

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

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

FOR THE YEAR ENDED JUNE 30, 2019

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Lake Land Community College District No. 517 and the discretely presented component unit, Lake Land College Foundation, as of and for the year ended June 30, 2019, 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 Lake Land College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Lake Land Community College District No. 517, as of June 30, 2019, and the respective changes in financial position, and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the State Universities Retirement System of Illinois Trend Data and Other Post-employment Benefit System of Illinois Trend Data and Schedule of Contributions on pages 6a-6h and 44-47, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, on our consideration of Lake Land Community College District No. 517's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
*Certified Public Accountants
and Consultants*

Mattoon, Illinois
September 30, 2019



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Lake Land Community College District No. 517 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lake Land Community College District No. 517's basic financial statements, and have issued our report thereon dated September 30, 2019. The financial statements of the Lake Land College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Lake Land College Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
*Certified Public Accountants
and Consultants*

Mattoon, Illinois
September 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lake Land College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2019. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements (pages 7-12) and the footnotes (beginning on page 13). Included in the basic financial statements is information on the College's component unit, The Lake Land College Foundation, Inc., which also has a separately issued financial statement that may be obtained by calling the Foundation Office at (217) 234-5354. Responsibility for the completeness and fairness of the College's report rests with the College.

USING THE ANNUAL REPORT

The financial statements focus on the College as a whole, versus the traditional presentation by fund types. The College's financial statements (see pages 7-12) are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net Position is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses and Changes in Net Position focus on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition, federal and state revenues. This approach is intended to summarize and simplify the user's analysis of the cost of the various services which the College provides to its students, the district, and the local community.

FINANCIAL OVERVIEW AND HIGHLIGHTS

For the fiscal year ended June 30, 2019, the College experienced more normal state funding levels with the passage of the state budget that occurred at the beginning of the fiscal year. Some significant items during this year are as follows:

- The College experienced a delay in collecting the receivables from the Department of Corrections Program and the Department of Juvenile Justice, with approximately \$2,600,000 and \$200,000 respectively outstanding at June 30, 2019.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

	Net Position As of June 30,		Increase (Decrease)
	2019	2018	
Current assets	\$ 83,891,240	\$ 91,598,146	\$ (7,706,906)
Noncurrent assets			
Capital assets, net of depreciation	66,643,271	59,370,142	7,273,129
Total assets	150,534,511	150,968,288	(433,777)
Current liabilities	12,804,101	11,877,346	926,755
Noncurrent liabilities	37,645,254	42,127,675	(4,482,421)
Total liabilities	50,449,355	54,005,021	(3,555,666)
Deferred inflows of resources	23,138,192	28,367,035	(5,228,843)
Net position			
Net investment in capital assets	48,308,271	52,525,142	(4,216,871)
Restricted for:			
Capital projects	-	1,842,864	(1,842,864)
Grant purposes	49,342	-	49,342.00
Debt service	1,476,284	670,682	805,602
Unrestricted	27,865,836	13,619,923	14,245,913
Total net position	\$ 77,699,733	\$ 68,658,611	\$ 9,041,122

Total assets decreased \$.4 million or 0.3% from fiscal 2018. This is a result of a change in the way tuition is recorded. Fall tuition was recorded as deferred revenue in FY2018 but for FY2019 the fall tuition will not be recorded until after July 1 due to the receivable does not rise to the level of the definition of an asset because none of the earning process has begun as of June 30, 2019. This change resulted in a reduction of \$5.7 million dollars. This combined with the reduction of the Department of Corrections receivable of \$1.5 million and the reduction of the Property Tax receivable of \$.5 million to create a \$7.7 million reduction in current assets. This decrease in current assets was coupled with an increase in Capital Assets, net of depreciation of \$7.2 million.

Total liabilities decreased \$3.6 million or 7% from fiscal 2018. This decrease is a result of a \$1.9 million increase in Accounts Payable and decrease of \$5.5 million in bonds payments to be issued in the next fiscal year as opposed to FY2018 The total net position of the College was increased by \$9.0 million due to the above mentioned changes and the operating results for the year ended June 30, 2019 as shown on the following page.

Operating Results for the Years Ended
June 30,

	2019	2018	Increase (Decrease)
Operating revenue:			
Tuition and fees	\$ 10,097,505	\$ 13,610,378	\$ (3,512,873)
Auxiliary	1,670,499	1,615,905	54,594
Department of Corrections instructional	13,658,810	11,218,957	2,439,853
Other	1,378,567	1,290,117	88,450
Total operating revenue	<u>26,805,381</u>	<u>27,735,357</u>	<u>(929,976)</u>
Less operating expenses	<u>59,392,038</u>	<u>59,702,729</u>	<u>(310,691)</u>
Operating income (loss)	<u>(32,586,657)</u>	<u>(31,967,372)</u>	<u>(619,285)</u>
Non-operating revenue (expenses):			
Other state revenues	9,574,356	8,305,649	1,268,707
Federal and local grants and contracts	12,300,731	12,490,307	(189,576)
Property taxes	18,339,664	18,509,985	(170,321)
Investment income	2,148,718	307,510	1,841,208
Interest expense	(489,994)	(143,486)	(346,508)
Disposal of fixed assets	(245,696)	(169,958)	(75,738)
Non-operating revenue (net)	<u>41,627,779</u>	<u>39,300,007</u>	<u>2,327,772</u>
Increase (decrease) in net position	9,041,122	7,332,635	1,708,487
Net position, beginning of year	<u>68,658,611</u>	<u>61,325,976</u>	<u>7,332,635</u>
Net position, end of year	<u>\$ 77,699,733</u>	<u>\$ 68,658,611</u>	<u>\$ 9,041,122</u>

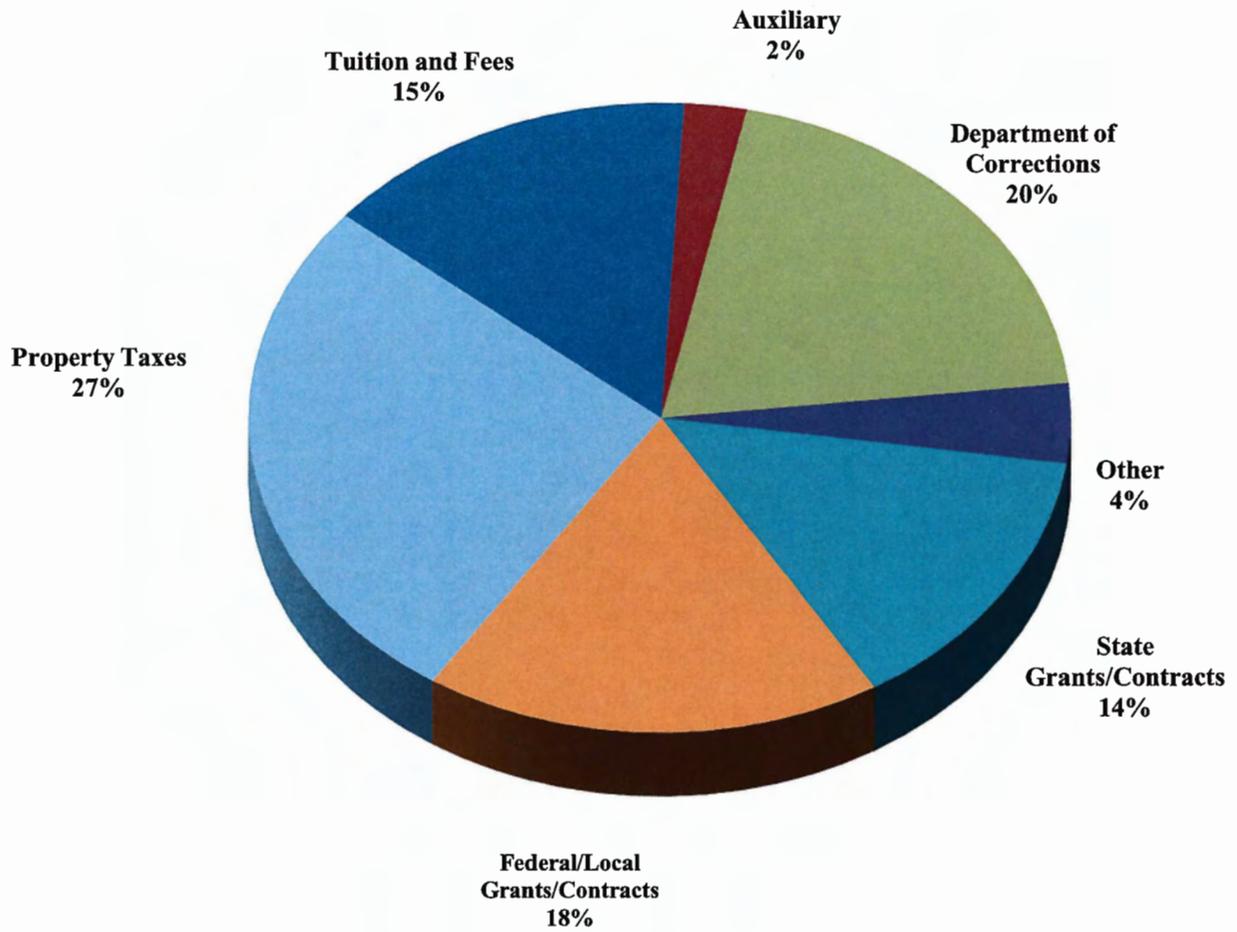
For the year ended June 30, 2019, the College recorded total operating revenues of \$26,805,381 and total operating expenses of \$59,392,038. The difference produced an operating loss of \$32,586,657 which is comparable to the previous year operating loss of \$31,967,372. Net non-operating revenue of \$41,627,779. This results in an overall increase in net position of \$9,041,122 compared to the fiscal 2018 increase in net position of \$7,332,635.

Non-operating revenue included local property taxes of \$18,339,664, other state revenues of \$9,574,356, federal grants and local contracts of \$12,300,731 investment expense net of interest earnings of \$1,658,724 and loss on disposal and impairment of capital assets of \$(245,696).

Of the College's total revenue, operating revenue accounted for approximately 41%, non-operating revenues accounted for 59%. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$10,097,505 auxiliary enterprise revenues totaling \$1,670,499, instructional revenues from the Department of Corrections totaling \$13,658,810 and other miscellaneous revenue of \$1,378,567.

The College had a net position at the beginning of the year totaling \$68,658,611. The current year increase in net position of \$9,041,122 brought the total of net position at the end of the year to \$77,699,733.

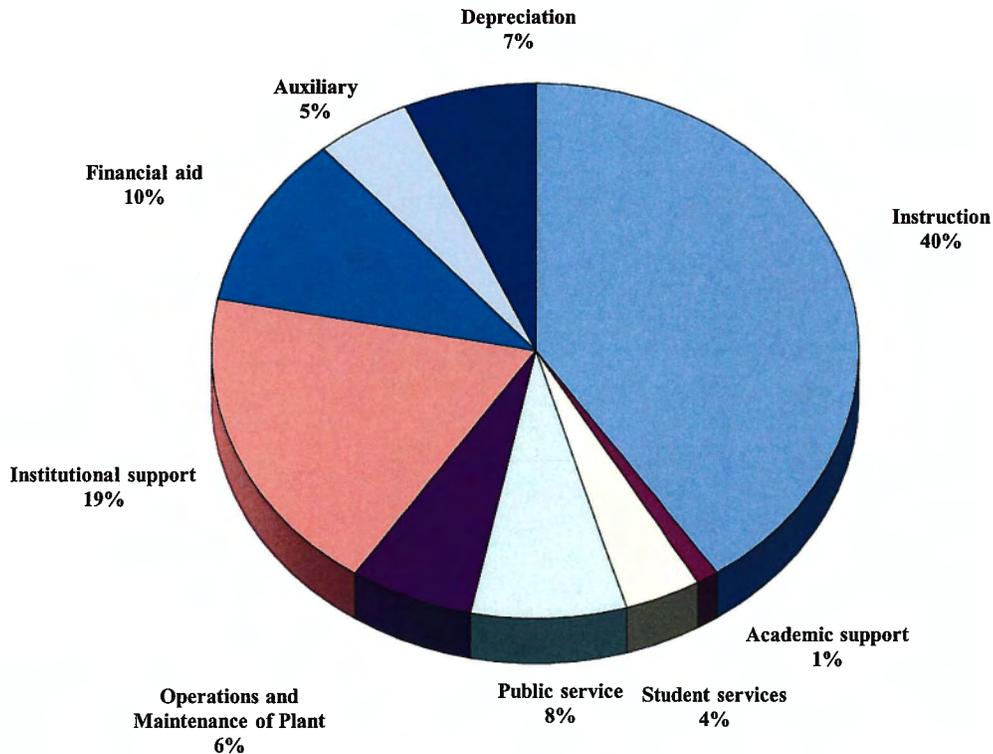
Revenue by Source



Operating Expenses
For the Years Ended June 30,

	2019	2018	Increase (Decrease)
Operating expense			
Instruction	\$ 24,074,582	\$ 22,346,336	\$ 1,728,246
Academic support	653,311	654,473	(1,162)
Student services	2,291,369	2,368,339	(76,970)
Public service	4,598,932	4,473,169	125,763
Operations and maintenance of plant	3,672,739	3,613,117	59,622
Institutional support	11,102,297	10,189,456	912,841
Financial aid	6,234,673	9,456,882	(3,222,209)
Auxiliary	2,812,214	2,595,661	216,553
Depreciation	3,951,921	4,005,296	(53,375)
Total	\$ 59,392,038	\$ 59,702,729	\$ (310,691)

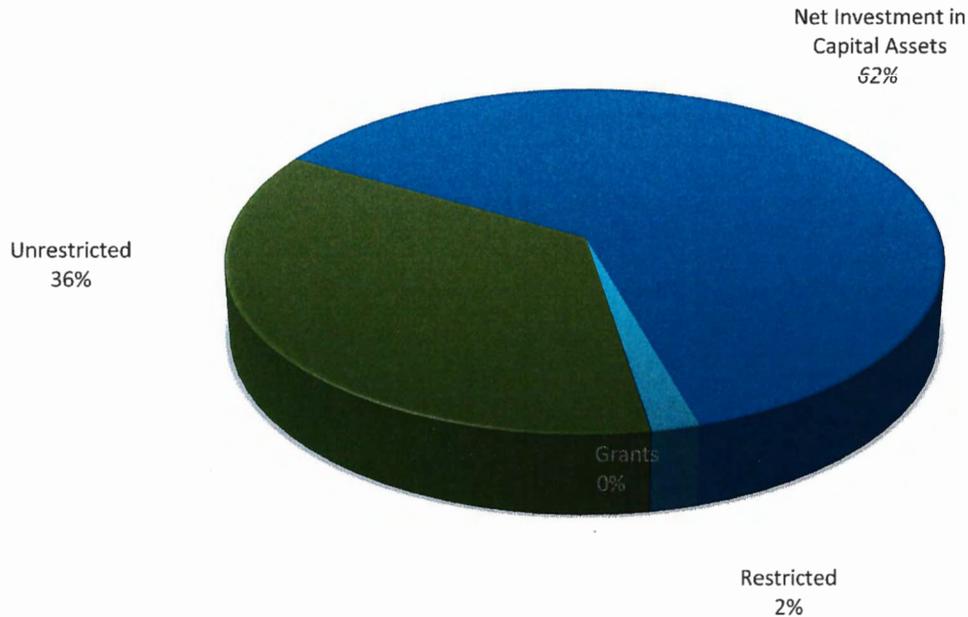
Operating Expenses



Analysis of Net Position
June 30,

	2019	2018	Increase (Decrease)
Net Position			
Net Investment in Capital Assets	\$ 48,308,271	\$ 52,525,142	\$ (4,216,871)
Restricted			
Debt Services	1,476,284	2,513,546	(1,037,262)
Grants	49,342	-	49,342
Unrestricted	27,865,836	13,619,923	14,245,913
Total	\$ 77,699,733	\$ 68,658,611	\$ 9,041,122

Analysis of Net Position



	Capital Assets, Net June 30,		Increase (Decrease)
	2019	2018	
Capital Assets			
Land	\$ 981,487	\$ 981,487	\$ -
Building	95,573,677	94,516,627	1,057,050
Equipment	6,414,429	5,697,868	716,561
Construction in progress	11,700,677	2,260,238	9,440,439
Total	114,670,270	103,456,220	11,214,050
Less Accumulated Depreciation	(48,026,999)	(44,086,078)	(3,940,921)
Net Capital Assets	\$ 66,643,271	\$ 59,370,142	\$ 7,273,129

As of June 30, 2019, the College had recorded approximately \$114.6 million invested in capital assets, approximately \$48 million in accumulated depreciation and approximately \$66.6 million in net capital assets. Capital asset additions exceeded deletions by approximately \$11.2 million (see Notes 3 and 4). Accumulated depreciation increased approximately \$3.9 million during the year.

THE COLLEGE'S ECONOMIC OUTLOOK

The College's economic outlook remains strong due to the College's Administration and Board of Trustees being proactive and strategic in its allocation of resources. By remaining committed to the College's core priority of enhancing student success, Lake Land College enters the 2020 fiscal year in a solid position. As a result, Lake Land College was able to keep tuition levels well below the state average for community college tuition costs. In addition, approximately 35 percent of the district's graduating high school class chose Lake Land College as their choice for higher education.

In addition, the College has positioned itself favorably with its employee groups and their respective collective bargaining agreements.

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 Success grant which will assist in developing and educating first generation and low-income college students. The College is also in the fourth year of a five-year TRiO talent search grant. The College also plans to continue facilitating the Workforce Innovation and Opportunity Act (WIOA) to enhance our workforce training and education initiative. Grant funds will be used to purchase equipment, develop training programs for jobs of the future, provide finances for personnel and assist dislocated workers.

CONTACTING FINANCIAL MANAGEMENT

This final report is designed to provide our customers with a general overview of Lake Land College's finances and to show Lake Land College's accountability for the revenue it receives. If you have questions about this report or need additional information, contact Dr. Jonathon Bullock at 5001 Lake Land Blvd, Mattoon, IL 61938 (217)234-5222.

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Lake Land College</u>	<u>Component Unit Lake Land College Foundation</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,702,132	\$ 113,928
Restricted Cash and Cash Equivalents	1,006,008	-
Investments	57,637,820	9,120,413
Receivables		
Property Taxes	17,469,732	-
Governmental Claims	2,987,632	-
Tuition and Fees, Net of Allowance for Doubtful Accounts of \$4,964,863	915,729	-
Other Receivables	950,397	-
Inventories	291,222	-
Prepaid Expenses	930,568	-
Total Current Assets	<u>83,891,240</u>	<u>9,234,341</u>
Non-Current Assets		
Investments	-	1,593,273
Capital Assets, Net of Accumulated Depreciation	66,643,271	3,136,859
Total Non-Current Assets	<u>66,643,271</u>	<u>4,730,132</u>
Total Assets	<u>150,534,511</u>	<u>13,964,473</u>
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB Liability	683,089	-
Subsequent Year's Pension Related to Federal, Trust, or Grant Pension Contributions	69,680	-
Total Deferred Outflows of Resources	<u>752,769</u>	<u>-</u>
Liabilities		
Current Liabilities		
Accounts Payable	4,831,446	15,755
Accrued Expenses	917,996	-
Deposits Held in Custody	175,771	138,960
Unearned Revenue	83,893	-
Planned Retirement Payable, Due in One Year	411,817	-
Bonds Payable, Due in One Year	6,383,178	-
Total Current Liabilities	<u>12,804,101</u>	<u>154,715</u>
Non-Current Liabilities		
Accrued Compensated Absences	333,944	-
Planned Retirement Payable	1,253,139	-
Other Postemployment Benefits	22,933,246	-
Bonds Payable	13,124,925	-
Total Non-Current Liabilities	<u>37,645,254</u>	<u>-</u>
Total Liabilities	<u>50,449,355</u>	<u>154,715</u>

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

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

**STATEMENT OF NET POSITION (CONCLUDED)
JUNE 30, 2019**

	<u>Lake Land College</u>	<u>Component Unit Lake Land College Foundation</u>
Deferred Inflows of Resources		
Deferred Inflow Related to OPEB Liability	3,198,795	-
Deferred Tuition and Fees Related to Subsequent Year	1,457,376	-
Deferred Property Tax Related to Subsequent Year	18,482,021	-
Total Deferred Inflows of Resources	<u>23,138,192</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	48,308,271	-
Restricted for:		
Grant Projects	49,342	-
Debt Service	1,476,284	-
Without Donor Restrictions	-	3,396,711
With Donor Restrictions	-	10,413,047
Unrestricted	<u>27,865,836</u>	<u>-</u>
Total Net Position	<u>\$ 77,699,733</u>	<u>\$ 13,809,758</u>

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

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Lake Land College	Component Unit Lake Land College Foundation
Revenues		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarships and Allowances of \$3,454,798	\$ 10,097,505	\$ -
Contributions	-	711,182
Auxiliary Enterprise Revenue	1,670,499	-
Department of Corrections Instructional	13,658,810	-
Revenue from Educational Services and Materials	934,670	-
Other	443,897	250,085
Total Operating Revenues	26,805,381	961,267
Expenses		
Operating Expenses:		
Instruction	24,074,582	-
Academic Support	653,311	-
Student Services	2,291,369	1,232,570
Public Service/Continuing Education	4,598,932	-
Operation and Maintenance of Plant	3,672,739	-
Institutional Support	11,102,297	-
Scholarships, Student Grants, and Waivers	6,234,673	-
Auxiliary Enterprise	2,812,214	-
Depreciation	3,951,921	19,271
On-Behalf Expenditures	17,317,006	-
Total Operating Expenses	76,709,044	1,251,841
Operating Income (Loss)	(49,903,663)	(290,574)

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

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Lake Land College</u>	<u>Component Unit Lake Land College Foundation</u>
Non-Operating Revenues (Expenses)		
State Grants and Contracts	9,145,086	-
Property Taxes	18,339,664	-
Personal Property Replacement Taxes	429,270	-
Federal Grants and Contracts	12,040,563	-
Local Grants and Contracts	260,168	-
On-Behalf Revenues	17,317,006	-
Bond Premium Amortization (Interest Expense), Net	(489,994)	-
Rental Income, Net	-	34,245
Investment Income	2,148,718	965,271
Bond Issue Cost	(245,696)	-
Total Non-Operating Revenues (Expenses)	<u>58,944,785</u>	<u>999,516</u>
Increase (Decrease) in Net Position	9,041,122	708,942
Net Position, July 1, 2018	<u>68,658,611</u>	<u>13,100,816</u>
Net Position, June 30, 2019	<u>\$ 77,699,733</u>	<u>\$ 13,809,758</u>

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

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

Cash Flows from Operating Activities	
Tuition and Fees	\$ 13,100,801
Payments to Suppliers	(28,124,947)
Payments to Employees	(30,539,752)
Department of Corrections Instructional	14,969,278
Auxiliary Enterprise Charges	1,670,499
Other Receipts	1,378,567
Net Cash Provided (Used) by Operating Activities	<u>(27,545,554)</u>
Cash Flows from Noncapital Financing Activities	
Local Property Taxes	18,770,346
Grants and Contracts	22,920,495
Principal Paid on Noncapital Debt	(2,130,000)
Interest Paid on Noncapital Debt	(43,342)
Agency Receipts	(736,446)
Agency Payments	731,616
Net Cash Provided (Used) by Noncapital Financing Activities	<u>39,512,669</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	(10,818,059)
Principal Paid on Capital Debt	(4,525,000)
Interest Paid on Capital Debt	(769,438)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(16,112,497)</u>
Cash Flows from Investing Activities	
Proceeds from Sales and Maturities of Investments	23,842,084
Purchases of Investments	(21,722,275)
Income from Investments	2,148,718
Net Cash Provided (Used) by Investing Activities	<u>4,268,527</u>
Net Increase (Decrease) in Cash and Cash Equivalents	123,145
Cash and Cash Equivalents, July 1, 2018	<u>2,584,995</u>
Cash and Cash Equivalents, June 30, 2019	<u>\$ 2,708,140</u>

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

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

**STATEMENT OF CASH FLOWS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2019**

**Reconciliation of Operating Income (Loss) to Net
Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (49,903,663)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	3,951,921
On-Behalf Revenues	17,317,006
Change in Current Assets and Liabilities:	
(Increase) Decrease in Tuition and Fees Receivables (Net)	172,185
(Increase) Decrease in Operating Receivables	(187,336)
(Increase) Decrease in Inventories	(134,690)
(Increase) Decrease in Prepaid Expenses	(265,203)
Increase (Decrease) in Accounts Payable	1,926,170
Increase (Decrease) in Accrued Expenses	(367,708)
Increase (Decrease) in Deposits Held in Custody	(4,830)
Increase (Decrease) in Accrued Compensated Absences	6,942
Increase (Decrease) in Unearned Revenue	(11,969)
Increase (Decrease) in Planned Retirement Payable	(241,549)
Increase (Decrease) in Deferred Tuition and Fees	(87,953)
Increase (Decrease) in Deferred Inflows/Outflows	285,123
Net Cash Provided (Used) by Operating Activities	\$ (27,545,554)

Noncash Investing, Capital and Noncapital Financing Transactions:

(Increase)Decrease in Fair Value of Investments	\$ 48,419
Refinance Debt Certificate with Bond Issue	\$ 16,015,000
Amortization of Bond Premium	\$ 322,787

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

In addition, the accompanying financial statements include the accounts of the Lake Land College Foundation, Inc. (Foundation), defined as a component unit of the College under GASB Statements No. 14 and 61, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations are Component Units*. The foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the College. The 17 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. The economic resources held by the Foundation are entirely for the benefit of the College, its students, and its programs.

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

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

As a public institution, the College is considered a special-purpose government under the provisions of GASB No. 35. The College records revenue in part from tuition, fees, and other charges for services to external users, and, accordingly, has chosen to present its financial statements using the reporting model for special-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.

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

Intergovernmental revenues, such as federal, state, and local grants, and state shared revenues generally meet the definition of non-exchange transactions and are accounted for as non-operating revenues. Revenue from these sources is recognized when all applicable eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis. Receivables are reported for these amounts for which 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 No. 3, *Revenue Recognition – Property Taxes*, GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Interpretation No. 5, *Property Tax Revenue Recognition in Governmental Funds*. Consequently, under the accrual basis of accounting, property tax revenue is recognized in the period for which the taxes are levied. Property tax receivables are reported when the College has an enforceable legal claim to the taxes, which is considered to be the lien date.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

New Accounting Guidance

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes new accounting requirements for interest cost incurred before the end of a construction period and is effective for reporting periods beginning after December 15, 2019, however, earlier application is encouraged. The implementation of this standard requires that interest cost incurred before the end of a construction period to be recognized as an expense in the period in which the cost is incurred. The College made the determination to implement the standards set forth in GASB Statement No. 89 in fiscal year June 30, 2018.

GASB Statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for reporting periods beginning after June 15, 2018.

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges. The GASB is the accepted standard setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The following is a summary of the more significant policies.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Investments

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

Receivables

Receivables consist of tuition and fee charges to students, auxiliary enterprise fees for services provided to students, faculty, and staff, the majority of each residing in Illinois, and property tax receivables. Receivables also include amounts due from the federal, state, and local governments, or private sources, in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Receivables are recorded net of estimated uncollectible amounts, which is based on management's assessment of collectability of specific students' accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Inventories

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

Capital Assets

Capital assets include property, equipment, and infrastructure assets; such as roads, parking lots and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$10,000 or more and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Concluded)

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

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

Library Books and Textbooks

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

Tuition Received in Advance

Summer tuition received in advanced includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2019 and is reported as tuition receivable and deferred outflow at June 30, 2019.

Deferred Inflows of Resources

Deferred inflows of resources are defined under GASB Statement No. 63 as acquisitions of net assets that are applicable to a future reporting period, and should be reported as having a similar impact on net position as liabilities. At June 30, 2019, deferred inflows of resources included tax levies accrued that are levied for use in the next fiscal year, student tuition and fees that were collected or accrued for the next academic year, and the unamortized portion of the net difference between projected and actual earnings on OPEB investments.

Deferred Outflows of Resources

Deferred outflows are defined under GASB Statement No. 63 as a consumption of net assets by the College that is applicable to future reporting periods, and should be reported as having a similar impact on net position as assets. For the College, pension payments related to federal grants and made subsequent to the pension liability measurement date are considered to be deferred outflows in accordance with GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date* – An Amendment of GASB Statement No. 68 and the unamortized portion of the net difference between projected and actual earnings on OPEB investments. .

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The College records a liability for employees' vacation leave and compensatory time earned but not taken. Employees are allowed to carry over a limited number of vacation days from year to year and all compensatory time earned but not taken from year to year. At June 30, 2019, the College recorded a liability of \$333,944. The College considers the entire liability to be long-term based on a review of employee usage.

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

Amortization of Debt Issuance Premiums/Discounts

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

Net Position

The College's net position is classified as follows:

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

Restricted – This represents assets/resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties, reduced by liabilities and deferred inflow resources related to those assets. Sources of restricted revenue included federal, state, and private grants and contracts. Externally restricted funds may be utilized only in accordance with the purpose established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use in achieving any of its institutional purposes. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This represents unrestricted assets/resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Board of Trustees to meet current expenses for any lawful purpose.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 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.

Scholarship Discounts and Allowances

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

Property Taxes

The 2018 property tax extension has been deferred to comply with the GASB Statement No. 33 since it was levied to finance activities of the 2019/2020 academic year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

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

Federal Financial Assistance Programs

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 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. The Board of Trustees adopts the budget at the fund level for all governmental funds. The Board of Trustees does not adopt a budget for the Working Cash and the Trust and Agency Funds.

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

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

Pensions

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

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

Component Unit

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Component Unit (Concluded)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net asset without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give as applicable, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of donated noncash assets are recorded at their fair values in the period received.

Expenses are reported as decreased in net asset without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net positions class as determined by donor stipulation and in accordance with the law.

Investments are reported at fair value.

Subsequent Events

The College has evaluated subsequent events through September 30, 2019 the date which the financial statements were available to be issued.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

As of June 30, 2019, the carrying balance of the College's cash deposits was \$2,708,140, which includes \$2,090 of cash on hand, and the bank balance was \$3,688,051, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

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

Credit Risk

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

As of June 30, 2019, the College held \$64,688 in money market funds all with Moody's AAA ratings. The mutual bond funds balance of \$57,573,131 were unrated as of June 30, 2019.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. To guard against custodial credit risk for deposits with financial institutions, the College's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral with a written agreement and held at an independent, third-party institution, in the name of the College. At June 30, 2019, 100% of the College's investments were held by various custodians in the Colleges' name and were not subject to creditors of the custodians.

The College's investments in money market funds, as well as mutual bond funds are not subject to detailed disclosure because the College owns shares of each investment fund and not the physical securities.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The College's investment policy limits investments in collateralized repurchase agreements, commercial paper, and the Illinois Public Treasurer's Investment Pool to 33% of the total investments, investments in banks and mutual bond funds are limited to 90% of the total investments, and 100% of the total investments can be invested in U.S. Government securities and money market mutual funds registered under the Investment Company Act of 1940, Mutual Fund investments may hold an allocation of not more than 25% in foreign government bonds. The College's investments, including those restricted, by category at June 30, 2019, were as follows:

Investment	Fair Value	%
Investments administered by Wells Fargo Advisors:		
Open ended Mutual Funds	\$ 53,073,571	92.08%
Stocks	3,945,620	6.85%
Money Market Accounts	64,688	0.11%
Fixed Income	553,940	0.96%
Total	<u>\$ 57,637,819</u>	<u>100.00%</u>

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

Interest Rate Risk

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Concluded)

The schedule below assumes that callable investments will be called.

Weighted Average Maturity	Mutual Bond Funds	Government Bonds	Certificates of Deposit	Money Market and Savings Accounts	Total
On Demand	\$ -	\$ -	\$ -	\$ 64,688	\$ 64,688
0-1 Year	10,636,000	-	-	-	10,636,000
1-3 Years	17,187,160	-	-	-	17,187,160
3-7 Years	12,871,102	-	-	-	12,871,102
7-10 Years	9,248,696	-	-	-	9,248,696
10-15 Years	7,630,173	-	-	-	7,630,173
Total	<u>\$ 57,573,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,688</u>	<u>\$ 57,637,819</u>

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

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

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

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

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

	Cost	Level 1	Total Fair Value
Open Ended Mutual Bond Funds	<u>\$ 55,573,131</u>	<u>\$ 57,458,200</u>	<u>\$ 57,458,200</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED)

Restricted Investments

The College has entered into trust agreements with the Capital Development Board (CDB) to fund various construction projects. These funds have been invested and can only be released with the approval of CDB. See the Construction in Progress, Note 4, for more information on these.

NOTE 3: CAPITAL ASSETS

The following is a schedule of changes in capital asset categories for the fiscal year ended June 30, 2019. The investment in capital assets is determined by reducing historical cost by accumulated depreciation. Depreciation expense for June 30, 2019 was \$3,951,921.

	Primary Government/Business-Type Activity			Balance 06/30/19
	Balance 07/01/18	Additions	Deletions	
Historical Cost:				
Capital Assets Not Being Depreciated:				
Land	\$ 981,487	\$ -	\$ -	\$ 981,487
Construction in Progress	2,260,238	10,497,489	(1,057,050)	11,700,677
Total Capital Assets Not Being Depreciated	<u>3,241,725</u>	<u>10,497,489</u>	<u>(1,057,050)</u>	<u>12,682,164</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	94,516,627	1,057,050	-	95,573,677
Equipment	5,697,868	727,561	(11,000)	6,414,429
Total Capital Assets Being Depreciated	<u>100,214,495</u>	<u>1,784,611</u>	<u>(11,000)</u>	<u>101,988,106</u>
Less Accumulated Depreciation:				
Buildings and Improvements	39,144,340	3,511,184	-	42,655,524
Equipment	4,941,738	440,737	(11,000)	5,371,475
Total Accumulated Depreciation	<u>44,086,078</u>	<u>\$ 3,951,921</u>	<u>\$ (11,000)</u>	<u>48,026,999</u>
Capital Assets, Net	<u>\$ 59,370,142</u>			<u>\$ 66,643,271</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4: CONSTRUCTION IN PROGRESS

The College has the following construction projects in progress at June 30, 2019:

	<u>Project Budget</u>	<u>Expended to 06/30/19</u>	<u>Committed</u>
Student Center Projects:			
Renovation - LSC	\$ 17,000,000	\$ 10,398,426	\$ 6,601,574
Total Student Center Projects	<u>17,000,000</u>	<u>10,398,426</u>	<u>6,601,574</u>
CDB Projects:			
Student Center	8,962,100	485,594	8,476,506
Parking Lot	-	291,440	-
Total CDB Projects	<u>8,962,100</u>	<u>777,034</u>	<u>8,476,506</u>
Other Projects:			
Islands - 2019	300,000	222,101	77,899
Well Field - 2019	1,213,287	303,116	910,171
Total Other Projects	<u>1,513,287</u>	<u>525,217</u>	<u>988,070</u>
Total Construction in Progress	<u>\$ 27,475,387</u>	<u>\$ 11,700,677</u>	<u>\$ 16,066,150</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5: CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2019:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Bonds Payable	\$ 9,425,000	\$ 16,015,000	\$ 6,655,000	\$ 18,785,000
Bond Premium	52,924	992,965	322,787	723,102
Debt Certificate Payable	16,025,000	-	16,025,000	-
Planned Retirement Payable	1,906,505	298,312	539,861	1,664,956
Accrued Compensated Absences	327,002	6,942	-	333,944
Other Postemployment Benefits	21,801,147	1,132,099	-	22,933,246
Total	<u>\$ 49,537,578</u>	<u>\$ 18,445,318</u>	<u>\$ 23,542,648</u>	<u>\$ 44,440,248</u>

	Amount Due Within One Year
Bonds Payable	\$ 6,090,000
Bond Premium	293,178
Planned Retirement Payable	411,817
Total	<u>\$ 6,794,995</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: BONDS PAYABLE

Long-term debt consists of the following at June 30, 2019:

Series 2013B general obligations funding bonds, payable in annual principal installments ranging from \$645,000 to \$1,695,000 and annual interest payments at a stated rate of 3.0% (effective interest rate of 1.48% with bond premium), due December 1, 2019.	\$ 1,135,000
Series 2016B general obligation funding bonds, payable in annual principal installments ranging from \$130,000 to \$160,000, and semi-annual interest payments at a stated rate ranging from 2.0% to 2.25%, due June 1, 2027.	1,185,000
Series 2017 general obligation funding bonds, payable in annual principal installments ranging from \$435,000 to \$450,000, and annual interest payments at a stated rate ranging from 1.15% to 1.50% , due December 1, 2019.	450,000
Series 2018B general obligation funding bonds, payable in annual principal installments ranging from \$4,370,000 to \$6,200,000, and semi-annual interest payments at a stated rate ranging from 2.12% to 2.65%, due December 1, 2021.	<u>16,015,000</u>
Total Bonds Payable	<u><u>\$ 18,785,000</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: BONDS PAYABLE (CONCLUDED)

For the year ended June 30, 2019, \$489,994 was recognized as interest expense in the Statement of Revenues, Expenses and Changes in Net Position. Interest expense is net of amortization of bond premium in the amount of \$322,787.

At June 30, 2019, the annual cash flow requirements of principal and interest were as follows:

2020	\$	6,090,000	\$	666,975	\$	6,756,975
2021		6,340,000		416,250		6,756,250
2022		5,590,000		153,275		5,743,275
2023		145,000		14,250		159,250
2024		150,000		11,300		161,300
Thereafter		470,000		15,200		485,200
Bonds Payable Subtotal		18,785,000	\$	1,277,250	\$	20,062,250
Unamortized Bond Premium		723,103				
Total Bonds Payable		\$ 19,508,103				

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: RETIREMENT COMMITMENTS

Defined Benefit Pension Plans

Plan Description

Lake Land College District No. 517 contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2018 and 2019 respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)

Contributions (Concluded)

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants), Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period, and Section 15-155(j-5) (relating to contributions payable due to earning exceeding the salary set for the Governor).

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2018. At June 30, 2018, SURS reported a net pension liability (NPL) of \$27,494,556,682.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for Lake Land College District No. 517 is \$-0-. The proportionate share of the State’s net pension liability associated with Lake Land College District No. 517 is \$161,695,488 or 0.5881%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2018 was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation was used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2018.

Pension Expense

At June 30, 2018 SURS reported a collective net pension expense of \$2,685,322,700.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018. As a result, Lake Land College District No. 517 recognized on-behalf revenue and pension expense of \$15,792,383 for the fiscal year ended June 30, 2019.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 65,521,614	\$ 181,032,053
Changes in assumption	1,286,257,095	123,218,306
Net differences between projected and actual earnings on pension plan investments	26,810,634	-
Total	<u>\$ 1,378,589,343</u>	<u>\$ 304,250,359</u>

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 763,171,084
2020	540,443,042
2021	(192,612,398)
2022	(36,662,744)
2023	-
Thereafter	-
Total	<u>\$ 1,074,338,984</u>

Employer Deferral of Fiscal Year 2019 Pension Expense

Employer paid \$69,680 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2019.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: RETIREMENT COMMITMENTS (CONTINUED)

Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non-U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Treasury-Inflation Protected Securities	4%	0.75%
Emerging Market Debt	3%	3.65%
Real Estate REITS	4%	5.45%
Direct Real Estate	6%	4.75%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.55%
Inflation		2.75%
Expected Arithmetic Return		7.30%

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: RETIREMENT COMMITMENTS (CONCLUDED)

Discount Rate

A single discount rate of 6.65% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.62% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.65%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point-higher:

1% Decrease 5.65%	Current Single Discount Rate Assumption 6.65%	1% Increase 7.65%
\$33,352,188,584	\$27,494,556,682	\$22,650,651,520

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

NOTE 8: PLANNED RETIREMENT

To enhance long-range planning, College employees are encouraged to submit resignations up to four years in advance of their planned retirement date. Upon acceptance of the resignation by the Board of Trustees, qualified employees will receive a guaranteed 6% raise on their contractual based salary for each of the last four years of service. A formula using years of service determines the paid incentive. This incentive will be paid on the first payroll following 60 calendar days after the retirement date. The College records a liability for all qualified employees who have had their resignations accepted by the Board of Trustees. At June 30, 2019, the balance of the planned retirement liability was \$1,664,956. During fiscal year June 30, 2018 the College discontinued this planned retirement program for new employees, however, current employees were grandfathered in at the date the planned retirement ended and may still participate.

**LAKE LAND COLLEGE
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS

Plan Description

In addition, Lake Land College District No. 517 contributes to the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program “CIP”) that was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9(f), which became effective July 1, 1999. The CCHISF is a cost-sharing, multiple-employer defined benefit OPEB Trust Fund, which has a special funding situation as described in 40 ILCS 15/1.4. A non-employer (the State) is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through the trust.

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financials statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. This fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan and associated administrative cost.

Benefits Provided

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

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

**LAKE LAND COLLEGE
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

A summary of post-employment benefit provision, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services, may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, IL 62706.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from the district. Administrative costs are paid by the CCHISF. At June 30, 2019, the College's policy was not to subsidize health insurance premiums of their retirees.

Employers participating in a cost-sharing OPEB plan, and any non-employer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEBs amounts for the OPEB benefits provided to members through the CCHISF plan. During fiscal year 2018 the College recognized OPEB contributions of \$106,230.

**LAKE LAND COLLEGE
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.41% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2014.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the CIP fund is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.56% to 3.62% caused the College's total OPEB liability to decrease by approximately \$1.1 million from 2017 to 2018.

**LAKE LAND COLLEGE
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of the future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of the benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2018, the collective trust earned \$59,000 in interest and due to the significant benefit payable, the market value of assets at June 30, 2018, is a negative \$64.5 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumptions was set to zero.

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate assumption

The following presents the College's proportionate share of the collective net OPEB liability as of June 30, 2018, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (<u>2.62%</u>)	Current Discount Rate (<u>3.62%</u>)	1% Increase (<u>4.62%</u>)
Employer's proportionate share of the collective net OPEB liability	\$ 26,579,039	\$ 22,933,246	\$ 19,898,864

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates assumption

The following table shows the College's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates assumption (Concluded)

	<u>1% Decrease^a</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase^b</u>
Employer's proportionate share of the collective net OPEB liability	\$ 19,011,510	\$ 22,933,246	\$ 28,094,845

^a One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate rate of 3.91% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The collective net OPEB liability was measured as of June 30, 2018. At June 30, 2018, the CCHISF reported a net OPEB liability of \$1,885,251,764.

At June 30, 2019, the College reported a liability for its proportionate share of the net OPEB liability that is reflected as a reduction for State OPEB support provided to the College. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the collective net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of the College, actuarially determined. At June 30, 2018, the College's proportion was \$22,933,246 (1.216456%), which was an increase of .020980% from its proportion measured as of June 30, 2017 of \$21,801,147 (1.195476%). The State's support and total are for disclosure purposes only. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follow:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Concluded)

Employer's proportionate share of the net OPEB liability	\$ 22,933,246
State's proportionate share of the net OPEB liability associated with the employer	<u>22,933,246</u>
Total	<u>\$ 45,866,492</u>

For the year ending June 30, 2018, the College recognized OPEB expense and revenue of \$1,524,623 for support provided on-behalf by the State. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 337,063	\$ 50,228
Changes of assumptions	-	2,870,567
Net difference between projected and actual earnings on OPEB plan investments	-	749
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>346,026</u>	<u>277,251</u>
Total Deferred Amounts Related to OPEB	<u>\$ 683,089</u>	<u>\$ 3,198,795</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year Ending June 30,		Net Deferred Inflows of Resources
2020	\$	676,051
2021		676,051
2022		676,051
2023		450,515
2024		37,038
Total	\$	<u>2,515,706</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONCLUDED)

Request for information

CCHISF has no component units and is not a component unit of any other entity. However, because CCGISF is not legally separate from the State of Illinois, the financials statements of the CCHISF are included in the financial statement of the State of Illinois as a pension (and other employee benefit) trust fund. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

NOTE 10: INTERGOVERNMENTAL AGREEMENT

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

NOTE 11: RISK MANAGEMENT

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

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

Litigation

As of June 30, 2019, the College is a defendant in three lawsuits. The College intends to vigorously defend these lawsuits. Management believes that the liability insurance of the College is sufficient to cover any potential asserted claims.

Federal and State Grants

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14: COMPONENT UNIT

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

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

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

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

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

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

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Investment Income	\$ 90,118	\$ 265,327	\$ 355,445
Investment Fees	(20,209)	(61,244)	(81,453)
Realized Gains	56,228	170,916	227,144
Unrealized Gains	(17,614)	481,749	464,135
Total Investment Return	\$ 108,523	\$ 856,748	\$ 965,271

**LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 517
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13: COMPONENT UNIT (CONCLUDED)

Investments as of June 30, 2019, consisted of the following:

	Fair Value				
	Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Total
Money Market	\$ 477,335	\$ 477,335	\$ -	\$ 477,335	
Mutual Funds	3,469,141	3,675,739	-	3,675,739	
Exchange Traded Funds	4,087,001	4,653,133	-	4,653,133	
Bonds	319,832	-	314,206	314,206	
Current	8,353,309	8,806,207	314,206	9,120,413	
U.S. Government Obligations	204,114	-	205,622	205,622	
Bonds	1,370,722	-	1,387,651	1,387,651	
Noncurrent	1,574,836	-	1,593,273	1,593,273	
Total Investments	<u>\$ 9,928,145</u>	<u>\$ 8,806,207</u>	<u>\$ 1,907,479</u>	<u>\$ 10,713,686</u>	

Liquidity and Availability

The Foundation's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 113,928
Equity Securities	3,282,783
Total	<u>\$ 3,396,711</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Foundation's Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the fee that may be accessed for management purposes of 1% per annum. Donor-restricted endowments funds are not available for general expenditures. Currently, the Foundation has no board designated funds.

As part of the Foundation's liquidity management plan, cash in excess of the Foundation's daily requirements are invested in short-term investments, CDs, and money market funds as determined by the Foundation's Investment Committee.

REQUIRED SUPPLEMENTARY INFORMATION

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

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
RETIREMENT SYSTEM OF ILLINOIS (SURS) TREND DATA - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE OF SHARE OF NET PENSION LIABILITY	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
LAKE LAND COLLEGE					
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Employer	133,234,506	139,107,184	154,077,204	147,815,986	161,695,488
Total (b) + (c)	<u>\$ 133,234,506</u>	<u>\$ 139,107,184</u>	<u>\$ 154,077,204</u>	<u>\$ 147,815,986</u>	<u>\$ 161,695,488</u>
Employer DB Covered Payroll	\$ 22,225,415	\$ 21,416,911	\$ 21,444,618	\$ 20,492,289	\$ 21,023,554
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of DB Covered Payroll	599.47%	649.52%	718.49%	721.32%	769.12%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.58%	42.04%	42.27%

SCHEDULE OF CONTRIBUTIONS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
LAKE LAND COLLEGE						
Federal, Trust, Grant and Other Contribution	\$ 44,728	\$ 86,474	\$ 69,447	\$ 60,841	\$ 62,379	\$ 69,680
Contribution in Relation to Required Contribution	44,728	86,474	69,447	60,841	62,379	69,680
Contribution Deficiency (Excess)	<u>\$ -</u>					
Employer Covered Payroll	\$ 514,282	\$ 738,466	547,258	485,562	500,636	566,963
Contributions as a Percentage of Covered Payroll	8.70%	11.71%	12.69%	12.53%	12.46%	12.29%

LAKE LAND COLLEGE	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
On-Behalf Payments for Community College Health Insurance Program	\$ 111,183	\$ 109,111	\$ 110,412	\$ 103,716	\$ 106,230	\$ 120,991

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

Fiscal Year 2019 Total DB Contribution: \$ 1,878,392

Fiscal Year 2019 Total SMP Contributions: \$ 237,100

**LAKE LAND COLLEGE
COMMUNITY COLLEGE CISTRICK NO. 517
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**NOTES TO REQUIRED PENSION SUPPLEMENTARY INFORMATION - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2019**

Changes of Benefit Terms.

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2018.

Changes of Assumptions.

Changes of Assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary Increase: Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on the years of service, with underlying wage inflation of 2.25 percent.
- Investment Return: Decrease in investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation of 2.25 percent.
- Effective rate of Interest: Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal Retirement Rates: A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of services and is younger than age 80.
- Early Retirement Rates: Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover Rates: Change rates to produce lower expected turnover for members with less than 10 years of services and higher turnover for members with more than 10 years of service.
- Mortality Rates: Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability Rates: Decrease rates and have separate rates for males and females to reflect observed experience.

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

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
OTHER POST-EMPLOYMENT BENEFIT SYSTEM OF ILLINOIS TREND DATA - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2019**

	2018	2017	2016
Employer's Proportion (percentage) of Collective Net OPEB Liability	1.216456%	1.195476%	1.218243%
Employer's Proportion (amount) of Collective Net OPEB Liability	\$ 22,933,246	\$ 21,801,147	\$ 22,171,518
Non-Employer Proportion (amount) of Collective Net OPEB Liability	22,933,246	21,514,012.43	23,100,835.34
TOTAL	\$ 45,866,492	\$ 43,315,159	\$ 45,272,353
Employer's Covered-Employee Payroll	\$ 500,636	\$ 485,562	\$ 547,258
Employer's Proportionate Share (amount) of the Collective Net OPEB Liability as a Percentage of the Employer's Covered Payroll	4580.82%	4489.88%	4051.39%
Plan's Fiduciary Net Position as a Percent of Total OPEB Liability	-71.07%	-85.24%	-118.31%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
SCHEDULE OF STATE CONTRIBUTIONS - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2019**

	2018	2017	2016
Statutorily Required Contribution **	\$ 106,230	\$ 103,716	\$ 110,412
Contributions in Relation to the Employer's Covered-Employee Payroll	21.22%	21.36%	20.18%
Annual Contribution Deficiency (Excess) **	N/A	N/A	N/A

** *Statutorily Required Contributions = Actual Contributions*

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
NOTES TO REQUIRED OPEB SUPPLEMENTARY INFORMATION - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2019**

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Sponsor's Fiscal year End	June 30, 2019

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on pay-as-you-go basis. Contribution rates are defined by statute. For fiscal years end June 30, 2018, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year cost plus a margin for incurred buy not paid plan cost.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expenses, including inflation, for all plan years.
Inflation	2.75%
Salary Increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increases includes a 3.75% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2014, actuarial valuation of SURS.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018 based on premium increases. For fiscal years on and after 2019, trends start at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

SUPPLEMENTAL INFORMATION

Financial Statements

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

**COMBINED BALANCE SHEET
ALL FUND TYPES
JUNE 30, 2019**

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	Working Cash Fund	Enterprise	Trust and Agency	
Assets								
Cash and Cash Equivalents	\$ 907,040	\$ 49,342	\$ 850,781	\$ 80,197	\$ 6,671	\$ 740,192	\$ 25,688	\$ 2,659,911
Investments	-	-	-	10,368,528	47,269,292	-	-	57,637,820
Receivables								
Property Taxes	8,405,233	1,278,370	6,356,418	1,429,711	-	-	-	17,469,732
Governmental Claims	-	2,987,632	-	-	-	-	-	2,987,632
Tuition and Fees, Net of Allowance for Doubtful Accounts of \$4,964,863	915,729	-	-	-	-	-	-	915,729
Other	277,727	653,986	-	-	-	18,601	83	950,397
Due From Other Funds	27,020,000	39,313	999,999	-	-	1,000,000	150,000	29,209,312
Inventories	-	-	-	-	-	291,222	-	291,222
Prepaid Expenses	759,415	171,153	-	-	-	-	-	930,568
Capital Assets, Net of Depreciation	-	-	-	-	-	347,650	-	347,650
Total Assets	38,285,144	5,179,796	8,207,198	11,878,436	47,275,963	2,397,665	175,771	113,399,973
Deferred Outflows of Resources	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 38,285,144	\$ 5,179,796	\$ 8,207,198	\$ 11,878,436	\$ 47,275,963	\$ 2,397,665	\$ 175,771	\$ 113,399,973
Liabilities								
Accounts Payable	\$ 3,460,253	\$ 341,823	\$ -	\$ 771,474	\$ -	\$ 5,944	\$ -	\$ 4,579,494
Accrued Salaries	917,996	-	-	-	-	-	-	917,996
Accrued Compensated Absences	333,944	-	-	-	-	-	-	333,944
Planned Retirement Payable	1,664,956	-	-	-	-	-	-	1,664,956
Deposits Held in Custody	-	-	-	-	-	-	175,771	175,771
Unearned Revenue	-	83,893	-	-	-	-	-	83,893
Due To Other Funds	-	3,166,813	-	4,400,000	21,910,000	-	-	29,476,813
Total Liabilities	6,377,149	3,592,529	-	5,171,474	21,910,000	5,944	175,771	37,232,867
Deferred Inflows of Resources								
Deferred Tuition and Fees	1,457,376	-	-	-	-	-	-	1,457,376
Deferred Property Taxes	8,885,886	1,352,315	6,730,914	1,512,906	-	-	-	18,482,021
Total Deferred Inflows of Resources	10,343,262	1,352,315	6,730,914	1,512,906	-	-	-	19,939,397
Fund Equities								
Net Investment in Capital Assets	-	-	-	-	-	347,650	-	347,650
Retained Earnings - Unreserved Unreserved	-	-	-	-	-	2,044,071	-	2,044,071
Designated	-	234,952	1,476,284	5,194,056	-	-	-	6,905,292
Undesignated	21,564,733	-	-	-	25,365,963	-	-	46,930,696
Total Fund Balances	21,564,733	234,952	1,476,284	5,194,056	25,365,963	2,391,721	-	56,227,709
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 38,285,144	\$ 5,179,796	\$ 8,207,198	\$ 11,878,436	\$ 47,275,963	\$ 2,397,665	\$ 175,771	\$ 113,399,973

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Fund Types					Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	Working Cash Fund	
Revenues						
Local Government	\$ 8,436,783	\$ 1,738,883	\$ 6,713,080	\$ 1,450,918	\$ -	\$ 18,339,664
State Government	11,948,706	11,284,460	-	-	-	23,233,166
Federal Government	-	12,040,563	-	-	-	12,040,563
Student Tuition and Fees, Net of Change in Allowance of \$478,102	13,074,201	-	-	-	-	13,074,201
Investment Income	36,725	-	2,521	462,509	1,646,963	2,148,718
Nongovernmental Gifts, Grants, and Bequests	246,168	14,000	-	-	-	260,168
Other	1,282,773	95,794	-	-	-	1,378,567
Total Revenue	<u>35,025,356</u>	<u>25,173,700</u>	<u>6,715,601</u>	<u>1,913,427</u>	<u>1,646,963</u>	<u>70,475,047</u>
On-Behalf - Community College Health Insurance Program	-	15,792,383	-	-	-	15,792,383
On-Behalf - State Universities Retirement System	-	1,524,623	-	-	-	1,524,623
Total On-Behalf Payments	<u>-</u>	<u>17,317,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,317,006</u>
Total Revenues	<u>35,025,356</u>	<u>42,490,706</u>	<u>6,715,601</u>	<u>1,913,427</u>	<u>1,646,963</u>	<u>87,792,053</u>
Expenditures						
Instruction	14,065,274	8,554,365	-	-	-	22,619,639
Academic Support	653,311	-	-	-	-	653,311
Student Services	1,952,520	338,849	-	-	-	2,291,369
Public Service/Continuing Education	780,659	3,818,273	-	-	-	4,598,932
Operation and Maintenance of Plant	3,042,115	491,036	-	139,588	-	3,672,739
Institutional Support	7,680,456	3,444,147	184,100	-	187,783	11,496,486
Scholarships, Student Grants, and Waivers	787,970	8,423,399	-	-	-	9,211,369
Capital Outlay	769,935	67,511	-	9,972,272	-	10,809,718
Total Expenditures	<u>29,732,240</u>	<u>25,137,580</u>	<u>184,100</u>	<u>10,111,860</u>	<u>187,783</u>	<u>65,353,563</u>
On-Behalf - Community College Health Insurance Program	-	15,792,383	-	-	-	15,792,383
On-Behalf - State Universities Retirement System	-	1,524,623	-	-	-	1,524,623
Total On-Behalf Payments	<u>-</u>	<u>17,317,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,317,006</u>
Total Expenditures	<u>29,732,240</u>	<u>42,454,586</u>	<u>184,100</u>	<u>10,111,860</u>	<u>187,783</u>	<u>82,670,569</u>
Excess (Deficiency) of Revenue over Expenditures	<u>5,293,116</u>	<u>36,120</u>	<u>6,531,501</u>	<u>(8,198,433)</u>	<u>1,459,180</u>	<u>5,121,484</u>
Other Financing Sources (Uses)						
Bond Proceeds	-	-	-	16,015,000	-	16,015,000
Bond Premium Amortization	-	-	322,787	-	-	322,787
Principal Payment on Debt	-	-	(6,655,001)	(16,441,932)	-	(23,096,933)
Bond Issue Cost	-	-	(245,696)	-	-	(245,696)
Bond Premium Proceeds	-	-	723,103	-	-	723,103
Transfers From (To) Other Funds	(1,263,017)	-	128,908	-	-	(1,134,109)
Total Other Financing Sources (Uses)	<u>(1,263,017)</u>	<u>-</u>	<u>(5,725,899)</u>	<u>(426,932)</u>	<u>-</u>	<u>(7,415,848)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>4,030,099</u>	<u>36,120</u>	<u>805,602</u>	<u>(8,625,365)</u>	<u>1,459,180</u>	<u>(2,294,364)</u>
Fund Balance, July 1, 2018	<u>17,534,634</u>	<u>198,832</u>	<u>670,682</u>	<u>13,819,421</u>	<u>23,906,783</u>	<u>56,130,352</u>
Fund Balance, June 30, 2019	<u>\$ 21,564,733</u>	<u>\$ 234,952</u>	<u>\$ 1,476,284</u>	<u>\$ 5,194,056</u>	<u>\$ 25,365,963</u>	<u>\$ 53,835,988</u>

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund		Special Revenue Funds		Bond and Interest Fund		Capital Projects Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues								
Local Government	\$ 9,342,722	\$ 8,436,783	\$ 1,732,166	\$ 1,738,883	\$ 6,632,196	\$ 6,713,080	\$ 1,540,000	\$ 1,450,918
State Government	29,787,022	11,948,706	17,933,674	11,284,460	-	-	-	-
Federal Government	14,296	-	8,355,888	12,040,563	-	-	-	-
Student Tuition and Fees, Net of Change in Allowance of \$478,102	13,531,143	13,074,201	-	-	-	-	-	-
Interest Income	146,000	36,725	-	-	-	2,521	-	462,509
Nongovernmental Gifts, Grants, and Bequests	-	246,168	-	14,000	-	-	-	-
Other	1,002,976	1,282,773	99,000	95,794	-	-	-	-
Total Direct Revenues	53,824,159	35,025,356	28,120,728	25,173,700	6,632,196	6,715,601	1,540,000	1,913,427
On-Behalf - Community College Health Insurance Program	-	-	-	15,792,383	-	-	-	-
On-Behalf - State Universities Retirement System	-	-	-	1,524,623	-	-	-	-
Total On-Behalf Payments	-	-	-	17,317,006	-	-	-	-
Total Revenues	53,824,159	35,025,356	28,120,728	42,490,706	6,632,196	6,715,601	1,540,000	1,913,427
Expenditures								
Instruction	26,303,551	14,065,274	13,777,880	8,554,365	-	-	-	-
Academic Support	1,526,878	653,311	-	-	-	-	-	-
Student Services	3,629,237	1,952,520	709,548	338,849	-	-	-	-
Public Service/Continuing Education	1,133,269	780,659	3,255,203	3,818,273	-	-	-	-
Operation and Maintenance of Plant	4,826,676	3,042,115	699,747	491,036	-	-	529,758	139,588
Institutional Support	13,716,283	7,680,456	1,022,939	3,444,147	140,646	184,100	-	-
Scholarships, Student Grants, and Waivers	1,170,066	787,970	8,949,672	8,423,399	-	-	-	-
Capital Outlay	93,141	769,935	-	67,511	-	-	-	9,972,272
Total Direct Expenditures	52,399,101	29,732,240	28,414,989	25,137,580	140,646	184,100	529,758	10,111,860
On-Behalf - Community College Health Insurance Program	-	-	-	15,792,383	-	-	-	-
On-Behalf - State Universities Retirement System	-	-	-	1,524,623	-	-	-	-
Total On-Behalf Payments	-	-	-	17,317,006	-	-	-	-
Total Expenditures	52,399,101	29,732,240	28,414,989	42,454,586	140,646	184,100	529,758	10,111,860
Excess Revenues Over (Under) Expenditures	1,425,058	5,293,116	(294,261)	36,120	6,491,550	6,531,501	1,010,242	(8,198,433)
Other Financing Sources (Uses)								
Bond Premium Proceeds	-	-	-	-	-	723,103	-	-
Bond Proceeds	-	-	-	-	-	-	-	16,015,000
Bond Premium Amortization	-	-	-	-	-	322,787	-	-
Principal Payment on Debt	-	-	-	-	(6,655,000)	(6,655,001)	-	(16,441,932)
Bond Issue Cost	-	-	-	-	-	(245,696)	-	-
Tuition Chargeback	35,000	-	-	-	-	-	-	-
Transfers From (To) Other Funds	(1,425,057)	(1,263,017)	-	-	163,450	128,908	-	-
Total Other Financing Sources (Uses)	(1,390,057)	(1,263,017)	-	-	(6,491,550)	(6,449,002)	-	(426,932)
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 35,001	4,030,099	\$ (294,261)	36,120	\$ -	805,602	\$ 1,010,242	(8,625,365)
Fund Balance, July 1, 2018		17,534,634		198,832		670,682		13,819,421
Fund Balance, June 30, 2019		\$ 21,564,733		\$ 234,952		\$ 1,476,284		\$ 5,194,056

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2019**

	Proprietary Fund Type	
	Enterprise Fund	
	Budget	Actual
Operating Revenues		
Bookstore	\$ 558,083	\$ 573,522
Food Service	15,300	12,421
Activity Fees	315,000	253,885
Print Shop	580,774	711,699
Farm Revenue	94,675	115,769
Other	21,000	3,203
Total Operating Revenue	1,584,832	1,670,499
Operating Expenses		
Salaries	598,542	548,965
Employee Benefits	149,123	131,003
Contractual Services	203,660	137,665
General Material and Supplies	674,964	717,390
Conference and Meeting	128,281	126,445
Fixed Charges	300,176	386,826
Capital Outlay	10,000	15,934
Other	715,865	770,667
Total Operating Expenses	2,780,611	2,834,895
Operating Income (Loss)	(1,195,779)	(1,164,396)
Non-operating Revenues (Expenses)	-	-
Income (Loss) Before Operating Transfers	(1,195,779)	(1,164,396)
Operating Transfers From (To) Other Funds	1,119,187	1,134,109
Net Income (Loss)	\$ (76,592)	(30,287)
Retained Earnings, July 1, 2018		2,422,008
Retained Earnings, June 30, 2019		\$ 2,391,721

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2019**

	Proprietary Fund Type
	Enterprise Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,568,043
Cash Payments to Suppliers and Others	(2,119,058)
Cash Payments to Employees for Service	(713,757)
Net Cash Provided (Used) by Operating Activities	(1,264,772)
 Cash Flows from Noncapital Financing Activities	
Operating Transfers In	1,134,109
Net Cash Provided (Used) by Noncapital Financing Activities	1,134,109
 Cash Flows from Investing Activities	
Purchase of Capital Asset	(113,525)
Net Cash Provided by Investing Activities	(113,525)
 Net Increase (Decrease) in Cash and Cash Equivalents	(244,188)
 Cash and Cash Equivalents, July 1, 2018	984,380
 Cash and Cash Equivalents, June 30, 2019	\$ 740,192
 Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,164,396)
 Adjustments to Reconcile Operating Income (Loss) to Net	
Cash Provided by (Used for) Operating Activities:	
Depreciation	34,021
(Increase) Decrease in Inventories	(137,690)
(Increase) Decrease in Receivables and Other Assets	35,234
Increase (Decrease) in Accounts Payable	1,848
Increase (Decrease) in Accrued Expenses and Other Liabilities	(33,789)
Net Cash Provided (Used) by Operating Activities	\$ (1,264,772)

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

**COMBINING BALANCE SHEET
GOVERNMENTAL FUND TYPES - GENERAL FUND
JUNE 30, 2019**

	Education Fund	Operations and Maintenance Fund	Total General Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 903,781	\$ 3,259	\$ 907,040
Accounts Receivable			
Property Taxes	7,691,943	713,290	8,405,233
Tuition and Fees, Net of Allowance for Doubtful Accounts of \$4,964,863	915,729	-	915,729
Other	277,727	-	277,727
Due From Other Funds	24,069,999	2,950,001	27,020,000
Prepaid Expenses	759,415	-	759,415
Total Assets	<u>34,618,594</u>	<u>3,666,550</u>	<u>38,285,144</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 34,618,594</u>	<u>\$ 3,666,550</u>	<u>\$ 38,285,144</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 3,307,965	\$ 152,288	\$ 3,460,253
Accrued Salaries	917,996	-	917,996
Accrued Compensated Absences	333,944	-	333,944
Planned Retirement Payable	1,664,956	-	1,664,956
Total Liabilities	<u>6,224,861</u>	<u>152,288</u>	<u>6,377,149</u>
Deferred Inflows of Resources			
Deferred Tuition and Fees	1,457,376	-	1,457,376
Deferred Property Taxes	8,130,998	754,888	8,885,886
Total Deferred Inflows of Resources	<u>9,588,374</u>	<u>754,888</u>	<u>10,343,262</u>
Fund Balances			
Unreserved	<u>18,805,359</u>	<u>2,759,374</u>	<u>21,564,733</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,618,594</u>	<u>\$ 3,666,550</u>	<u>\$ 38,285,144</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total General Funds</u>
Revenues			
Local Government	\$ 7,711,327	\$ 725,456	\$ 8,436,783
State Government	8,991,396	2,957,310	11,948,706
Student Tuition and Fees, Net of Change in Allowance of \$478,102	13,074,201	-	13,074,201
Investment Income	36,725	-	36,725
Nongovernmental Gifts, Grants, and Bequests	164,728	81,440	246,168
Other	982,270	300,503	1,282,773
Total Revenues	<u>30,960,647</u>	<u>4,064,709</u>	<u>35,025,356</u>
Expenditures			
Instruction	14,065,274	-	14,065,274
Academic Support	653,311	-	653,311
Student Services	1,952,520	-	1,952,520
Public Service/Continuing Education	780,659	-	780,659
Operation and Maintenance of Plant	-	3,042,115	3,042,115
Institutional Support	7,680,456	-	7,680,456
Scholarships, Student Grants, and Waivers	787,970	-	787,970
Capital Outlay	209,947	559,988	769,935
Total Expenditures	<u>26,130,137</u>	<u>3,602,103</u>	<u>29,732,240</u>
Excess Revenues Over (Under) Expenditures	<u>4,830,510</u>	<u>462,606</u>	<u>5,293,116</u>
Other Financing Sources (Uses)			
Transfers From (To) Other Funds	(1,267,924)	4,907	(1,263,017)
Total Other Financing Sources (Uses)	<u>(1,267,924)</u>	<u>4,907</u>	<u>(1,263,017)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,562,586	467,513	4,030,099
Fund Balance, July 1, 2018	<u>15,242,773</u>	<u>2,291,861</u>	<u>17,534,634</u>
Fund Balance, June 30, 2019	<u>\$ 18,805,359</u>	<u>\$ 2,759,374</u>	<u>\$ 21,564,733</u>

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

**COMBINING BALANCE SHEET
GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total Special Revenue Funds
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 2,791	\$ 46,411	\$ 140	\$ 49,342
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	57,993	1,220,377	1,278,370
Governmental Claims	2,987,632	-	-	2,987,632
Other Receivables	653,986	-	-	653,986
Due From Other Funds	-	39,313	-	39,313
Prepaid Expenses	-	-	171,153	171,153
Total Assets	<u>3,644,409</u>	<u>143,717</u>	<u>1,391,670</u>	<u>5,179,796</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 3,644,409</u></u>	<u><u>\$ 143,717</u></u>	<u><u>\$ 1,391,670</u></u>	<u><u>\$ 5,179,796</u></u>
Liabilities				
Current Liabilities				
Accounts Payable	\$ 341,823	\$ -	\$ -	\$ 341,823
Unearned Revenue	83,893	-	-	83,893
Due To Other Funds	3,130,000	-	36,813	3,166,813
Total Liabilities	<u>3,555,716</u>	<u>-</u>	<u>36,813</u>	<u>3,592,529</u>
Deferred Inflows of Resources				
Deferred Property Taxes	<u>-</u>	<u>61,371</u>	<u>1,290,944</u>	<u>1,352,315</u>
Fund Balances				
Reserved	<u>88,693</u>	<u>82,346</u>	<u>63,913</u>	<u>234,952</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 3,644,409</u></u>	<u><u>\$ 143,717</u></u>	<u><u>\$ 1,391,670</u></u>	<u><u>\$ 5,179,796</u></u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total Special Revenue Funds
Revenues				
Local Government	\$ 95,794	\$ 69,841	\$ 1,573,248	\$ 1,738,883
State Government	11,284,460	-	-	11,284,460
Federal Government	12,040,563	-	-	12,040,563
Nongovernmental Gifts, Grants, and Bequests	14,000	-	-	14,000
Other	75,794	-	20,000	95,794
Total Revenue	<u>23,510,611</u>	<u>69,841</u>	<u>1,593,248</u>	<u>25,173,700</u>
On-Behalf - Community College Health Insurance Program	15,792,383	-	-	15,792,383
On-Behalf - State Universities Retirement System	1,524,623	-	-	1,524,623
Total On-Behalf Revenue	<u>17,317,006</u>	<u>-</u>	<u>-</u>	<u>17,317,006</u>
Total Revenues	<u>40,827,617</u>	<u>69,841</u>	<u>1,593,248</u>	<u>42,490,706</u>
Expenditures				
Instruction	8,554,365	-	-	8,554,365
Student Services	238,835	-	100,014	338,849
Public Service/Continuing Education	3,818,273	-	-	3,818,273
Operations and Maintenance of Plant	7,258	(2,736)	486,514	491,036
Institutional Support	2,390,069	77,475	976,603	3,444,147
Scholarships, Student Grants, and Waivers	8,423,399	-	-	8,423,399
Capital Outlay	34,511	-	33,000	67,511
Total Direct Expenditures	<u>23,466,710</u>	<u>74,739</u>	<u>1,596,131</u>	<u>25,137,580</u>
On-Behalf - Community College Health Insurance Program	15,792,383	-	-	15,792,383
On-Behalf - State Universities Retirement System	1,524,623	-	-	1,524,623
Total On-Behalf Payments	<u>17,317,006</u>	<u>-</u>	<u>-</u>	<u>17,317,006</u>
Total Expenditures	<u>40,783,716</u>	<u>74,739</u>	<u>1,596,131</u>	<u>42,454,586</u>
Excess Revenues Over (Under) Expenditures	43,901	(4,898)	(2,883)	36,120
Fund Balance, July 1, 2018	<u>44,792</u>	<u>87,244</u>	<u>66,796</u>	<u>198,832</u>
Fund Balance, June 30, 2019	<u>\$ 88,693</u>	<u>\$ 82,346</u>	<u>\$ 63,913</u>	<u>\$ 234,952</u>

SUPPLEMENTAL INFORMATION

Other

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

**RECONCILIATION AND SCHEDULE OF BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Fund Balance - All Fund Types - Budget Basis	\$	56,227,709
Reconciling Items:		
Post Employment Benefits Liability		(22,933,246)
Investment in Capital Assets of Governmental Fund Types		114,189,314
Accumulated Depreciation on Capital Assets of Governmental Fund Types		(47,829,915)
Federal, Trust or Grant Pension Contribution (Deferred Outflow)		69,680
Amount to be Provided for Debt Payments		(18,785,000)
Bond Premium		(723,103)
Net Other Post Employment Benefit Deferred Inflow/Outflow		(2,515,706)
Net Position on Statement of Net Position	\$	<u>77,699,733</u>

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

Excess (Deficiency) of Revenue over Expenditures - Budget Basis	\$	(2,324,651)
Reconciling Items:		
Depreciation Expense on Capital Assets of Governmental Fund Types		(3,929,240)
Federal, Trust or Grant Pension Contribution (Deferred Outflow)		69,680
Principal Repayments of Debt		6,655,000
Bond Premium Proceeds/Amortization		(723,103)
Purchases of Capital Assets of Governmental Fund Types		10,818,059
Net Other Post Employment Benefit Deferred Inflow/Outflow		(1,524,623)
Increase (Decrease) in Net Position	\$	<u>9,041,122</u>

EXPENDITURES AND TRANSFERS IN EXCESS OF BUDGET

	Budget	Actual Expenditures	Variance Over Budget
Capital Projects Funds	\$ 529,758	\$ 10,111,860	\$ 9,582,102
Auxiliary Enterprise Fund	\$ 2,780,611	\$ 2,834,895	\$ 54,284

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

**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS
UNAUDITED
LEVY YEARS 2018, 2017, AND 2016**

	2018 Levy Payable in 2019*	2017 Levy Payable in 2018*	2016 Levy Payable in 2017*
Assessed Valuation (by County)			
Christian	\$ 76,020,223	\$ 75,601,568	\$ 73,874,399
Clark	234,457,128	223,151,243	212,245,897
Clay	19,843,526	17,950,175	16,620,111
Coles	695,705,833	699,606,957	689,025,490
Crawford	28,468	25,807	23,391
Cumberland	161,130,005	157,210,209	149,015,412
Douglas	86,757,450	84,754,115	80,188,187
Edgar	252,543,925	242,869,285	275,481,592
Effingham	745,640,572	798,646,134	680,629,852
Fayette	125,062,242	118,301,592	108,067,878
Jasper	19,693,015	17,371,584	15,977,464
Macon	4,131,006	3,827,309	4,356,677
Montgomery	3,112,266	2,853,277	2,619,177
Moultrie	256,425,969	249,685,884	245,450,191
Shelby	345,260,619	326,526,205	372,552,244
	<u>\$ 3,025,812,247</u>	<u>\$ 3,018,381,344</u>	<u>\$ 2,926,127,962</u>
Tax Rates (Per \$100 of Assessed Valuation)			
Education	0.1639	0.1590	0.1487
Foundation	0.1281	0.1234	0.1155
Operations, Buildings and Maintenance	0.0248	0.0255	0.0250
Bond and Interest	0.2181	0.2194	0.2280
Life Safety	0.0517	0.0510	0.0500
Audit	0.0020	0.0023	0.0050
Liabilities Protections and Settlement	0.0415	0.0517	0.0615
	<u>0.6300</u>	<u>0.6323</u>	<u>0.6337</u>
Taxes Extended			
Education	\$ 4,959,910	\$ 4,799,230	\$ 4,351,150
Foundation	3,874,860	3,724,680	3,379,680
Operations, Buildings and Maintenance	750,100	769,690	731,530
Bond and Interest	6,599,300	6,620,846	6,671,570
Life Safety	1,564,040	1,539,370	1,463,060
Audit	59,910	69,420	146,310
Liabilities Protections and Settlement	1,255,000	1,560,500	1,799,570
	<u>\$ 19,063,120</u>	<u>\$ 19,083,736</u>	<u>\$ 18,542,870</u>
Total Current Taxes Collected	<u>\$ 1,012,289</u>	<u>\$ 18,278,466</u>	<u>\$ 18,444,032</u>
Percentage of Extensions Collected	<u>5.31%</u>	<u>95.78%</u>	<u>99.47%</u>

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

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

**SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS
UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2019**

Levy Year	Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2018	Collected During Year Ended June 30, 2019	Total Collected to June 30, 2019	Percent Collected June 30, 2019	Taxes Written-off
2018	\$ 3,025,812,247	0.6300	\$ 19,063,120	\$ -	\$ 1,012,289	\$ 1,012,289	5.31%	\$ -
2017	3,018,381,344	0.6323	19,083,736	-	18,278,466	18,278,466	95.78%	-
2016	2,926,127,962	0.6337	18,542,870	18,444,032	-	18,444,032	99.47%	-
Total			\$ 37,626,606	\$ 18,444,032	\$ 18,278,466	\$ 36,722,498		\$ -

2018 TAXES EXTENDED

	Collected at June 30, 2019	Uncollected June 30, 2019	Estimate for Uncollectible Taxes	Balance after Estimated Uncollectible Taxes
Education	\$ 263,381	\$ 4,696,529	\$ -	\$ 4,959,910
Foundation	205,763	3,669,097	-	3,874,860
Operations, Building and Maintenance	39,832	710,268	-	750,100
Bond and Interest	350,436	6,248,864	-	6,599,300
Life Safety	83,054	1,480,986	-	1,564,040
Audit	3,181	56,729	-	59,910
Liability, Protection and Settlement	66,643	1,188,357	-	1,255,000
Total	\$ 1,012,289	\$ 18,050,831	\$ -	\$ 19,063,120

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

**SUMMARY OF ASSESSED VALUATIONS
UNAUDITED
Most Recent Three Years
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2019	\$ 3,025,812,247
2018	3,018,381,344
2017	2,926,127,962
	<u>\$ 8,970,321,553</u>

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

**SCHEDULE OF LEGAL DEBT MARGIN
UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2019**

Assessed Valuation (by County) - 2018 Levy

Christian	\$	76,020,223
Clark		234,457,128
Clay		19,843,526
Coles		695,705,833
Crawford		28,468
Cumberland		161,130,005
Douglas		86,757,450
Edgar		252,543,925
Effingham		745,640,572
Fayette		125,062,242
Jasper		19,693,015
Macon		4,131,006
Montgomery		3,112,266
Moultrie		256,425,969
Shelby		345,260,619
		<u>\$ 3,025,812,247</u>
Debt Limit, 2.875% of Assessed Valuation (50 ILCS 405/1)	\$	86,992,102
Less: Total Indebtedness		<u>18,785,000</u>
Legal Debt Margin	\$	68,207,102

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

**SCHEDULE OF DEBT MATURITIES
GOVERNMENT FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2019**

Fiscal Period	Bond Type	Interest Rate	Amounts Due During Each Fiscal Period		
			Principal	Interest	Total
2019-2020	Series 2013B	2.00%	1,135,000	11,350	1,146,350
2019-2020	Series 2016B	2.00%	135,000	22,750	157,750
2019-2020	Series 2017	1.50%	450,000	3,375	453,375
2019-2020	Series 2018B	2.40%	4,370,000	629,500	4,999,500
2020-2021	Series 2016B	2.00%	140,000	20,000	160,000
2020-2021	Series 2018B	2.40%	6,200,000	396,250	6,596,250
2021-2022	Series 2016B	2.00%	145,000	17,150	162,150
2021-2022	Series 2018B	2.40%	5,445,000	136,125	5,581,125
2022-2023	Series 2016B	2.00%	145,000	14,250	159,250
2023-2024	Series 2018B	2.00%	145,000	14,250	159,250
Thereafter	Series 2016B	2.00%	475,000	12,250	487,250
Total			\$ 18,785,000	\$ 1,277,250	\$ 20,062,250

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

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

**SCHEDULE OF EXPENSES FOR TORT IMMUNITY PURPOSES
FOR THE YEAR ENDED JUNE 30, 2019**

Administrative Salaries	\$	353,076
Administrative Benefits		72,406
Campus Security Salaries		264,727
Campus Security Benefits		88,898
Contractual Services		92,136
Material and Supplies		2,615
Repairs		34,943
General Liability Insurance		230,437
Workers Compensation Insurance		161,046
Social Security/Medicare		295,847
Total Tort Immunity Purposes Expenses	\$	<u>1,596,131</u>

Since the College levies property taxes for tort immunity liability insurance purposes, as required by Public Act 94-068 passed by the Illinois General Assembly, the College is including the above list of tort immunity purposes expenses in its annual financial report.

The College's tax extension for tort immunity/liability insurance and Social Security/Medicare purposes for tax year 2018 as levied by the counties within the College's district was \$1,255,000. Any shortfall to cover expenses in excess of taxes collected is derived from previous years' excess or other general fund revenues of the College. Any excess of revenues over expenses is carried forward to subsequent fiscal years subject to a statutory formula.

SUPPLEMENTAL INFORMATION

Uniform Financial Statements

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

**ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2019**

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Working Cash Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Auxiliary Enterprises Fund	Trust and Agency Fund	Total
Fund Balance, July 1, 2018	\$ 15,242,773	\$ 2,291,861	\$ 13,819,421	\$ 670,682	\$ 23,906,783	\$ 44,792	\$ 87,244	\$ 66,796	\$ 2,422,008	\$ -	\$ 58,552,360
Revenues											
Local Tax Revenue	7,711,327	725,456	17,465,918	6,713,080	-	-	69,841	1,573,248	-	-	34,258,870
Other Local Sources	429,270	-	-	-	-	95,794	-	-	-	-	525,064
ICCB Grants	8,562,126	2,957,310	-	-	-	11,231,269	-	-	-	-	22,750,705
Other State Revenue	-	-	-	-	-	53,191	-	-	-	5,174	58,365
Federal Revenue	-	-	-	-	-	12,040,563	-	-	-	-	12,040,563
Student Tuition and Fees, Net of Change in Allowance of \$478,102	13,074,201	-	-	-	-	-	-	-	253,885	-	13,328,086
Other Revenue	1,183,723	381,943	462,509	725,624	1,646,963	89,794	-	20,000	1,416,614	726,432	6,653,602
Total Direct Revenues	30,960,647	4,064,709	17,928,427	7,438,704	1,646,963	23,510,611	69,841	1,593,248	1,670,499	731,606	89,615,255
State On-Behalf Payments	-	-	-	-	-	17,317,006	-	-	-	-	17,317,006
Total Revenues	30,960,647	4,064,709	17,928,427	7,438,704	1,646,963	40,827,617	69,841	1,593,248	1,670,499	731,606	106,932,261
Expenditures											
Instruction	14,275,221	-	-	-	-	19,374,911	-	-	-	-	33,650,132
Academic Support	653,311	-	-	-	-	-	-	-	-	-	653,311
Student Services	1,952,520	-	-	-	-	572,336	-	100,014	-	-	2,624,870
Public Service/Continuing Education	780,659	-	-	-	-	5,203,518	-	-	-	-	5,984,177
Auxiliary Services	-	-	-	-	-	-	-	-	2,083,826	-	2,083,826
Operations and Maintenance	-	3,602,103	10,111,860	107,009	-	1,264,624	-	519,514	-	-	15,605,110
Institutional Support	7,680,456	-	16,441,932	6,655,001	187,783	5,944,927	74,739	976,603	751,069	-	38,712,510
Scholarships, Student Grants, & Waivers	787,970	-	-	-	-	8,423,399	-	-	-	731,606	9,942,975
Total Expenditures	26,130,137	3,602,103	26,553,792	6,762,010	187,783	40,783,716	74,739	1,596,131	2,834,895	731,606	109,256,912
Net Transfers In (Out)	(1,267,924)	4,907	-	128,908	-	-	-	-	1,134,109	-	-
Fund Balance, June 30, 2019	\$ 18,805,359	\$ 2,759,374	\$ 5,194,056	\$ 1,476,284	\$ 25,365,963	\$ 88,693	\$ 82,346	\$ 63,913	\$ 2,391,721	\$ -	\$ 56,227,709

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

**SUMMARY OF FIXED ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2019**

	Fixed Asset/Debt Account Groups <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2019</u>
Fixed Assets				
Sites, Building, Additions and Improvements	\$ 97,582,175	\$ 11,552,110	\$ (1,054,621)	\$ 108,079,664
Equipment	<u>5,442,836</u>	<u>614,036</u>	<u>(11,000)</u>	<u>6,045,872</u>
Total Fixed Assets	103,025,011	12,166,146	(1,065,621)	114,125,536
Less: Accumulated Depreciation	<u>43,920,016</u>	<u>3,920,899</u>	<u>(11,000)</u>	<u>47,829,915</u>
Net Fixed Assets	<u><u>\$ 59,104,995</u></u>	<u><u>\$ 8,245,247</u></u>	<u><u>\$ (1,054,621)</u></u>	<u><u>\$ 66,295,621</u></u>
Fixed Debt				
Bonds Payable	\$ 9,425,000	\$ 16,015,000	\$ (6,655,000)	\$ 18,785,000
Debt Certificates Payable	<u>16,025,000</u>	<u>-</u>	<u>(16,025,000)</u>	<u>-</u>
Total Fixed Liabilities	<u><u>\$ 25,450,000</u></u>	<u><u>\$ 16,015,000</u></u>	<u><u>\$ (22,680,000)</u></u>	<u><u>\$ 18,785,000</u></u>

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

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2019**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Sources			
Local Government Revenues:			
Local Taxes	\$ 7,711,327	\$ 725,456	\$ 8,436,783
Corporate Personal Property Replacement Tax	429,270	-	429,270
Total Local Government	<u>8,140,597</u>	<u>725,456</u>	<u>8,866,053</u>
State Government:			
ICCB Credit Hour Grants	4,464,332	-	4,464,332
ICCB Equalization Grants	2,957,305	2,957,310	5,914,615
ICCB Career and Technical Education	640,310	-	640,310
Illinois Department of Corrections	447,061	-	447,061
Other - Grants	53,118	-	53,118
Total State Government	<u>8,562,126</u>	<u>2,957,310</u>	<u>11,519,436</u>
Student Tuition and Fees:			
Tuition, Net of Change in Allowance of \$478,102	9,810,850	-	9,810,850
Fees	3,263,351	-	3,263,351
Total Student Tuition and Fees	<u>13,074,201</u>	<u>-</u>	<u>13,074,201</u>
Other Sources:			
Sales and Service Fees	934,670	-	934,670
Facilities	-	300,503	300,503
Investment Income	36,725	-	36,725
Donations	164,728	81,440	246,168
Transfers from Non-operating Funds	-	4,907	4,907
Other	47,600	-	47,600
Total Other Sources	<u>1,183,723</u>	<u>386,850</u>	<u>1,570,573</u>
Total Revenue	30,960,647	4,069,616	35,030,263
Less Non-Operating Items:*			
Transfers from Non-operating Funds	-	(4,907)	(4,907)
Adjusted Revenue	<u>\$ 30,960,647</u>	<u>\$ 4,064,709</u>	<u>\$ 35,025,356</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 NO. 517
MATTOON, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (CONCLUDED)
FISCAL YEAR ENDED JUNE 30, 2019**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures			
By Program:			
Instruction	\$ 14,275,221	\$ -	\$ 14,275,221
Academic Support	653,311	-	653,311
Student Services	1,952,520	-	1,952,520
Public Service/Continuing Education	780,659	-	780,659
Operation and Maintenance of Plant	-	3,602,103	3,602,103
Institutional Support	7,680,456	-	7,680,456
Scholarships, Student Grants, and Waivers	787,970	-	787,970
Total Direct Expenditures	<u>26,130,137</u>	<u>3,602,103</u>	<u>29,732,240</u>
Less Non-Operating Items:*			
Transfers	<u>(1,267,924)</u>	<u>-</u>	<u>(1,267,924)</u>
Adjusted Expenditures	<u>\$ 24,862,213</u>	<u>\$ 3,602,103</u>	<u>\$ 28,464,316</u>
By Object:			
Salaries	\$ 16,689,654	\$ 941,972	\$ 17,631,626
Employee Benefits	3,663,705	318,871	3,982,576
Contractual Services	1,054,865	240,116	1,294,981
General Materials and Supplies	2,389,568	235,059	2,624,627
Conference and Meeting	225,335	374	225,709
Fixed Charges	436,028	233,286	669,314
Utilities	-	1,072,437	1,072,437
Capital Outlay	209,947	559,988	769,935
Scholarships, Student Grants	787,970	-	787,970
Other	673,065	-	673,065
Total Direct Expenditures	<u>26,130,137</u>	<u>3,602,103</u>	<u>29,732,240</u>
Less Non-Operating Items:*			
Transfers to Non-operating Funds	<u>(1,267,924)</u>	<u>-</u>	<u>(1,267,924)</u>
Adjusted Expenditures	<u>\$ 24,862,213</u>	<u>\$ 3,602,103</u>	<u>\$ 28,464,316</u>

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

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

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2019**

	Restricted Purposes Fund
Revenues by Source	
Total Local Government	\$ 95,794
State Government:	
ICCB - Credit Hour Grant	1,538,237
ICCB - Adult Educations and Family Literacy	614,059
Illinois Department of Corrections	8,172,632
Illinois Student Assistance Commission	906,341
Other - State On-Behalf Payments	17,317,006
Other	53,191
Total State Government	28,601,466
Federal Government:	
Department of Education	8,521,596
Department of Labor	3,518,967
Total Federal Government	12,040,563
Other Sources:	
Donation	14,000
Other	75,794
Total Other Sources	89,794
Total Restricted Purposes Fund Revenues	\$ 40,827,617
Expenditures By Program	
Instruction	\$ 19,374,911
Academic Support	-
Student Services	572,336
Public Service/Continuing Education	5,203,518
Operations and Maintenance	1,264,624
Institutional Support	5,944,927
Scholarships, Student Grants, and Waivers	8,423,399
Total Restricted Purposes Fund Expenditures	\$ 40,783,716
Expenditures By Object	
Salaries	\$ 7,036,896
Employee Benefits	2,344,725
Contractual Services	3,020,294
General Materials and Supplies	1,467,151
Travel and Conference/Meeting	202,267
Fixed Charges	522,300
Utilities	3,198
Capital Outlay	34,511
Scholarships, Student Grants, and Waivers	8,362,781
SURS Pension On-Behalf Payments	15,792,383
OPEB On-Behalf Payments	1,524,623
Other	472,587
Total Restricted Purposes Fund Expenditures	\$ 40,783,716

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

**CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
YEAR ENDED JUNE 30, 2019**

Instruction	
Instructional Programs	\$ 28,282,701
Instructional Support	5,304,879
Other	62,807
Total Instruction	<u>33,650,387</u>
Academic Support	
Learning Resource Center	700,421
Academic Administration and Planning	2,320
Academic Computing Support	284,071
Total Academic Support	<u>986,812</u>
Student Services	
Admissions and Records	2,190,105
Counseling and Career Guidance	679,251
Student Financial Aid	360,133
Other	447,124
Total Student Services Support	<u>3,676,613</u>
Public Service/Continuing Education	
Center for Business and Industry	950,768
Commercial Driver Training	241,007
LWIOA	3,511,961
Other	309,437
Total Public Service/Continuing Education	<u>5,013,173</u>
Auxiliary Services	<u>2,834,895</u>
Operations and Maintenance of Plant	
Maintenance	1,157,500
Custodial	732,999
Grounds	207,371
Campus Security	391,621
Transportation	42,156
Utilities	918,358
Administration	968,948
Other	551,925
Total Operations and Maintenance of Plant	<u>4,970,878</u>
Institutional Support	
Executive Office	777,569
Business Office	1,794,663
General Administrative Services	5,411,413
General Institution Support	2,156,628
Institutional Research	95,208
Administrative Data Processing	2,178,323
Non-Operating	2,102,976
Total Institutional Support	<u>14,516,780</u>
Scholarships, Student Grants, and Waivers	<u>9,372,182</u>
Total Current Funds Expenditures	<u>\$ 75,021,721</u>

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

SUPPLEMENTAL INFORMATION

Certification of Chargeback Reimbursement

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

FOR FISCAL YEAR 2018

All Fiscal Year 2018 Non-Capital Audited Operating Expenditures From the Following Funds:

1	Education Fund	\$	42,393,485
2	Operations and Maintenance Fund		3,885,826
3	Public Building Commission Operation and Maintenance Fund		-
4	Bond and Interest Fund		107,009
5	Public Building Commission Rental Fund		-
6	Restricted Purposes Fund		23,629,423
7	Audit Fund		74,739
8	Liability, Protection, and Settlement Fund		1,596,131
9	Auxiliary Enterprises Fund (subsidy only)		<u>2,834,895</u>
10	Total Non-Capital Expenditures (sum of lines 1-9)	\$	74,521,508
11	Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) From Sources Other than State and Federal Funds	\$	<u>2,259,871</u>
12	Total Costs Included (line 10 plus line 11)		<u>76,781,379</u>
13	Total Certified Semester Credit Hours for Fiscal Year 2019	\$	<u>165,485.5</u>
14	Per Capita Cost (line 12 divided by line 13)		<u><u>\$ 463.98</u></u>
15	All Fiscal Year 2018 State and Federal Operating Grants for noncapital expenditures Do Not Include ICCB Grants	\$	<u>24,448,610</u>
16	Fiscal Year 2017 State and Federal Grants Per Semester Credit Hour (line 15 divided by line 13)		<u>147.74</u>
17	District's Average ICCB Grant Rate (excluding equalization grant) for Fiscal Year 2020		<u>37.39</u>
18	Districts's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2020		<u>137.67</u>
19	Chargeback Reimbursement Per Semester Credit Hour (line 14 less lines 16, 17, and 18)	\$	<u><u>141.18</u></u>

APPROVED:  9/30/2019
Chief Fiscal Officer Date

APPROVED:  9/30/2019
Chief Executive Officer Date

STATE COMPLIANCE SECTION

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



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS
FOR ADULT EDUCATION AND FAMILY LITERACY GRANTS**

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

Report on the Financial Statements

We have audited the accompanying balance sheets of Adult Education and Family Literacy Grants of Lake Land Community College District No. 517 as of June 30, 2019, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between Lake Land Community College District No. 517 and the State of Illinois and the Illinois Community College Board (ICCB). We believe that our audit provides a reasonable basis for our opinion and Lake Land Community College District No. 517 is in compliance, in all material respects, with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants of Lake Land Community College District No. 517 as of June 30, 2019, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Information

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
*Certified Public Accountants
and Consultants*

Mattoon, Illinois
September 30, 2019

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

STATE ADULT EDUCATION RESTRICTED FUNDS

**BALANCE SHEET
JUNE 30, 2019**

	State Basic	Performance	Total (Memorandum Only)
Assets			
Current Assets			
Receivable - Other	\$ 52,998	\$ 12,384	\$ 65,382
Total Assets	\$ 52,998	\$ 12,384	\$ 65,382
 Liabilities and Fund Balances			
Current Liabilities			
Due To Other Funds	\$ 52,998	\$ 12,384	\$ 65,382
Total Liabilities	52,998	12,384	65,382
Fund Balance			
Reserved	-	-	-
Total Liabilities and Fund Balances	\$ 52,998	\$ 12,384	\$ 65,382

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

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

STATE ADULT EDUCATION RESTRICTED FUNDS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	State Basic	Performance	Total (Memorandum Only)
Revenues			
Grant	\$ 239,990	\$ 61,920	\$ 301,910
Expenditures by Program			
Instruction	236,018	-	236,018
Subtotal Instructional & Student Services	236,018	-	236,018
Program Support			
General Administration	3,972	61,920	65,892
Subtotal Program Support	3,972	61,920	65,892
Total Expenditures	239,990	61,920	301,910
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance, July 1, 2018	-	-	-
Fund Balance, June 30, 2019	\$ -	\$ -	\$ -

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

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

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

**EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
<u>State Basic</u>		
Instruction (45% Minimum Required)	\$ 236,018	98.34%
General Administration (15% Maximum Allowed)	\$ 3,972	1.66%

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying statements include only those transactions resulting from the 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, 2019. Funds obligated for goods prior to June 30, 2019 for which the goods are received prior to August 31, 2019 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15, 2019.

Fixed Assets

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

NOTE 2: PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES

Payments of prior year's encumbrances for goods received prior to August 31, 2018 are reflected as expenditures during the current fiscal year.

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

**BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2019**

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Performance Grants

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

Equalization Grants

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

Restricted Adult Education Grants/State

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

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

STATE COMPLIANCE SECTION

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



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

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

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Lake Land Community College District No. 517 for the year ended June 30, 2019.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based upon our examination. Our examination was made in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issues by the Comptroller General of the United States.

Opinion

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
*Certified Public Accountants
and Consultants*

Mattoon, Illinois
September 30, 2019

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

**SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2019**

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

Categories	Summer		Fall		Spring		Total (Note 3)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
(Notes 1 & 2)								
Baccalaureate	7,905.0	-	30,697.5	24.0	30,329.5	65.5	68,932.0	89.5
Business Occupational	3,234.0	112.5	7,840.0	201.5	7,778.0	325.5	18,852.0	639.5
Technical Occupational	9,425.5	18.0	19,735.5	86.5	25,103.5	189.0	54,264.5	293.5
Health Occupational	2,455.0	-	6,805.5	-	8,648.0	144.0	17,908.5	144.0
Remedial Developmental	527.0	-	2,284.5	20.00	832.5	-	3,644.0	20.0
Adult Basic/Secondary Education	0.0	24.50	23.0	312.5	14.0	324.0	37.0	661.0
Total	23,546.5	155.0	67,386.0	644.5	72,705.5	1,048.0	163,638.0	1,847.5

- Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.
- Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.
- Note 3) Total of unrestricted and restricted should equal the SU and SR record totals.

	Attending In-District	Attending Out-of District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	<u>87,847.0</u>	<u>158.0</u>	<u>88,005.0</u>

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	<u>12,488.0</u>	<u>-</u>

District Prior Year Equalized Assessed Valuation \$ 3,025,812,247

Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	798.0	1,602.0	2,071.0	4,471.0
Business Occupational	1,680.5	2,660.0	3,317.0	7,657.5
Technical Occupational	7,921.0	12,855.0	17,548.5	38,324.5
Health Occupational	-	-	-	-
Remedial Development	138.0	248.0	100.0	486.0
Adult Basic/Secondary Education	-	-	-	-
Total	10,537.5	17,365.0	23,036.5	50,939.0

Signatures



Chief Executive Officer (CEO)



Chief Fiscal Officer (CFO)

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

**RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Categories</u>	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	68,932.0	68,932.0	-	89.5	89.5	-
Business Occupational	18,852.0	18,852.0	-	639.5	639.5	-
Technical Occupational	54,264.5	54,264.5	-	293.5	293.5	-
Health Occupational	17,908.5	17,908.5	-	144.0	144.0	-
Remedial Developmental	3,644.0	3,644.0	-	20.0	20.0	-
Adult Basic/Secondary Education	37.0	37.0	-	661.0	661.0	-
Total	<u>163,638.0</u>	<u>163,638.0</u>	<u>-</u>	<u>1,847.5</u>	<u>1,847.5</u>	<u>-</u>

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND
COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019**

	Total Attending (Unrestricted and Restricted)	Total Attending As Certified To The ICCB	Difference
Reimbursable In-District Residents	87,847.0	87,847.0	-
Reimbursable Out-of-District on Chargeback or Contractual Agreement	158.00	158.00	-
Total	<u>88,005.0</u>	<u>88,005.0</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	12,488.0	12,488.0	-
Dual Enrollment	-	-	-
Total	<u>12,488.0</u>	<u>12,488.0</u>	<u>-</u>

**RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Categories</u>	Total Reimbursable Correctional Credit Hours	Total Reimbursable Correctional Credit Hours Certified to The ICCB	Difference
Baccalaureate	4,471.0	4,471.0	-
Business Occupational	7,657.5	7,657.5	-
Technical Occupational	38,324.5	38,324.5	-
Health Occupational	-	-	-
Remedial Development	486.0	486.0	-
Adult Basic/Secondary Education	-	-	-
Total	<u>50,939.0</u>	<u>50,939.0</u>	<u>-</u>

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

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2019**

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

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

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

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

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

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

FEDERAL COMPLIANCE SECTION



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

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

Report on Compliance for Each Major Federal Program

We have audited Lake Land Community College District No. 517's (College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audits Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned cost as Finding 2019-001, that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned cost. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
*Certified Public Accountants
and Consultants*

Mattoon, Illinois
September 30, 2019

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grant or Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
Direct Grants:			
TRIO - Student Support Services	84.042A	N/A	\$ 245,603
TRIO - Talent Search	84.044A	N/A	312,491
			<u>558,094</u>
Federal Student Assistance Cluster			
Federal Pell Grant Program	84.063	N/A	5,778,696 (M)
Federal Direct Student Loans	84.268	N/A	1,440,219 (M)
Federal Supplemental Educational Opportunity	84.007	N/A	81,260 (M)
Federal Work Study Program	84.033	N/A	67,894 (M)
Total Federal Student Assistance Cluster			<u>7,368,069</u>
Passed Through the Illinois Community College Board:			
Adult Education and Family Literacy Federal Basic	84.002A	5170118 RE	164,660
Career and Technical Education Basic Grants to States	84.048	CTE51718 R	327,718
			<u>492,378</u>
Total U.S. Department of Education			<u>8,418,541</u>
U.S. Department of Labor			
Passed Through Illinois Department of Commerce and Economic Opportunity			
Workforce Innovation and Opportunity Act (WIOA) Cluster:			
WIOA Adult Program	17.258	16-681023	3,718
WIOA Youth Activities	17.259	16-681023	3,963
WIOA Dislocated Workers	17.278	16-681023	5,228
			<u>12,909</u>
WIOA Adult Program	17.258	17-681023	399,338
WIOA Youth Activities	17.259	17-681023	480,394
WIOA Dislocated Workers	17.278	17-681023	408,864
			<u>1,288,596</u>
WIOA Adult Program	17.258	18-681023	997,237
WIOA Youth Activities	17.259	18-681023	584,563
WIOA Dislocated Workers	17.278	18-681023	302,431
			<u>1,884,231</u>
Total WIOA Cluster			<u>3,185,736</u>
Trade Adjustment Assistance	17.245	16-661023	137,032
Trade Adjustment Assistance	17.245	17-661023	196,198
Total Trade Adjustment Assistance			<u>333,230</u>
Total U.S. Department of Labor			<u>3,518,966</u>
U.S. Department of Veterans Affairs			
Post - 9/11 Veterans Educational Assistance	64.028	N/A	103,056
Total U.S. Department of Veterans Affairs			<u>103,056</u>
Total Expenditures of Federal Awards			<u>\$ 12,040,563</u>
(M) Major Program			

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1: BASIS OF PRESENTATION

General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lake Land College Community College No. 517 (College) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

Basis of Accounting

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

NOTE 2: SUBRECIPIENTS

During fiscal year 2019, the College maintained subrecipient agreements with C.E.F.S. Economic Opportunity Corporation under the Workforce Innovation and Opportunity Act Cluster. The amount provided to C.E.F.S. through this Act amounted to \$3,092,277.

NOTE 3: LOANS OR LOAN GUARANTEES OUTSTANDING

During fiscal year 2019, the Collage participated in two guaranteed student loan program sponsored by the U.S. Department of Education.

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

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3: LOANS OR LOAN GUARANTEES OUTSTANDING (CONCLUDED)

During the year ended June 30, 2019, the College's students or their parents were eligible to receive the following guaranteed loans:

Stafford Loans:	
Subsidized	\$ 728,122
Unsubsidized	674,571
Parents Loans for Undergraduate Students (PLUS)	<u>37,526</u>
 Total	 <u>\$ 1,440,219</u>

NOTE 4: INDIRECT COST RATE

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

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

**BACKGROUND INFORMATION ON FEDERAL GRANT ACTIVITY
JUNE 30, 2019**

Restricted Adult Education Grants/Federal

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

Restricted Vocational Education Grants to State (Perkins)/Federal

Grant awarded to community colleges as a result of the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 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.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2019-001 – Verification of FAFSA Information

Federal Program Name: Federal Student Assistance Cluster; Federal Pell Grant Program, Federal Direct Student Loans, Federal Supplemental Educational Opportunity, Federal Work Study Program

CFDA Number: 84.063, 84.268, 84.007, and 84.033

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

U.S. Code of Federal Regulations Title 34 CFR 668.56 requires that for each applicant whose FAFSA information is selected for verification by the Secretary the College must obtain specified documentation to verify the information as applicable under Title 34 CRF 668.57(a), 34 CRF 668.57(b), 34 CRF 668.57(c) and 34 CRF 668.57(d).

Condition:

During the audit of the Federal Student Assistance Cluster the following was noted:

- A. One instance was noted where a student had indicated on their verification documentation that a 2016 income tax return had been filed, but there was no support for a 2016 income in the student's file, however, the student had also indicated on the Institutional Student Information Record (ISIR) that the student was not required to file a 2016 tax return.
- B. One instance was noted where a student divorced subsequent to completing their ISIR, they then completed a special circumstances form to remove the spouse's income. When the College modified the student ISIR based on the student's income tax transcript, the College inadvertently excluded the student's unemployment compensation from the student's adjusted gross income (AGI).

Questioned Costs:

- A. None
- B. None

Context:

- A. One instance noted of 43 tested.
- B. One instance noted of 43 tested.

Effect:

- A. The College's documentation for the student did not agree to the student's ISIR.
- B. Exclusion of the student's unemployment compensation could have resulted in an understatement of the student's Estimated Family Contribution (EFC) and an overstated in the student's eligibility for grants and/or loans.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concluded)

Finding No. 2019-001 – Verification of FAFSA Information (Concluded)

Cause:

The College's internal controls over the student verification process were not effective.

Recommendation:

The College should develop internal controls to ensure that the student verification process is completed accurately.

Management's Response:

The College agrees with the auditor's recommendation and will develop internal controls to ensure that the student verification process is completed accurately. These measures include staff re-training on the verification items and proper documentation, as well as a system in which a sample of student files are reviewed a second time by another staff member to identify any potential errors or omissions and ensure accuracy in documentation and verification.

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

**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

CORRECTIVE ACTION PLAN

Finding No. 2019-001 - Verification of FAFSA Information

Condition:

During the audit of the Federal Student Assistance Cluster the following was noted:

- C. One instance was noted where a student had indicated on their verification documentation that a 2016 income tax return had been filed, but there was no support for a 2016 income in the student's file, however, the student had also indicated on the Institutional Student Information Record (ISIR) that the student was not required to file a 2016 tax return.
- D. One instance was noted where a student divorced subsequent to completing their ISIR, they then completed a special circumstances form to remove the spouse's income. When the College modified the student ISIR based on the student's income tax transcript, the College inadvertently excluded the student's unemployment compensation from the student's adjusted gross income (AGI).

Plan:

Effective immediately, verification staff will review federal verification requirements and appropriate documentation to ensure that ISIR information matches the verification documents. Before students are awarded financial aid each week, a sample of student records will be reviewed by another staff member to ensure that there are no omissions or discrepancies.

Anticipated Date of Completion:

Immediately upon learning of the deficiency.

Contact Person Responsible for Corrective Action:

Paula Carpenter, Director of Financial Aid and Veteran Services

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
NONE		