146.0	37.5	25,241.5	0.0	59,157.5	37.5
Health occupational	3,168.5	0.0	8,483.0	0.0	11,254.5	0.0	22,906.0	0.0
Remedial development	1,006.0	0.0	3,837.0	0.0	2,538.0	0.0	7,381.0	0.0
Adult basic/ secondary education	58.0	6.0	112.0	936.5	82.0	991.5	252.0	1,934.0
<b>Total credit hours</b>	<b>29,701.0</b>	<b>6.0</b>	<b>88,375.5</b>	<b>1,029.0</b>	<b>88,103.5</b>	<b>1,051.5</b>	<b>206,180.0</b>	<b>2,086.5</b>

NOTE: Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements. Restricted credit hours are supported with more than 50% of restricted sources of funding.

	Attending Out-of-District on Chargeback		Total	Dual Credit	Dual Enrollment
	Attending In-District	or Contractual Agreement			
Reimbursable semester credit hours	110,841.5	461.0	111,302.5	11,504.5	0.0

District prior-year equalized assessed valuation \$ 2,546,880,097

Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	720.0	1,134.0	1,374.0	3,228.0
Business occupational	2,180.5	4,574.0	4,953.0	11,707.5
Technical occupational	7,518.0	14,411.0	14,953.5	36,882.5
Remedial developmental	197.0	261.0	390.0	848.0
<b>Total credit hours</b>	<b>10,615.5</b>	<b>20,380.0</b>	<b>21,670.5</b>	<b>52,666.0</b>

Approved:   
Chief Fiscal Officer

10/1/14  
Date

Approved:   
Chief Executive Officer

10/1/14  
Date

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS

Year Ended June 30, 2014

Categories	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	84,764.0	84,764.0	0.0	115.0	115.0	0.0
Business occupational	31,719.5	31,719.5	0.0	0.0	0.0	0.0
Technical occupational	59,157.5	59,157.5	0.0	37.5	37.5	0.0
Health occupational	22,906.0	22,906.0	0.0	0.0	0.0	0.0
Remedial developmental	7,381.0	7,381.0	0.0	0.0	0.0	0.0
Adult basic/ secondary education	252.0	252.0	0.0	1,934.0	1,934.0	0.0
Total	<u>206,180.0</u>	<u>206,180.0</u>	<u>0.0</u>	<u>2,086.5</u>	<u>2,086.5</u>	<u>0.0</u>

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

Year Ended June 30, 2014

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	110,841.5	110,841.5	0.0
Out-of-district on chargeback or contractual agreement	461.0	461.0	0.0
Total	<u>111,302.5</u>	<u>111,302.5</u>	<u>0.0</u>

	Total Reimbursable	Total Reimbursable as Certified to the ICCB	Difference
Dual credit	11,504.5	11,504.5	0.0
Dual enrollment	0.0	0.0	0.0
Total	<u>11,504.5</u>	<u>11,504.5</u>	<u>0.0</u>

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS

Year Ended June 30, 2014

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	3,228.0	3,228.0	0.0
Business occupational	11,707.5	11,707.5	0.0
Technical occupational	36,882.5	36,882.5	0.0
Remedial developmental	848.0	848.0	0.0
Total	<u>52,666.0</u>	<u>52,666.0</u>	<u>0.0</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS

Year Ended June 30, 2014

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

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

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

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

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

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



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SUMMARY OF ASSESSED VALUATIONS  
Most Recent Three Years

Year Ended June 30, 2014

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2013	\$ 2,546,880,097
2012	2,497,724,371
2011	<u>2,447,107,325</u>
Total	<u>\$ 7,491,711,793</u>

FEDERAL AWARDS - COMPLIANCE SECTION

DOEHRING, WINDERS & CO. LLP

*Certified Public Accountants*

*& Business Advisers*

1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity and the discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 2, 2014. The financial statements of the Lake Land College Foundation, Inc. (component unit of the College) were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College'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 the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. Finding 2014-01.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College'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*.

## **College's Response to Finding**

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

## **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.

*Delving, Wierds & Co. LLP*

Mattoon, Illinois  
October 2, 2014

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

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

We have audited Lake Land College, Community College District #517's (College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2014. 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' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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 programs for the year ended June 30, 2014.

## Report on Internal Control over Compliance

The 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

This 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Doehring, Winters & Co. LLP*

Mattoon, Illinois  
October 2, 2014

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Supplemental Educational Opportunity Grants	84.007A	N/A	(1) \$ 67,119
Direct Student Loans	84.268	N/A	(1) 2,100,741
College Work Study	84.033A	N/A	(1) 89,020
Pell Grant Program - Fiscal Year 2014	84.063P	N/A	(1) <u>7,124,973</u>
Total Student Financial Assistance Cluster			<u>9,381,853</u>
TRIO - Student Support Services	84.042A	N/A	(2) 211,884
TRIO - Talent Search	84.044A	N/A	(2) <u>213,528</u>
Total TRIO Cluster			<u>425,412</u>
<i>Passed through Illinois Community College Board:</i>			
Adult Education - Basic Grants to States	84.002A	51701	103,168
Perkins Postsecondary Federal Allocation	84.048	CTE51714	<u>249,425</u>
Total passed through the Illinois Community College Board			<u>352,593</u>
Total U.S. Department of Education			<u>10,159,858</u>
<b>U.S. Department of Labor</b>			
Community Based Job Training Grant	17.269	N/A	(3) <u>495,073</u>
Total U.S. Department of Labor			<u>495,073</u>
<b>U.S. Department of Veteran Affairs</b>			
Post 9/11 - Veterans Educational Assistance	64.028	N/A	<u>116,458</u>
Total U.S. Department of Veteran Affairs			<u>116,458</u>

See accompanying notes to schedule of expenditures of federal awards.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>National Science Foundation</b>			
NSF Computer Science, Engineering and Mathematics Scholarships Program - BOOST II	47.076	N/A	\$ <u>6,173</u>
Total National Science Foundation			<u>6,173</u>
<b>Institute of Museum and Library Services</b>			
<i>Passed through the Illinois Secretary of State:</i>			
Full STEAM Ahead	45.310	14SL488240	<u>2,500</u>
Total Institute of Museum and Library Services			<u>2,500</u>
Total Federal Awards			<u><u>\$ 10,780,062</u></u>

See accompanying notes to schedule of expenditures of federal awards.



LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

**1 GENERAL**

The accompanying schedule of federal awards presents the activity of all federal award programs of Lake Land College, Community College District #517 (College) for the year ended June 30, 2014. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. The College was not involved in any insurance programs and did not receive any noncash assistance awards during the year.

**2 BASIS OF ACCOUNTING**

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

**3 GUARANTEED STUDENT LOANS**

During fiscal year 2014, the College participated in two guaranteed student loan programs 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 student or their parents.

During fiscal year 2014, the College's students or their parents were eligible to receive the following guaranteed loans:

Stafford Loans:	
Subsidized	\$ 1,401,569
Unsubsidized	633,560
Parents Loans for Undergraduate Students (PLUS)	<u>83,922</u>
Total	<u><u>\$ 2,119,051</u></u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2014

**4 RESTRICTED GRANTS/FEDERAL**

**Federal Basic**

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

**Restricted Vocational Education Grants to State (Perkins)/Federal**

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

**5 AMOUNTS PROVIDED TO SUBRECIPIENTS**

During fiscal year 2014, the College did not maintain any subrecipient agreements under any federally funded grants.

**6 MAJOR PROGRAMS**

The following federal program expenditures comprise major program expenditures under OMB Circular A-133 for the year ended June 30, 2014. Major programs are indicated in the Schedule of Expenditures of Federal Awards by (1), (2) and (3):

(1) Student Financial Aid Cluster	\$ 9,381,853
(2) TRIO Cluster	425,412
(3) Community Based Job Training Grant	<u>495,073</u>
Total major program expenditures	10,302,338
Nonmajor program expenditures	<u>477,724</u>
Total federal expenditures	<u><u>\$ 10,780,062</u></u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2014

**7 RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following is a reconciliation of total expenditures as reported on the accompanying Schedule of Expenditures of Federal Awards to the revenue items reported as federal grants and contracts and capital grants on the Statement of Revenues, Expenses and Changes in Net Position included in the College's financial statements.

Funds, derived from federal aid, gifts or grants, may be used only to meet expenditures for the purposes specifically identified by sponsoring agencies. The federal aid, gifts or grants are recognized as revenue in the College's financial statements as expended.

Therefore, expenditures on the Schedule of Expenditures of Federal Awards agree with revenues on the Statement of Revenues, Expenses and Changes in Net Position, except as noted below:

Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$ 10,780,062
Subtract:	
Direct loans included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(2,100,741)</u>
Total federal grants and contracts and capital grants revenues shown in the Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 8,679,321</u>
Federal grants and contracts	\$ 8,649,880
Capital grants - federal	<u>29,441</u>
Total federal grants and contracts and capital grants revenues shown in the Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 8,679,321</u>

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

**SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program
84.007A, 84.033A, 84.063P 84.042A, 84.044A 17.269	Student Financial Aid Cluster TRIO Cluster Community Based Job Training Grant

Dollar threshold used to distinguish between Type A and B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes        No

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2014

**FINDINGS AND QUESTIONED COSTS FOR FINANCIAL REPORTING**

**2014-01 Internal Control over Preparation of Financial Statements**

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

The College's management has made the decision that it is not cost beneficial to prepare its own financial statements, including the notes, and will continue to place its emphasis on reviewing and approving the annual financial statements.

**RECOMMENDATION**

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

**COLLEGE RESPONSE**

While the ICCB certificate does recognize excellence in financial reporting, it is not mandatory. The College meets all reporting requirements including those required under GASB Statements 34 and 35 and will continue to do so in the future. Currently, College Officials, including the Comptroller and the Vice President for Business Services, as well as the audit committee of the Board of Trustees, review the annual financial statements. As additional resources become available, the College will take a look at the additional work involved with preparing the financial statements and footnotes.

LAKE LAND COLLEGE  
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2014

**SCHEDULE OF PRIOR FINDINGS**

None noted.