

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2015

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Section:	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Component Unit - Statement of Financial Position	14
Component Unit - Statement of Activities	15
Notes to Financial Statements	16
Supplemental Financial Information:	
Schedules of Management Information	37
Combined Balance Sheet-All Fund Types	38
Combined Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-All Budgeted Governmental Fund Types	39
Combined Statement of Revenue, Expenses and Changes in Retained Earnings-Budget and Actual-Proprietary Fund Type	41
Combining Balance Sheet - Governmental Fund Types - General Fund	42
Combining Balance Sheet - Governmental Fund Types - Special Revenue Funds	43
Combining Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-Governmental Fund Types-General Fund	44
Combining Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual-(Budget Basis)-Governmental Fund Types-Special Revenue Funds	45
Reconciliation and Schedule of Budget Basis	46
Assessed Valuations and Taxes Extended and Collected	47
Summary of Taxes Receivable and Tax Collections	48
Schedule of Debt Maturities-Governmental Fund Types	49
Schedule of Legal Debt Margin	50
Schedule of Expenses for Tort Immunity Purposes	51
Required Supplementary Information Other than Management's Discussion & Analysis	
State Universities Retirement System of Illinois (SURS) Funding Progress	53
Accompanying Information:	
Special Reports Section:	
Uniform Financial Statements	
Uniform Financial Statement-All Funds Summary	57
Summary of Fixed Assets and Debt	58
Operating Revenue by Source	59
Operating Expenditures	60

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2015

TABLE OF CONTENTS
(Continued)

Page

Accompanying Information (continued):

Special Reports Section (continued):

Uniform Financial Statements (continued)

Restricted Purposes Fund Revenue by Source	61
Restricted Purposes Fund Expenditures	62
Current Funds Expenditures by Activity	63
Certification of Chargeback Reimbursement for Fiscal Year 2016	65

Illinois Board of Higher Education:

Cooperative Work Study Program:

Independent Auditor's Report - Illinois Cooperative Work Study Program	67
Statement of Revenue and Expenditures (Modified Cash Basis)	69
Notes to Financial Statement	70

Illinois Community College Board State Grants-Financial-Compliance Section:

Independent Auditor's Report on Compliance with State Requirements for Career and Technical Education-Program Improvement Grants and Adult Education and Family Literacy Grants	72
---	----

Financial Statements:

Career and Technical Education-Program Improvement-Balance Sheet	74
Career and Technical Education-Program Improvement-Statement of Revenue, Expenditures and Changes in Fund Balance	75
State Adult Education and Family Literacy Restricted Funds-Balance Sheet	76
State Adult Education and Family Literacy Restricted Funds-Statement of Revenue, Expenditures and Changes in Fund Balance	77
Federal Basic Adult Education Restricted Fund-Balance Sheet	78
Federal Basic Adult Education Restricted Fund-Statement of Revenue, Expenditures and Changes in Fund Balance	79
Notes to ICCB Grant Programs Financial Statements	80
State Adult Education and Family Literacy Restricted Funds-Expenditure Amounts and Percentages for ICCB Grant Funds Only	81
Background Information on ICCB Grant Activity	82

Compliance Section-Enrollment Data:

Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	85
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	87
Reconciliation of Total Reimbursable Semester Credit Hours, Reconciliation of In-District/Chargeback and Cooperative/Contractual Agreement Reimbursable Credit Hours, and Reconciliation of Total Correctional Semester Credit Hours	88
Documentation of Residency Verification Steps	89
Summary of Assessed Valuations - Most Recent Three Years	90

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

Year Ended June 30, 2015

TABLE OF CONTENTS
(Continued)

Page

Federal Awards - Compliance Section:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	92
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by OMB Circular A-133	94
Schedule of Expenditures of Federal Awards	96
Notes to Schedule of Expenditures of Federal Awards	98
Schedule of Findings and Questioned Costs	101
Schedule of Prior Year Findings	103

DOEHRING, WINDERS & CO. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activity and the discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the College's component unit were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the College, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and State Universities Retirement System of Illinois (SURS) Funding Progress on page 53 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplemental financial information, the accompanying information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information, excluding the not yet available chargeback computation data noted on page 65, 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, 2015, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Doehring, Winters & Co. LLP

Mattoon, Illinois
September 30, 2015

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, 2015. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements (pages 10-15) and the footnotes (beginning on page 16). Included in the basic financial statements (page 14) is information on the College's component unit, the Lake Land College Foundation, Inc., which also has a separately issued financial statement that may be obtained by calling the Foundation Office at (217) 234-5354. Responsibility for the completeness and fairness of the College's report rests with the College.

USING THE ANNUAL REPORT

The financial statements focus on the College as a whole, versus the traditional presentation by fund types. The College's financial statements (see pages 10-15) are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net Position is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets. The Statement of Revenues, Expenses and Changes in Net Position focus on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition, 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 ANALYSIS OF THE COLLEGE AS A WHOLE

	Net Position As of June 30,		Increase (Decrease)
	2015	2014	
Current assets	\$ 48,798,480	\$ 46,853,748	\$ 1,944,732
Noncurrent assets			
Capital assets, net of depreciation	66,855,627	66,643,180	212,447
Total assets	115,654,107	113,496,928	2,157,179
Current liabilities	8,328,996	8,886,195	(557,199)
Noncurrent liabilities	17,357,662	20,514,950	(3,157,288)
Total liabilities	25,686,658	29,401,145	(3,714,487)
Deferred inflows of resources	14,152,062	13,617,000	535,062
Net position			
Net investment in capital assets	57,169,658	54,493,477	2,676,181
Restricted for:			
Capital projects	1,815,703	1,814,192	1,511
Grant purposes	38,251	85,341	(47,090)
Debt service	551,032	475,233	75,799
Unrestricted	16,240,743	13,610,540	2,630,203
Total net position	\$ 75,815,387	\$ 70,478,783	\$ 5,336,604

Operating Results for the Years Ended
June 30,

	2015	2014	Increase (Decrease)
Operating revenue:			
Tuition and fees	\$ 10,461,952	\$ 10,700,740	\$ (238,788)
Auxiliary	1,007,114	1,176,054	(168,940)
Department of Corrections instructional	5,822,577	6,088,072	(265,495)
Other	3,222,268	2,258,730	963,538
Total operating revenue	20,513,911	20,223,596	290,315
Less operating expenses	65,017,333	60,686,611	4,330,722
Operating income (loss)	(44,503,422)	(40,463,015)	(4,040,407)
 Non-operating revenue (expenses):			
Other state revenues	13,348,793	13,501,472	(152,679)
SURs on-behalf contributions	10,090,936	8,711,368	1,379,568
Federal and local grants and contracts	11,839,337	9,060,248	2,779,089
Property taxes	13,623,105	13,147,881	475,224
Investment income	291,790	852,594	(560,804)
Interest expense	(120,029)	(283,765)	163,736
Disposal of fixed assets	(2,333)	(788,021)	785,688
Non-operating revenue (net)	49,071,599	44,201,777	4,869,822
Capital appropriations	463,308	596,939	(133,631)
Capital grants	305,119	747,567	(442,448)
Increase in net position	5,336,604	5,083,268	253,336
Net position, beginning of year	70,478,783	65,395,515	5,083,268
Net position, end of year	\$ 75,815,387	\$ 70,478,783	\$ 5,336,604

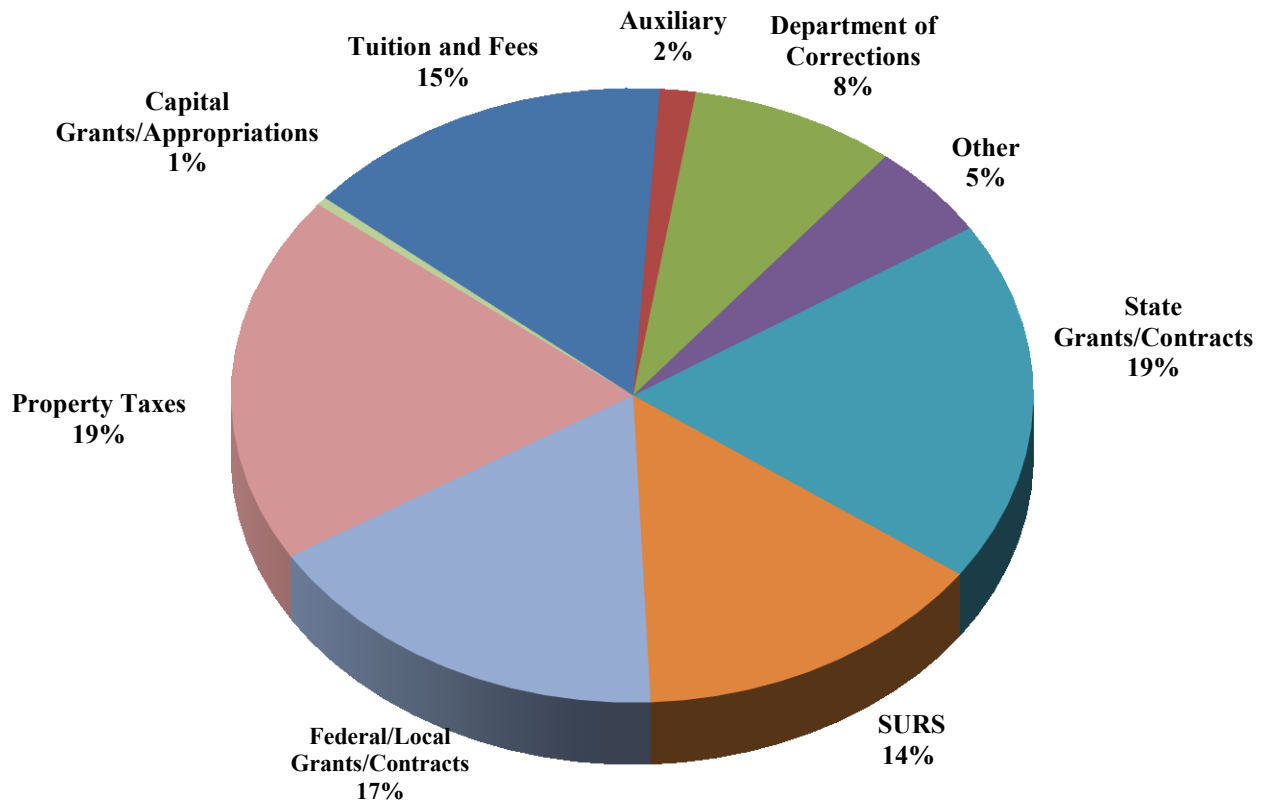
For the year ended June 30, 2015 the College recorded total operating revenues of \$20,513,911 and total operating expenses of \$65,017,333. The difference produced an operating loss of \$44,503,422. Net non-operating revenue of \$49,071,599 plus capital appropriations and contributions totaling \$768,427 offsets this loss and results in an overall increase in net position of \$5,336,604.

Non-operating revenue included local property taxes of \$13,623,105, other state revenues of \$13,348,793, SURs on-behalf contributions of \$10,090,936, federal grants and local contracts of \$11,839,337, investment expense net of interest earnings of \$171,761 and loss on disposal of fixed assets of \$(2,333).

Of the College's total revenue, operating revenue accounted for approximately 30%, non-operating revenues accounted for 69%, and capital appropriations and contributions accounted for 1%. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$10,461,952, auxiliary enterprise revenues totaling \$1,007,114, instructional revenues from the Department of Corrections totaling \$5,822,577 and other miscellaneous revenue of \$3,222,268.

The College had net position at the beginning of the year totaling \$70,478,783. The current year increase in net position of \$5,336,604 brought the total of net position at the end of the year to \$75,815,387.

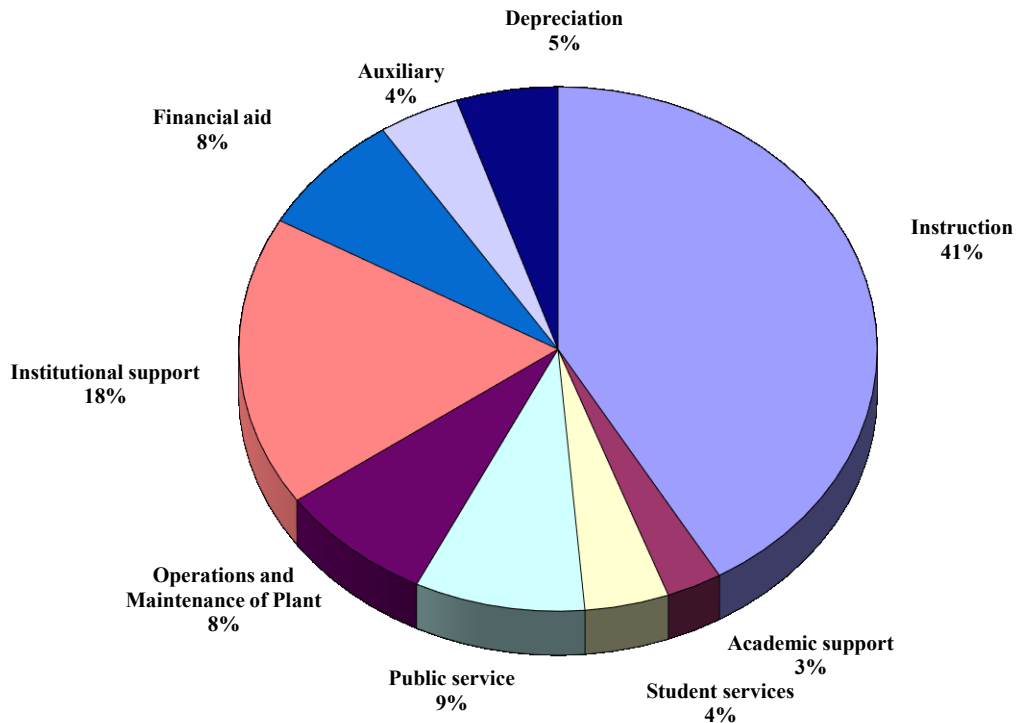
Revenue by Source



Operating Expenses
For the Years Ended June 30,

	2015	2014	Increase (Decrease)
Operating expense			
Instruction	\$ 27,023,032	\$ 27,786,791	\$ (763,759)
Academic support	1,833,507	1,813,390	20,117
Student services	2,776,471	2,785,696	(9,225)
Public service	5,623,651	1,416,557	4,207,094
Operations and maintenance of plant	5,157,264	5,035,017	122,247
Institutional support	11,650,026	10,605,905	1,044,121
Financial aid	4,933,719	5,485,593	(551,874)
Auxiliary	2,673,004	2,573,116	99,888
Depreciation	3,346,659	3,184,546	162,113
Total	\$ 65,017,333	\$ 60,686,611	\$ 4,330,722

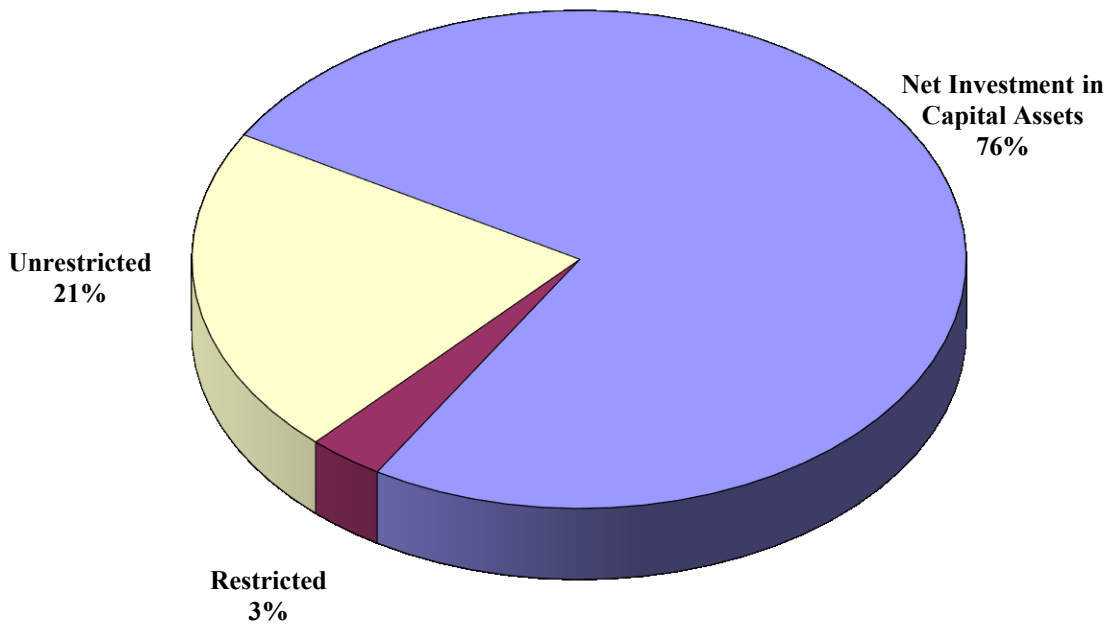
Operating Expenses



Analysis of Net Position
June 30,

	2015	2014	Increase (Decrease)
Net Position			
Net Investment in Capital Assets	\$ 57,169,658	\$ 54,493,477	\$ 2,676,181
Restricted	2,404,986	2,374,766	30,220
Unrestricted	16,240,743	13,610,540	2,630,203
Total	<u>\$ 75,815,387</u>	<u>\$ 70,478,783</u>	<u>\$ 5,336,604</u>

Analysis of Net Position



Capital Assets, Net June 30,			
	2015	2014	Increase (Decrease)
Capital Assets			
Land	\$ 981,487	\$ 981,487	\$ -
Building	78,874,606	78,351,358	523,248
Equipment	8,165,594	7,941,317	224,277
Construction in progress	15,799,832	13,005,760	2,794,072
Total	103,821,519	100,279,922	3,541,597
Less Accumulated Depreciation	(36,965,892)	(33,636,742)	(3,329,150)
Net Capital Assets	\$ 66,855,627	\$ 66,643,180	\$ 212,447

As of June 30, 2015, the College had recorded approximately \$103.8 million invested in capital assets, approximately \$36.9 million in accumulated depreciation and approximately \$66.8 million in net capital assets. Capital asset additions exceeded deletions by approximately \$3.5 million (see Notes 6 and 7). Accumulated depreciation increased approximately \$3.3 million during the year.

During fiscal year 2015 the College did not issue Bonds. During the year, the College paid \$3.7 million in principal on Alternate Revenue Bonds issued in fiscal year 2007, Working Cash Bonds issued in fiscal year 2012, and General Obligation Bonds issued in fiscal year 2010. The balance on the 2007 Alternative Revenue Bonds is \$1.60 million, the balance of the Working Cash Bonds is \$4.8 million, and the balance of the General Obligation Bonds is \$13.1 million at June 30, 2015. The payment schedule for the balance of the remaining bond issues is provided in the notes to the financial statements (see Note 9).

Solar energy can be converted into electricity through photovoltaic methods. During this past year the College completed a 350kW Photovoltaic Solar Array on campus. Recent efficiency performances of solar cells are making it a viable source of energy generation and it is totally non-polluting. By placing solar panels on the roof of classroom buildings, energy generation will be located close to the demand closing the gap to carbon neutrality.

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

THE COLLEGE'S ECONOMIC OUTLOOK

Through prudent financial decisions made during the past two decades by the Board of Trustees, Lake Land College enters the 2016 fiscal year in a solid position. While colleges throughout the state are facing dire financial conditions due to decreased and lethargic state funding, the Board was able to create a budget with a slight deficit while keeping tuition and fees level with the previous year's amount. In addition, nearly 40 percent of the district's graduating high school class chose Lake Land College as their choice for higher education.

While the College is conservatively meeting current financial needs, private, state and federal grants are providing growth opportunities. The College is in the first year of a five year TRiO grant which will assist in developing and educating first generation and low-income college students. The College also plans to continue facilitating the Workforce Innovation and Opportunity Act (WIOA) to enhance our workforce training and education initiative. These grant funds will be used to purchase equipment, develop training programs for jobs of the future, provide finances for personnel and assist dislocated workers.

CONTACTING FINANCIAL MANAGEMENT

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF NET POSITION

June 30, 2015

ASSETS

Current assets:

Cash	\$ 1,620,091
Investments	22,799,693
Receivables, net	21,809,096
Due from component unit	9,344
Inventories	238,017
Prepaid expenditures	506,536
Restricted investments	1,815,703
Total current assets	48,798,480

Noncurrent assets:

Capital assets, net of accumulated depreciation	66,855,627
Total assets	115,654,107

LIABILITIES

Current liabilities:

Accounts payable	1,231,402
Accrued salaries	893,721
Accrued interest payable	47,618
Deposits held for others	166,740
Advances from grantors	170,337
Summer tuition received in advance	1,477,664
Current portion of long-term obligations	4,341,514
Total current liabilities	8,328,996

Noncurrent liabilities:

Accrued compensated absences	321,690
Planned retirement payable	1,255,021
Bonds payable, including bond premium	15,780,951
Total noncurrent liabilities	17,357,662
Total liabilities	25,686,658

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	14,152,062

NET POSITION

Net investment in capital assets	57,169,658
Restricted for:	
Capital projects	1,815,703
Grant purposes	38,251
Debt service	551,032
Unrestricted	16,240,743
Total net position	\$ 75,815,387

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2015

Revenues:	
Operating revenue:	
Student tuition and fees, net of scholarship allowances of \$3,230,555	\$ 10,460,889
Chargeback revenue	1,063
Auxiliary enterprises revenue	1,007,114
Department of Corrections instructional	5,822,577
Revenue from educational services and materials	468,431
Other operating revenue	<u>2,753,837</u>
Total operating revenue	<u>20,513,911</u>
Expenses:	
Operating expenses:	
Instruction	27,023,032
Academic support	1,833,507
Student services	2,776,471
Public service	5,623,651
Operations and maintenance of plant	5,157,264
Institutional support	11,650,026
Financial aid	4,933,719
Auxiliary enterprises	2,673,004
Depreciation	<u>3,346,659</u>
Total operating expenses	<u>65,017,333</u>
Operating loss	<u>(44,503,422)</u>
Non-operating revenues (expenses):	
State grants and contracts	22,976,016
Property taxes	13,623,105
Personal property replacement tax	463,713
Federal grants and contracts	11,264,024
Local grants and contracts	575,313
Loss on disposal of capital assets	(2,333)
Interest expense	(120,029)
Investment income	<u>291,790</u>
Non-operating revenues, net	<u>49,071,599</u>
Income before capital appropriations and grants	4,568,177
Capital appropriations	463,308
Capital grants	<u>305,119</u>
Increase in net position	5,336,604
Net position, beginning of year	<u>70,478,783</u>
Net position, end of year	<u>\$ 75,815,387</u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

Cash flows from operating activities:	
Tuition and fees	\$ 11,225,795
Payments to suppliers	(25,718,909)
Payments to employees	(25,319,585)
Department of Corrections instructional	7,063,092
Auxiliary enterprise charges	1,025,218
Other	<u>2,445,002</u>
Net cash (used) by operating activities	<u>(29,279,387)</u>
Cash flows from noncapital financing activities:	
Local property taxes	13,589,422
State appropriations	13,125,167
Grants and contracts	11,935,525
Principal paid on noncapital debt	(1,275,000)
Interest paid on noncapital debt	(321,000)
Agency receipts	515,891
Agency payments	<u>(506,787)</u>
Net cash provided by noncapital financing activities	<u>37,063,218</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(3,098,131)
Principal paid on capital debt and leases	(2,405,000)
Interest paid on capital debt and leases	(99,082)
Capital grants	<u>305,119</u>
Net cash (used) by capital and related financing activities	<u>(5,297,094)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	1,130,840
Income from investments	735,245
Purchase of investments	<u>(3,302,724)</u>
Net cash (used) by investing activities	<u>(1,436,639)</u>
Net increase in cash	1,050,098
Cash, beginning of year	<u>569,993</u>
Cash, end of year	<u>\$ 1,620,091</u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517
STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2015

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

Operating loss	\$ (44,503,422)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	3,346,659
State on-behalf payments for fringe benefits	10,090,936
Change in assets and liabilities:	
Decrease in operating receivables	888,867
Decrease in due from component unit	31,669
Decrease in inventories and prepaid assets	74,380
(Decrease) in accounts payable	(482,937)
Increase in accrued salaries and compensated absences	40,823
Increase in planned retirement payable	908,980
(Decrease) in advances from grantors	(81,391)
(Decrease) in advances in tuition	(129,013)
Increase in deferred property taxes	535,062
Net cash (used) by operating activities	\$ (29,279,387)

Noncash investing, capital and noncapital financing transactions:

Change in fair value of investments	<u><u>\$ (443,455)</u></u>
Amortization of bond premium	<u><u>\$ 226,114</u></u>
Capital appropriations expended by the Illinois Capital Development Board on behalf of the College	<u><u>\$ 463,308</u></u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2015

ASSETS

Current assets:	
Cash and cash equivalents	\$ 67,755
Investments, current	<u>6,550,070</u>
Total current assets	<u>6,617,825</u>
Noncurrent assets:	
Investments, noncurrent	4,164,211
Works of art	18,248
Property and equipment, net	<u>681,261</u>
Total noncurrent assets	<u>4,863,720</u>
Total assets	<u><u>\$ 11,481,545</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 57
Due to Lake Land College	9,344
Agency funds	80,333
Annuity payable, current	<u>24,946</u>
Total current liabilities	114,680
Noncurrent liabilities:	
Annuity payable	<u>487,977</u>
Total liabilities	602,657
Net assets:	
Unrestricted	2,261,489
Temporarily restricted	4,889,369
Permanently restricted	<u>3,728,030</u>
Total net assets	<u>10,878,888</u>
Total liabilities and net assets	<u><u>\$ 11,481,545</u></u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMPONENT UNIT
LAKE LAND COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and reclassifications:				
Contributions	\$ 225,391	\$ 2,285,493	\$ 37,078	\$ 2,547,962
Special events	44,805	7,207	-	52,012
Rental income	36,600	-	-	36,600
Investment income, net of fees	56,485	177,540	-	234,025
Realized gains	45,477	149,551	-	195,028
Unrealized losses	(76,136)	(299,044)	-	(375,180)
Change in actuarial value of split interest agreements	-	25,530	-	25,530
Net assets released from restrictions	524,121	(524,121)	-	-
	<u>856,743</u>	<u>1,822,156</u>	<u>37,078</u>	<u>2,715,977</u>
Total revenues, gains, and reclassifications				
Expenses				
Program services	587,175	-	-	587,175
Management and general	209,340	-	-	209,340
Fundraising	46,034	-	-	46,034
	<u>842,549</u>	<u>-</u>	<u>-</u>	<u>842,549</u>
Total expenses				
Change in net assets	14,194	1,822,156	37,078	1,873,428
Net assets, beginning of year	<u>2,247,295</u>	<u>3,067,213</u>	<u>3,690,952</u>	<u>9,005,460</u>
Net assets, end of year	<u>\$ 2,261,489</u>	<u>\$ 4,889,369</u>	<u>\$ 3,728,030</u>	<u>\$ 10,878,888</u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

In addition, the accompanying financial statements include the accounts of Lake Land College Foundation, Inc. (Foundation), defined as a component unit of the College under GASB Statements 14, *The Financial Reporting Entity* and 39, *Determining Whether Certain Organizations are Component Units*. The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the College. The 19-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. The economic resources held by the Foundation are entirely for the benefit of the College, its students, and its programs. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

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

During the year ended June 30, 2015, the Foundation provided \$542,062 in scholarships and other support to the College and its students. Financial statements for the Foundation can be obtained by calling the Foundation Office at (217) 234-5354.

Basis of Presentation

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

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

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

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

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges, including GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB No. 68, *Accounting and Financial Reporting for Pensions* for the year ending June 30, 2015.

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

Estimates

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

Cash and Cash Equivalents

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

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

Receivables

Receivables consist of tuition and fee charges to students, auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in Illinois, and property tax receivables as shown in Note 5. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Receivables are recorded net of estimated uncollectible amounts, which is based on management's assessment of collectability of specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Inventories

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

Capital Assets

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

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

Property, plant and equipment of the College are depreciated using the straight-line method over the useful lives shown below. Depreciation expense for fiscal year 2015 is \$3,346,659.

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Library Books and Textbooks

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

Advances from Grantors

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

Summer Tuition Received in Advance

Summer tuition received in advance includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2015.

Deferred Inflows of Resources

A deferred inflow of resources represents the acquisition of resources that are applicable to a future reporting period. At June 30, 2015, deferred inflows of resources includes tax levies accrued that are levied for use in the next fiscal year.

Compensated Absences

The College records a liability for employees' vacation leave earned but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. At June 30, 2015, the College recorded a liability of \$321,690. The College considers the entire liability to be long term based on a review of employee usage.

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

Net Position

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

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

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

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

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.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the plan net position of the State of 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.

Scholarship Discounts and Allowances

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

Property Taxes

The 2014 property tax extension has been deferred to comply with the Government Accounting Standards Board Statement 33 since it was levied to finance activities of the 2015/2016 school year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

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

Federal Financial Assistance Programs

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

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

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

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

Component Unit

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

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

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

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

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

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

Investments are reported at fair value.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

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, 2015, the carrying balance of the College's cash deposits was \$1,620,091 which includes \$2,436 of cash on hand, and the bank balances totaled \$2,234,906, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name. Also, the College's investments in certificates of deposit and a savings account were fully covered by federal depository insurance.

Investments

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

Credit Risk

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

As of June 30, 2015, the College held \$939,193 in the Illinois Funds Money Market Fund with a Standard and Poor's AAAM rating and other money market funds of \$1,832,747 all with Moody's Aaa ratings. The mutual bond funds of \$20,644,168 were unrated as of June 30, 2015.

Custodial Credit Risk

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

2 DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

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

Concentration Risk

The College's investment policy limits investments in collateralized repurchase agreements, commercial paper, and the Illinois Public Treasurer's Investment Pool to 33% of the total investments; investments in banks and mutual bond funds are limited to 90% of the total investments; and 100% of total investments can be invested in U.S. Government securities and money market mutual funds registered under the Investment Company Act of 1940. Mutual Fund investments may hold an allocation of not more than 25% in foreign government bonds. The College's investments, including those restricted, by category at June 30, 2015, were as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>%</u>
Investments administered by Wells Fargo Advisors:		
Open ended mutual bond funds	\$ 20,644,168	83.87
Federal Home Loan Bank Bonds	99,074	0.40
Federal Home Loan Mortgage Corporation Bonds	94,510	0.38
Certificates of deposit	954,824	3.88
Money market accounts	17,027	0.07
Investments administered by First Mid-Illinois Bank Fund Trust:		
Northern Institutional Govt Select Fund	1,815,703	7.37
Illinois Funds Money Market Fund	939,193	3.82
Certificates of deposit	50,880	0.21
G.S. Money Market Fund Class B	17	-
	<u>17</u>	<u>-</u>
Total	<u>\$ 24,615,396</u>	<u>100.00</u>

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

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

2 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

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

Weighted Average Maturity	Mutual Bond Funds	Government Bonds	Certificates of Deposit	Money Market and Savings Accounts	Total
On Demand	\$ -	\$ -	\$ -	\$ 2,771,940	\$ 2,771,940
0-1 Year	4,055,170	193,584	522,393	-	4,771,147
1-3 Years	4,962,408	-	483,311	-	5,445,719
3-7 Years	8,591,886	-	-	-	8,591,886
7-10 Years	2,671,575	-	-	-	2,671,575
10-15 Years	363,129	-	-	-	363,129
Total	<u>\$ 20,644,168</u>	<u>\$ 193,584</u>	<u>\$ 1,005,704</u>	<u>\$ 2,771,940</u>	<u>\$ 24,615,396</u>

3 RECEIVABLES

Receivables consist of the following at June 30, 2015:

Property taxes	\$ 13,913,738
Governmental claims	5,723,464
Student accounts receivable, net of allowances of \$3,670,452	1,438,614
Other receivables	<u>733,280</u>
	<u>\$ 21,809,096</u>

4 RESTRICTED INVESTMENTS

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

5 PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Property taxes receivable and the related allowance for uncollected taxes were computed as follows for the year ended June 30, 2015:

2014 Equalized assessed valuation	<u>\$ 2,615,626,782</u>		
	<u>2014 Taxes Extended</u>	<u>2014 Taxes Collected</u>	<u>Property Taxes Receivable*</u>
General Fund:			
Education Fund	\$ 6,358,589	\$ (107,080)	\$ 6,251,509
Operations, Building and Maintenance Fund	<u>653,907</u>	<u>(11,012)</u>	<u>642,895</u>
Total general funds	<u>7,012,496</u>	<u>(118,092)</u>	<u>6,894,404</u>
Special Revenue Fund:			
Audit Fund	130,781	(2,202)	128,579
Liability, Protection and Settlement Fund	<u>1,520,000</u>	<u>(25,597)</u>	<u>1,494,403</u>
Total special revenue funds	<u>1,650,781</u>	<u>(27,799)</u>	<u>1,622,982</u>
Bond and Interest Fund	<u>4,353,785</u>	<u>(73,319)</u>	<u>4,280,466</u>
Capital Projects Fund:			
Operations, Building and Maintenance Fund (Restricted)	<u>1,135,000</u>	<u>(19,114)</u>	<u>1,115,886</u>
Total	<u>\$ 14,152,062</u>	<u>\$ (238,324)</u>	<u>\$ 13,913,738</u>

* Based on review of prior year property tax receipts, management believes that property taxes receivable will be fully collectible for the fiscal year ended June 30, 2015. Property taxes receivable and the related collections on the 2014 tax levy are recorded as deferred inflows of resources at June 30, 2015.

6 CAPITAL ASSETS

A summary of changes in capital asset categories follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 981,487	\$ -	\$ -	\$ 981,487
Construction in progress	<u>13,005,760</u>	<u>3,113,090</u>	<u>(319,018)</u>	<u>15,799,832</u>
Total capital assets not being depreciated	<u>13,987,247</u>	<u>3,113,090</u>	<u>(319,018)</u>	<u>16,781,319</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

6 CAPITAL ASSETS (Continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets being depreciated:				
Buildings	\$ 78,351,358	\$ 523,248	\$ -	\$ 78,874,606
Equipment	7,941,317	244,119	(19,842)	8,165,594
Total capital assets being depreciated	<u>86,292,675</u>	<u>767,367</u>	<u>(19,842)</u>	<u>87,040,200</u>
Less accumulated depreciation for:				
Buildings	27,017,380	2,768,369	-	29,785,749
Equipment	6,619,362	578,290	(17,509)	7,180,143
Total accumulated depreciation	<u>33,636,742</u>	<u>3,346,659</u>	<u>(17,509)</u>	<u>36,965,892</u>
Total capital assets being depreciated, net	<u>52,655,933</u>	<u>(2,579,292)</u>	<u>(2,333)</u>	<u>50,074,308</u>
Capital assets, net	<u>\$ 66,643,180</u>	<u>\$ 533,798</u>	<u>\$ (321,351)</u>	<u>\$ 66,855,627</u>

7 CONSTRUCTION IN PROGRESS

The College has the following construction projects in progress at June 30, 2015:

	Project Budget	Expended to June 30, 2015	Committed
Energy savings projects			
North East - Energy Savings Renovation	\$ 7,080,193	\$ 7,387,673	\$ (307,480)
Wind Turbine	100,000	108,366	(8,366)
Total energy savings projects	<u>7,180,193</u>	<u>7,496,039</u>	<u>(315,846)</u>
PHS levied projects			
North East Health & Safety Renovation	1,100,000	1,298,655	(198,655)
West Building Renovation	1,400,000	1,141,298	258,702
Wind Turbine	415,242	377,030	38,212
Fire Pump	130,414	115,368	15,046
Well	919,553	936,909	(17,356)
Total PHS levied projects	<u>3,965,209</u>	<u>3,869,260</u>	<u>95,949</u>
DCEO grant projects			
ARRA-Wind	500,000	542,112	(42,112)
Total DCEO grant projects	<u>500,000</u>	<u>542,112</u>	<u>(42,112)</u>
CBJT projects			
Wind Turbine	450,000	485,422	(35,422)
Total CBJT projects	<u>450,000</u>	<u>485,422</u>	<u>(35,422)</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

7 CONSTRUCTION IN PROGRESS (Continued)

	Project Budget	Expended to June 30, 2015	Committed
CDB projects			
Student Center	\$ 12,179,100	\$ 1,507,473	\$ 10,671,627
Total CDB projects	<u>12,179,100</u>	<u>1,507,473</u>	<u>10,671,627</u>
Other projects			
ICECF - Solar Array - VoTech	419,956	430,003	(10,047)
Tuck-pointing Project	374,000	414,003	(40,003)
Solar Array - VoTech - Local	431,048	438,926	(7,878)
Well Field - Local	498,842	513,186	(14,344)
Northeast - Engineering Costs	-	76,004	(76,004)
IL Clean Energy Grant - Wind Turbine	25,690	27,404	(1,714)
Total other projects	<u>1,749,536</u>	<u>1,899,526</u>	<u>(149,990)</u>
Total construction in progress	<u>\$ 26,024,038</u>	<u>\$ 15,799,832</u>	<u>\$ 10,224,206</u>

Construction in progress additions include capitalized interest expense of \$257,048. The Protection Health Safety (PHS) projects are funded through a tax levy (protection health safety) that cannot exceed .05 percent per year.

A new Student Center is being added to the Administration Building. Under a trust agreement that is a prerequisite in obtaining the award from the Capital Development Board (CDB), the College has contributed funds into a government money market account to fund a portion of the local share of the building project. The balance of this account is \$1,815,703 at June 30, 2015.

8 CHANGES IN LONG-TERM LIABILITIES

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Bonds payable	\$ 23,155,000	\$ -	\$ 3,680,000	\$ 19,475,000
Bond premium	733,340	-	226,114	507,226
Planned retirement payable	486,280	1,183,428	274,448	1,395,260
Accrued compensated absences	304,242	17,448	-	321,690
Total	<u>\$ 24,678,862</u>	<u>\$ 1,200,876</u>	<u>\$ 4,180,562</u>	<u>\$ 21,699,176</u>

	Amount Due Within One Year
Bonds payable	\$ 3,975,000
Bond premium	226,275
Planned retirement payable	140,239
Total	<u>\$ 4,341,514</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

9 LONG-TERM DEBT

Long-term debt consists of the following at June 30, 2015:

Alternative revenue bonds, payable in annual principal installments ranging from \$90,000 to \$170,000, and semi-annual interest payments at an average rate of 4.36%, due December 1, 2026.	\$ 1,615,000
Series 2012 general obligation bonds, payable in annual principal installments ranging from \$615,000 to \$3,870,000, and annual interest payments at a stated rate of 4.0% (effective interest rate of 1.80% with bond premium), due December 1, 2016.	4,780,000
Series 2013 general obligation funding bonds, payable in annual principal installments ranging from \$2,580,000 to \$2,635,000, and annual interest payments at a stated rate of 2.0% (effective interest rate of 1.37% with bond premium), due December 1, 2017.	5,215,000
Series 2013B general obligation funding bonds, payable in annual principal installments ranging from \$1,135,000 to \$2,865,000, and annual interest payments at an average rate of 1.75%, due December 1, 2019.	4,000,000
Series 2014 general obligation funding bonds, payable in annual principal installments ranging from \$645,000 to \$1,695,000, and annual interest payments at a stated rate of 3.0% (effective interest rate of 1.48% with bond premium), due December 1, 2018.	3,865,000
	\$ 19,475,000

Total interest expense for the year ended June 30, 2015, was \$603,191, with capitalized interest representing \$257,048 of this amount, and \$120,029 recognized as interest expense in the Statement of Revenues, Expenses and Changes in Net Position. This interest expense of \$120,029 is net of amortization of bond premium of \$226,114.

At June 30, 2015, the annual cash flow requirements of principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 3,975,000	\$ 467,905	\$ 4,442,905
2017	4,245,000	330,731	4,575,731
2018	4,445,000	219,987	4,664,987
2019	4,510,000	117,535	4,627,535
2020-2024	1,815,000	178,904	1,993,904
2025-2029	485,000	30,033	515,033
Long-term debt subtotal	19,475,000	\$ 1,345,095	\$ 20,820,095
Unamortized bond premium	507,226		
Total	\$ 19,982,226		

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

10 LITIGATION

As of June 30, 2015, the College is a defendant in various lawsuits. The College's attorney states no opinion as to the outcome of these cases or the potential for loss. The attorney also states that the College intends to vigorously defend these lawsuits. Management believes that the liability insurance of the College is sufficient to cover the asserted claims.

11 DEFINED BENEFIT PENSION PLANS

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 pensions 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. The College is considered an employer contributing entity.

General Information about the Pension Plan

Plan Description. The College participates in 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, 2014 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

11 DEFINED BENEFIT PENSION PLANS (Continued)

Contributions. The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers, including the College, 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 the Fiscal Year 2045. College contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require the College to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The College's normal cost for fiscal year 2014 and 2015 respectively, was 11.91% and 11.71% 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 the College are established and may be amended by the Illinois General Assembly.

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

Pension Liabilities and Expense

Net Pension Liability

At June 30, 2014, SURS reported a net pension liability (NPL) of \$21,790,983,139. The net pension liability was measured as of June 30, 2013.

College Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$133,240,206 or 0.0061%. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30, 2013 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2014.

Pension Expense

At June 30, 2014, SURS reported a collective net pension expense of \$1,650,338,263.

College Proportionate Share of Pension Expense

The College's proportionate share of collective pension expense is recognized similarly to on-behalf payments as a non-operating revenue and an operating expense, allocated to each educational and general program in these financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2014. As a result, the College recognized on-behalf revenue and pension expense of \$10,090,936 for the fiscal year ended June 30, 2015.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

11 DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	88,940,815	-
Net difference between projected and actual earnings on pension plan investments	-	1,271,105,952
Total	<u>\$ 88,940,815</u>	<u>\$ 1,271,105,952</u>

College's Pension Expense

The College paid \$86,474 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period June 30, 2006-2010 and an economic study completed June 2014. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75% to 12.00%, including inflation
Investment rate of return	7.25% beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

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 asset allocation percentage and by adding expected inflation. Best estimates of 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, 2014, these best estimates are summarized in the following table:

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

11 DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	31%	7.65%
Private equity	6%	8.65%
Non-U.S. equity	21%	7.85%
Global equity	8%	7.90%
Fixed income	19%	2.50%
Treasury-inflation protected securities	4%	2.30%
Real estate	6%	6.20%
REITS	4%	6.20%
Opportunity fund	1%	2.50%
Total	100%	5.00%
Inflation		2.75%
Expected geometrical normal return		7.75%

Discount Rate. A single discount rate of 7.090% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 4.290% (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 2065. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2065, 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 7.09%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
\$ 26,583,701,134	\$ 21,790,983,139	\$ 17,796,570,836

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.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

12 PLANNED RETIREMENT

To enhance long-range planning, College employees are encouraged to submit resignations up to four years in advance of their retirement date. Upon acceptance of the resignation by the Board of Trustees, qualified employees will receive a guaranteed 6% raise on their contractual base salary for each of the last four years of service. A formula using years of service determines a 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, 2015, the balance of the planned retirement liability was \$1,395,260.

13 POST EMPLOYMENT BENEFITS

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

Health, dental and vision benefits include basic benefits for annuitants and 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 retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

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

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of 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.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

14 RISK MANAGEMENT

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

In 2001, the College joined the Community College Insurance Cooperative (CCIC), a public entity risk pool currently operating as a common risk management and insurance program for independent organizations (seven at June 30, 2015). The College pays an annual premium to CCIC for its medical insurance coverage under a retrospectively rated policy (the initial premium is adjusted based on actual experience of the group during the period of coverage). The Agreement for Formation of the CCIC provides that CCIC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured individual.

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

15 INVESTMENTS - COMPONENT UNIT

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

Level 1	Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ended June 30, 2015

15 INVESTMENTS - COMPONENT UNIT (Continued)

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

Investments as of June 30, 2015, consisted of the following:

	Cost	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Fair Value
Money market	\$ 121,057	\$ 121,057	\$ -	\$ 121,057
Mutual funds	3,220,131	3,510,833	-	3,510,833
Exchange traded funds	2,369,873	2,918,180	-	2,918,180
Current	<u>5,711,061</u>	<u>6,550,070</u>	-	<u>6,550,070</u>
Real estate	2,542,875	-	2,542,875	2,542,875
U.S. Government obligations	56,893	-	54,678	54,678
Bonds	1,568,329	-	1,566,658	1,566,658
Noncurrent	<u>4,168,097</u>	-	<u>4,164,211</u>	<u>4,164,211</u>
	<u>\$ 9,879,158</u>	<u>\$ 6,550,070</u>	<u>\$ 4,164,211</u>	<u>\$ 10,714,281</u>

The following schedule summarizes the investment return and its classification in the Statements of Activities for the year ended June 30, 2015:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income	\$ 72,118	\$ 227,387	\$ -	\$ 299,505
Investment fees	(15,633)	(49,847)	-	(65,480)
Realized gains	45,477	149,551	-	195,028
Unrealized losses	(76,136)	(299,044)	-	(375,180)
Total investment return	<u>\$ 25,826</u>	<u>\$ 28,047</u>	<u>\$ -</u>	<u>\$ 53,873</u>

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517
SCHEDULES OF MANAGEMENT INFORMATION
Year Ended June 30, 2015

The following schedules on pages 38 through 51 and 54 through 63 are maintained for management information purposes to comply with Illinois Community College Board regulations.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINED BALANCE SHEET - ALL FUND TYPES

June 30, 2015

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	General	Special Revenue	Bond and Interest	Capital Projects	Auxiliary Enterprise Fund	Expendable Trust Funds	Nonexpendable Trust Funds	
ASSETS								
Cash	\$ 724,696	\$ 108,624	\$ 171,953	\$ 3,958	\$ 453,605	\$ 157,255	\$ -	\$ 1,620,091
Investments	990,073	-	16	-	-	-	21,809,604	22,799,693
Accounts receivable:								
Property taxes	6,894,404	1,622,982	4,280,466	1,115,886	-	-	-	13,913,738
Governmental claims	2,713,000	3,010,464	-	-	-	-	-	5,723,464
Other receivables	1,639,867	517,250	-	-	5,022	9,755	-	2,171,894
Due from other funds	6,595,279	-	500,000	-	1,409,897	-	1,196,671	9,701,847
Due from component unit	9,344	-	-	-	-	-	-	9,344
Inventories	-	-	-	-	238,017	-	-	238,017
Prepaid expenditures	332,186	201,850	-	-	-	-	-	534,036
Restricted investments	-	-	-	1,815,703	-	-	-	1,815,703
Fixed assets, net	-	-	-	-	210,431	-	-	210,431
Total assets	\$ 19,898,849	\$ 5,461,170	\$ 4,952,435	\$ 2,935,547	\$ 2,316,972	\$ 167,010	\$ 23,006,275	\$ 58,738,258
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 645,782	\$ 218,835	\$ -	\$ 360,143	\$ 6,372	\$ 270	\$ -	\$ 1,231,402
Accrued salaries	711,290	169,199	-	-	13,232	-	-	893,721
Accrued compensated absences	268,050	43,200	-	-	10,440	-	-	321,690
Planned retirement payable	1,395,260	-	-	-	-	-	-	1,395,260
Summer tuition and grantor advances	1,550,489	97,512	-	-	-	-	-	1,648,001
Due to other funds	-	3,771,847	-	5,930,000	-	-	-	9,701,847
Deposits held for others	-	-	-	-	-	166,740	-	166,740
Total liabilities	4,570,871	4,300,593	-	6,290,143	30,044	167,010	-	15,358,661
Deferred inflows of resources								
Deferred property taxes	7,012,496	1,650,781	4,353,785	1,135,000	-	-	-	14,152,062
Fund balances:								
Retained earnings	-	-	-	-	2,286,928	-	-	2,286,928
Reserved for construction projects	-	-	-	1,815,703	-	-	-	1,815,703
Unreserved:								
Designated	-	-	598,650	-	-	-	-	598,650
Undesignated	8,315,482	(490,205)	-	(6,305,299)	-	-	23,006,275	24,526,253
Total fund balances	8,315,482	(490,205)	598,650	(4,489,596)	2,286,928	-	23,006,275	29,227,534
Total liabilities, deferred inflows, and fund balances	\$ 19,898,849	\$ 5,461,169	\$ 4,952,435	\$ 2,935,547	\$ 2,316,972	\$ 167,010	\$ 23,006,275	\$ 58,738,257

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenue:						
Local government	\$ 6,665,610	\$ 7,220,641	\$ 555,031	\$ 1,848,106	\$ 1,899,296	\$ 51,190
State government	15,738,160	20,504,345	4,766,185	12,337,248	9,220,691	(3,116,557)
Federal government	14,296	9,130	(5,166)	10,715,356	11,263,392	548,036
Tuition and fees	14,226,185	13,691,444	(534,741)	-	-	-
Other sources	1,253,385	2,576,943	1,323,558	947,675	938,427	(9,248)
Total revenue	<u>37,897,636</u>	<u>44,002,503</u>	<u>6,104,867</u>	<u>25,848,385</u>	<u>23,321,806</u>	<u>(2,526,579)</u>
Expenditures:						
Instruction	17,830,485	20,073,802	2,243,317	10,983,268	7,547,849	(3,435,419)
Academic support	1,811,165	1,843,847	32,682	-	-	-
Student services	3,256,097	2,519,700	(736,397)	348,530	314,758	(33,772)
Public services/Continuing education	1,903,724	1,957,298	53,574	-	3,654,800	3,654,800
Operation and maintenance of plant	4,440,818	4,302,161	(138,657)	629,138	781,439	152,301
Institutional support	7,249,476	8,783,950	1,534,474	1,328,686	3,076,614	1,747,928
Scholarships/Grants/Waivers	227,000	393,814	166,814	12,222,321	7,770,460	(4,451,861)
Capital outlay	-	272,650	272,650	414,098	305,120	(108,978)
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>36,718,765</u>	<u>40,147,222</u>	<u>3,428,457</u>	<u>25,926,041</u>	<u>23,451,040</u>	<u>(2,475,001)</u>
Excess (deficiency) of revenue over expenditures	<u>1,178,871</u>	<u>3,855,281</u>	<u>2,676,410</u>	<u>(77,656)</u>	<u>(129,234)</u>	<u>(51,578)</u>
Other financing sources (uses):						
Proceeds from bond payable	-	-	-	-	-	-
Proceeds from bond premium	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
Transfer to other funds	(1,178,871)	(2,499,955)	(1,321,084)	-	-	-
Total other financing sources (uses)	<u>(1,178,871)</u>	<u>(2,499,955)</u>	<u>(1,321,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>1,355,326</u>	<u>\$ 1,355,326</u>	<u>\$ (77,656)</u>	<u>(129,234)</u>	<u>\$ (51,578)</u>
Fund balances, beginning of year		<u>6,960,156</u>			<u>(360,971)</u>	
Fund balances, end of year		<u>\$ 8,315,482</u>			<u>\$ (490,205)</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	Bond and Interest Fund			Capital Projects Fund			Total (Memorandum Only)		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenue:									
Local government	\$ 4,183,040	\$ 4,213,562	\$ 30,522	\$ 1,100,000	\$ 1,101,853	\$ 1,853	\$ 13,796,756	\$ 14,435,352	\$ 638,596
State government	-	-	-	1,430,158	-	(1,430,158)	29,505,566	29,725,036	219,470
Federal government	-	-	-	-	-	-	10,729,652	11,272,522	542,870
Tuition and fees	-	-	-	-	-	-	14,226,185	13,691,444	(534,741)
Other sources	-	-	-	-	1,511	1,511	2,201,060	3,516,881	1,315,821
Total revenue	<u>4,183,040</u>	<u>4,213,562</u>	<u>30,522</u>	<u>2,530,158</u>	<u>1,103,364</u>	<u>(1,426,794)</u>	<u>70,459,219</u>	<u>72,641,235</u>	<u>2,182,016</u>
Expenditures:									
Instruction	-	-	-	-	-	-	28,813,753	27,621,651	(1,192,102)
Academic support	-	-	-	-	-	-	1,811,165	1,843,847	32,682
Student services	-	-	-	-	-	-	3,604,627	2,834,458	(770,169)
Public services/Continuing education	-	-	-	-	-	-	1,903,724	5,612,098	3,708,374
Operation and maintenance of plant	-	-	-	-	-	-	5,069,956	5,083,600	13,644
Institutional support	-	-	-	-	-	-	8,578,162	11,860,564	3,282,402
Scholarships/Grants/Waivers	-	-	-	-	-	-	12,449,321	8,164,274	(4,285,047)
Capital outlay	-	-	-	2,530,158	2,336,978	(193,180)	2,944,256	2,914,748	(29,508)
Principal retirement	3,680,000	3,679,993	(7)	-	-	-	3,680,000	3,679,993	(7)
Interest and fiscal charges	677,657	677,130	(527)	-	-	-	677,657	677,130	(527)
Total expenditures	<u>4,357,657</u>	<u>4,357,123</u>	<u>(534)</u>	<u>2,530,158</u>	<u>2,336,978</u>	<u>(193,180)</u>	<u>69,532,621</u>	<u>70,292,363</u>	<u>759,742</u>
Excess (deficiency) of revenue over expenditures	<u>(174,617)</u>	<u>(143,561)</u>	<u>31,056</u>	<u>-</u>	<u>(1,233,614)</u>	<u>(1,233,614)</u>	<u>926,598</u>	<u>2,348,872</u>	<u>1,422,274</u>
Other financing sources (uses):									
Proceeds from bonds payable	-	-	-	-	-	-	-	-	-
Proceeds from bond premium	-	-	-	-	-	-	-	-	-
Transfer from other funds	174,617	145,421	(29,196)	175,838	166,940	(8,898)	350,455	312,361	(38,094)
Transfer to other funds	-	-	-	-	-	-	(1,178,871)	(2,499,955)	(1,321,084)
Total other financing sources (uses)	<u>174,617</u>	<u>145,421</u>	<u>(29,196)</u>	<u>175,838</u>	<u>166,940</u>	<u>(8,898)</u>	<u>(828,416)</u>	<u>(2,187,594)</u>	<u>(1,359,178)</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>1,860</u>	<u>\$ 1,860</u>	<u>\$ 175,838</u>	<u>(1,066,674)</u>	<u>\$ (1,242,512)</u>	<u>\$ 98,182</u>	<u>161,278</u>	<u>\$ 63,096</u>
Fund balances, beginning of year		<u>596,790</u>			<u>(3,422,922)</u>			<u>3,773,053</u>	
Fund balances, end of year		<u>\$ 598,650</u>			<u>\$ (4,489,596)</u>			<u>\$ 3,934,331</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	Proprietary Fund Type		Variance Over (Under)
	Enterprise Fund		
	Budget	Actual	
Operating revenue:			
Bookstore sales	\$ 620,286	\$ 526,438	\$ (93,848)
Cafeteria	52,597	43,197	(9,400)
Activity fees	165,000	145,624	(19,376)
Print shop	533,104	584,058	50,954
Farm revenues	110,143	104,947	(5,196)
Auto shop and other	15,000	2,289	(12,711)
Total operating revenue	<u>1,496,130</u>	<u>1,406,553</u>	<u>(89,577)</u>
Operating expenses:			
Salaries	531,004	542,799	11,795
Employee benefits	164,400	120,112	(44,288)
Contractual services	130,785	94,658	(36,127)
General materials and supplies	740,441	731,885	(8,556)
Travel	144,479	130,628	(13,851)
Fixed charges	281,925	303,034	21,109
Capital outlay	93,502	-	(93,502)
Depreciation	-	28,307	28,307
Scholarships/Grants	522,110	719,860	197,750
Other	112,198	134,323	22,125
Total operating expenses	<u>2,720,844</u>	<u>2,805,606</u>	<u>84,762</u>
Net (loss) before operating transfers	(1,224,714)	(1,399,053)	(174,339)
Operating transfers:			
Transfers from other funds	<u>1,224,714</u>	<u>2,187,594</u>	<u>962,880</u>
Net income	<u>\$ -</u>	<u>788,541</u>	<u>\$ 788,541</u>
Retained earnings, July 1, 2014		<u>1,498,387</u>	
Retained earnings, June 30, 2015		<u>\$ 2,286,928</u>	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - GENERAL FUND

June 30, 2015

	Education Fund	Operations, Building, and Maintenance Fund	Total
<u>ASSETS</u>			
Cash	\$ 224,696	\$ 500,000	\$ 724,696
Investments	990,073	-	990,073
Accounts receivable:			
Property taxes	6,251,509	642,895	6,894,404
Governmental claims	2,713,000	-	2,713,000
Other receivables	1,636,367	3,500	1,639,867
Due from component unit	9,344	-	9,344
Due from other funds	3,600,000	2,995,279	6,595,279
Prepaid expenditures	332,186	-	332,186
	<u>\$ 15,757,175</u>	<u>\$ 4,141,674</u>	<u>\$ 19,898,849</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 645,782	\$ -	\$ 645,782
Accrued salaries	703,332	7,958	711,290
Accrued compensated absences	227,537	40,513	268,050
Planned retirement payable	1,395,260	-	1,395,260
Due to other funds	-	-	-
Summer tuition and grantor advances	1,550,489	-	1,550,489
	<u>4,522,400</u>	<u>48,471</u>	<u>4,570,871</u>
 Deferred inflows of resources:			
Deferred property taxes	6,358,589	653,907	7,012,496
 Fund balances:			
Unreserved:			
Designated	-	-	-
Undesignated	4,876,186	3,439,296	8,315,482
	<u>4,876,186</u>	<u>3,439,296</u>	<u>8,315,482</u>
 Total liabilities, deferred inflows, and fund balances			
	<u>\$ 15,757,175</u>	<u>\$ 4,141,674</u>	<u>\$ 19,898,849</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS

June 30, 2015

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<u>ASSETS</u>				
Cash	\$ 108,624	\$ -	\$ -	\$ 108,624
Accounts receivable:				
Property taxes	-	128,579	1,494,403	1,622,982
Governmental claims	3,010,464	-	-	3,010,464
Other receivables	517,250	-	-	517,250
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	201,850	201,850
Total assets	\$ 3,636,338	\$ 128,579	\$ 1,696,253	\$ 5,461,170
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 218,835	\$ -	\$ -	\$ 218,835
Accrued salaries	166,088	-	3,111	169,199
Accrued compensated absences	15,651	2,502	25,047	43,200
Summer tuition and grantor advances	97,512	-	-	97,512
Due to other funds	3,100,000	12,430	659,417	3,771,847
Total liabilities	3,598,086	14,932	687,575	4,300,593
Deferred inflows of resources				
Deferred property taxes	-	130,781	1,520,000	1,650,781
Fund balances:				
Unreserved:				
Designated	-	-	-	-
Undesignated	38,251	(17,134)	(511,322)	(490,205)
Total fund balances	38,251	(17,134)	(511,322)	(490,205)
Total liabilities, deferred inflows, and fund balances	\$ 3,636,337	\$ 128,579	\$ 1,696,253	\$ 5,461,169

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	Education Fund			Operations, Building and Maintenance Fund			Total		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenue:									
Local government sources	\$ 6,015,610	\$ 6,576,141	\$ 560,531	\$ 650,000	\$ 644,500	\$ (5,500)	\$ 6,665,610	\$ 7,220,641	\$ 555,031
State government sources	12,796,608	17,286,499	4,489,891	2,941,552	3,217,846	276,294	15,738,160	20,504,345	4,766,185
Federal government sources	14,296	9,130	(5,166)	-	-	-	14,296	9,130	(5,166)
Tuition and fees	14,226,185	13,691,444	(534,741)	-	-	-	14,226,185	13,691,444	(534,741)
Other sources	763,600	2,027,931	1,264,331	489,785	549,012	59,227	1,253,385	2,576,943	1,323,558
Total revenue	33,816,299	39,591,145	5,774,846	4,081,337	4,411,358	330,021	37,897,636	44,002,503	6,104,867
Expenditures:									
Instruction	17,830,485	20,073,802	2,243,317	-	-	-	17,830,485	20,073,802	2,243,317
Academic support	1,811,165	1,843,847	32,682	-	-	-	1,811,165	1,843,847	32,682
Student services	3,256,097	2,519,700	(736,397)	-	-	-	3,256,097	2,519,700	(736,397)
Public service/Continuing education	1,903,724	1,957,298	53,574	-	-	-	1,903,724	1,957,298	53,574
Operation and maintenance of plant	-	-	-	4,440,818	4,302,161	(138,657)	4,440,818	4,302,161	(138,657)
Institutional support	7,249,476	8,783,950	1,534,474	-	-	-	7,249,476	8,783,950	1,534,474
Scholarships/Grants/Waivers	227,000	393,814	166,814	-	-	-	227,000	393,814	166,814
Capital outlay	-	258,289	258,289	-	14,361	14,361	-	272,650	272,650
Total expenditures	32,277,947	35,830,700	3,552,753	4,440,818	4,316,522	(124,296)	36,718,765	40,147,222	3,428,457
Excess (deficiency) of revenue over expenditures	1,538,352	3,760,445	2,222,093	(359,481)	94,836	454,317	1,178,871	3,855,281	2,676,410
Other financing sources (uses):									
Non-mandatory transfer from (to) other funds	(1,178,871)	(2,510,246)	(1,331,375)	-	10,291	10,291	(1,178,871)	(2,499,955)	(1,321,084)
Total other financing sources (uses)	(1,178,871)	(2,510,246)	(1,331,375)	-	10,291	10,291	(1,178,871)	(2,499,955)	(1,321,084)
Excess (deficiency) of revenue over expenditures and other sources (uses)	\$ 359,481	1,250,199	\$ 890,718	\$ (359,481)	105,127	\$ 464,608	\$ -	1,355,326	\$ 1,355,326
Fund balance, July 1, 2014		3,625,987			3,334,169			6,960,156	
Fund balance, June 30, 2015		\$ 4,876,186			\$ 3,439,296			\$ 8,315,482	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	Restricted Purposes Fund			Audit Fund			Liability, Protection and Settlement Fund			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Over (Under)			Over (Under)			Over (Under)			Over (Under)
Revenue:												
Local government sources	\$ 306,106	\$ 347,471	\$ 41,365	\$112,000	\$112,787	\$ 787	\$ 1,430,000	\$ 1,439,038	\$ 9,038	\$ 1,848,106	\$ 1,899,296	\$ 51,190
State government sources	12,337,248	9,220,691	(3,116,557)	-	-	-	-	-	-	12,337,248	9,220,691	(3,116,557)
Federal government sources	10,715,356	11,263,392	548,036	-	-	-	-	-	-	10,715,356	11,263,392	548,036
Other sources	947,675	938,427	(9,248)	-	-	-	-	-	-	947,675	938,427	(9,248)
Total revenue	24,306,385	21,769,981	(2,536,404)	112,000	112,787	787	1,430,000	1,439,038	9,038	25,848,385	23,321,806	(2,526,579)
Expenditures:												
Instruction	10,983,268	7,547,849	(3,435,419)	-	-	-	-	-	-	10,983,268	7,547,849	(3,435,419)
Academic support	-	-	-	-	-	-	-	-	-	-	-	-
Student services	271,966	234,046	(37,920)	-	-	-	76,564	80,712	4,148	348,530	314,758	(33,772)
Public service/Continuing education	-	3,654,800	3,654,800	-	-	-	-	-	-	-	3,654,800	3,654,800
Operations and maintenance of plant	-	199,851	199,851	-	-	-	629,138	581,588	(47,550)	629,138	781,439	152,301
Institutional support	414,732	2,104,945	1,690,213	112,000	97,799	(14,201)	801,954	873,870	71,916	1,328,686	3,076,614	1,747,928
Scholarships/Grants/Waivers	12,222,321	7,770,460	(4,451,861)	-	-	-	-	-	-	12,222,321	7,770,460	(4,451,861)
Capital outlay	414,098	305,120	(108,978)	-	-	-	-	-	-	414,098	305,120	(108,978)
Total expenditures	24,306,385	21,817,071	(2,489,314)	112,000	97,799	(14,201)	1,507,656	1,536,170	28,514	25,926,041	23,451,040	(2,475,001)
Excess (deficiency) of revenue over expenditures	\$ -	(47,090)	\$ (47,090)	\$ -	14,988	\$ 14,988	\$ (77,656)	(97,132)	\$ (19,476)	\$ (77,656)	(129,234)	\$ (51,578)
Fund balance, July 1, 2014		85,341			(32,122)			(414,190)			(360,971)	
Fund balance, June 30, 2015		\$ 38,251			\$ (17,134)			\$ (511,322)			\$ (490,205)	

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION AND SCHEDULE OF BUDGET BASIS

Year Ended June 30, 2015

RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION

Fund balance - All fund types - budget basis	\$ 29,227,534
Reconciling items:	
Investment in capital assets of governmental fund types	101,621,080
Accumulated depreciation on capital assets of governmental fund types	(36,685,906)
Amount to be provided for debt payments	(19,475,000)
Bond premium	(507,226)
Accrued interest payable	(47,618)
Capitalized interest on construction in progress, including assets placed in service	1,682,523
	<u>1,682,523</u>
Net position on Statement of Net Position	<u>\$ 75,815,387</u>

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

Excess of revenue over expenditures - budget basis	\$ 1,151,876
Reconciling items:	
Depreciation expense on capital assets of governmental fund types	(3,326,932)
Principal repayments of debt	3,680,000
Amortization of bond premium	226,114
Change in accrual of interest for debt	73,939
Purchases of capital assets of governmental fund types	2,813,584
Capital appropriations from Illinois Capital Development Board	463,308
Capitalized interest	257,048
Loss on disposal of capital assets	(2,333)
	<u>(2,333)</u>
Increase in net position	<u>\$ 5,336,604</u>

EXPENDITURES AND TRANSFERS IN EXCESS OF BUDGET

	Budget	Actual Expenditures	Variance Over Budget
Education Fund	\$ 33,456,818	\$ 38,340,946	\$ 4,884,128
Auxiliary Enterprise Fund	\$ 2,720,844	\$ 2,805,606	\$ 84,762
Liability, Protection & Settlement Fund	\$ 1,507,656	\$ 1,536,170	\$ 28,514

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ASSESSED VALUATIONS AND TAXES EXTENDED AND COLLECTED

Levy Years 2014, 2013, and 2012

	<u>2014 Levy</u>	<u>2013 Levy</u>	<u>2012 Levy</u>
Assessed valuations:			
Christian	\$ 68,076,769	\$ 66,859,642	\$ 66,908,662
Clark	192,037,058	183,366,164	179,922,027
Clay	14,847,312	14,073,835	13,268,396
Coles	654,199,196	645,188,186	639,571,953
Crawford	19,045	18,460	17,594
Cumberland	128,649,172	129,666,833	126,683,900
Douglas	73,644,709	69,380,167	64,712,246
Edgar	211,950,082	204,750,073	200,445,509
Effingham	627,555,718	610,339,424	600,024,784
Fayette	103,605,411	101,014,645	95,413,119
Jasper	14,055,017	12,702,340	12,469,721
Macon	4,090,896	3,807,527	3,514,508
Montgomery	2,388,159	2,277,515	2,192,802
Moultrie	230,465,860	223,080,959	210,245,070
Shelby	290,042,378	280,354,327	282,334,080
Total assessed valuations	<u>\$ 2,615,626,782</u>	<u>\$ 2,546,880,097</u>	<u>\$ 2,497,724,371</u>
Tax rates (per \$100 of assessed valuations):			
Education Fund	0.1550	0.1550	0.1570
Foundation Tax	0.0881	0.0843	0.0738
Operations, Building and Maintenance Fund	0.0250	0.0250	0.0250
Bond and Interest Fund	0.1665	0.1652	0.1648
Life Safety	0.0434	0.0446	0.0442
Audit Fund	0.0050	0.0044	0.0043
Liability, Protection and Settlement Fund	0.0582	0.0562	0.0584
Total	<u>0.5412</u>	<u>0.5347</u>	<u>0.5275</u>
Taxes extended:			
Education Fund	\$ 4,054,222	\$ 3,947,664	\$ 3,921,473
Foundation Tax	2,304,367	2,147,020	1,843,381
Operations, Building and Maintenance Fund	653,907	636,720	624,431
Bond and Interest Fund	4,353,785	4,208,596	4,115,715
Life Safety	1,135,000	1,135,000	1,105,000
Audit Fund	130,781	112,000	107,000
Liability, Protection and Settlement Fund	1,520,000	1,430,000	1,459,000
Total	<u>\$ 14,152,062</u>	<u>\$ 13,617,000</u>	<u>\$ 13,176,000</u>
Total current taxes collected	<u>\$ 238,324</u>	<u>\$ 13,608,546</u>	<u>\$ 13,098,601</u>
Percentage of extensions collected	<u>1.68%</u>	<u>99.94%</u>	<u>99.41%</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS

Year Ended June 30, 2015

Levy Year	Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2014	Collected During Year Ended June 30, 2015	Total Collected to June 30, 2015	Percent Collected June 30, 2015	Taxes Written-off
2014	\$ 2,615,626,782	0.5412	\$ 14,152,062	\$ -	\$ 238,324	\$ 238,324	1.68%	\$ -
2013	2,546,880,097	0.5347	13,617,000	200,658	13,407,888	13,608,546	99.94%	-
2012	2,497,724,371	0.5275	13,176,000	13,098,601	-	13,098,601	99.41%	-
Back taxes	-		-	-	-	-		-
		Total	<u>\$ 40,945,062</u>	<u>\$ 13,299,259</u>	<u>\$ 13,646,212</u>	<u>\$ 26,945,471</u>		<u>\$ -</u>

2014 TAXES EXTENDED

	Uncollected June 30, 2015	Estimate for Uncollectible Taxes	Balance after Estimated Uncollectible Taxes
Education	\$ 3,985,948	\$ -	\$ 3,985,948
Foundation	2,265,561	-	2,265,561
Operations, Building and Maintenance	642,895	-	642,895
Bond and Interest	4,280,466	-	4,280,466
Life Safety	1,115,886	-	1,115,886
Audit	128,579	-	128,579
Liability, Protection and Settlement	1,494,403	-	1,494,403
Total	<u>\$ 13,913,738</u>	<u>\$ -</u>	<u>\$ 13,913,738</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF DEBT MATURITIES
GOVERNMENTAL FUND TYPES

Year Ended June 30, 2015

	Bond Type	Interest Rate	Amounts Due During Year			Unpaid Principal Balance June 30, 2015
			Principal	Interest	Total	
2015-2016	Working Cash - Fitness Center	5.75 %	\$ 105,000	\$ 64,599	\$ 169,599	\$ 105,000
2015-2016	Series 2012	4.00 %	3,870,000	113,800	3,983,800	3,870,000
2015-2016	Series 2013	2.00 %	-	104,300	104,300	-
2015-2016	Series 2013B	1.75 %	-	69,256	69,256	-
2015-2016	Series 2014	3.00 %	-	115,950	115,950	-
2016-2017	Working Cash - Fitness Center	5.60 %	110,000	58,500	168,500	110,000
2016-2017	Series 2012	4.00 %	910,000	18,200	928,200	910,000
2016-2017	Series 2013	2.00 %	2,580,000	78,500	2,658,500	2,580,000
2016-2017	Series 2013B	1.75 %	-	69,256	69,256	-
2016-2017	Series 2014	3.00 %	645,000	106,275	751,275	645,000
2017-2018	Working Cash - Fitness Center	3.85 %	115,000	53,206	168,206	115,000
2017-2018	Series 2013	2.00 %	2,635,000	26,350	2,661,350	2,635,000
2017-2018	Series 2013B	1.75 %	-	69,256	69,256	-
2017-2018	Series 2014	3.00 %	1,695,000	71,175	1,766,175	1,695,000
2018-2019	Working Cash - Fitness Center	3.85 %	120,000	48,683	168,683	120,000
2018-2019	Series 2013B	1.75 %	2,865,000	45,978	2,910,978	2,865,000
2018-2019	Series 2014	3.00 %	1,525,000	22,875	1,547,875	1,525,000
2019-2020	Working Cash - Fitness Center	3.90 %	125,000	43,935	168,935	125,000
2019-2020	Series 2013B	2.00 %	1,135,000	11,350	1,146,350	1,135,000
Thereafter	Working Cash - Fitness Center	3.90 - 4.05 %	1,040,000	153,651	1,193,651	1,040,000
Total			<u>\$ 19,475,000</u>	<u>\$ 1,345,095</u>	<u>\$ 20,820,095</u>	<u>\$ 19,475,000</u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF LEGAL DEBT MARGIN

Year Ended June 30, 2015

Assessed valuation - 2014 Levy	<u>\$ 2,615,626,782</u>
Debt limit, 2.875% of assessed valuation (50 ILCS 405/1)	\$ 75,199,270
Less:	
Bond indebtedness	<u>19,475,000</u>
Legal debt margin	<u>\$ 55,724,270</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENSES FOR TORT IMMUNITY PURPOSES

Year Ended June 30, 2015

Administrative salaries	\$	269,147
Administrative benefits		52,456
Campus security salaries		302,842
Campus security benefits		64,701
Contractual services		4,980
Materials and supplies		33,357
Repairs		-
General liability insurance		313,868
Workers compensation insurance		178,544
Unemployment insurance		25,482
Social Security/Medicare		286,196
Travel		4,597
		<hr/>
Total tort immunity purposes expenses	\$	<u>1,536,170</u>

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

The College's tax extension for tort immunity/liability insurance and Social Security/Medicare purposes for tax year 2013 as levied by the counties within the college district was \$1,430,000. 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.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

REQUIRED SUPPLEMENTARY INFORMATION
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS (SURS) FUNDING PROGRESS

Year Ended June 30, 2015

SURS funding progress related to the College for the year ended June 30, 2014 (last date of measurement) is summarized as follows:

College's Proportion Percentage of the Collective Net Pension Liability		0.00%
College's Proportion Amount of the Collective Net Pension Liability (a)	\$	-
College's Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with the College (b)	\$	133,240,206
Total (a) + (b)	\$	133,240,206
College's covered-employee payroll	\$	25,627,463
Proportion of Collective Net Pension Liability associated with College as a percentage of covered-employee payroll		519.91%
SURS Plan Net Position as a percentage of Total Pension Liability		44.39%

College's contribution related to federal, trust, grant and other contributions for the year ended June 30, 2014 (last date of measurement) is summarized as follows:

College's federal, trust, grant and other contribution	\$	61,251
Contribution in relation to required contribution	\$	61,251
Contribution deficiency (excess)	\$	-
College Covered-employee payroll	\$	514,282
Contributions as a percentage of covered-employee payroll		11.91%

College's on-behalf payments for Community College Health Insurance Program as of June 30:

	2015	2014
On-behalf payments	\$ 109,111	\$ 111,183

SURS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule above is intended to show information for 10 years.

Changes of benefit terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2014.

Changes of assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every five years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015. There are no changes of assumptions that affect measurement of the total collective pension liability since the prior measurement date.

ACCOMPANYING INFORMATION

SPECIAL REPORTS SECTION

UNIFORM FINANCIAL STATEMENTS

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
ALL FUNDS SUMMARY

Year Ended June 30, 2015

	Education Fund	Operations, Building and Maintenance Fund	Operations, Building and Maintenance Fund (Restricted)	Bond and Interest Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Auxiliary Enterprise Fund	Trust and Agency Fund	Working Cash Fund	Total (Memorandum Only)
Fund balances, July 1, 2014	\$ 3,625,987	\$ 3,334,169	\$ (3,422,922)	\$ 596,790	\$ 85,341	\$ (32,122)	\$ (414,190)	\$ 1,498,387	\$ -	\$ 22,804,218	\$ 28,075,658
Revenue:											
Local tax revenue	6,111,365	644,500	1,101,853	4,213,562	-	112,787	1,439,038	-	-	-	13,623,105
Other local revenue	464,776	-	-	-	347,471	-	-	-	-	-	812,247
ICCB grants	7,532,792	2,520,447	-	-	2,056,237	-	-	-	-	-	12,109,476
Other state revenue	9,753,707	697,399	-	-	7,164,454	-	-	-	-	-	17,615,560
Federal revenue	9,130	-	-	-	11,263,392	-	-	-	-	-	11,272,522
Student tuition and fees	13,691,444	-	-	-	-	-	-	-	-	-	13,691,444
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	-	-
Other revenue	2,027,931	549,012	1,511	-	938,427	-	-	1,406,553	-	202,057	5,125,491
Total revenue	39,591,145	4,411,358	1,103,364	4,213,562	21,769,981	112,787	1,439,038	1,406,553	-	202,057	74,249,845
Expenditures:											
Instruction	20,077,809	-	-	-	7,737,910	-	-	-	-	-	27,815,719
Academic support	1,958,516	-	-	-	-	-	-	-	-	-	1,958,516
Student services	2,519,700	-	-	-	234,046	-	80,712	-	-	-	2,834,458
Public services/Continuing education	2,025,798	-	-	-	3,654,800	-	-	-	-	-	5,680,598
Auxiliary services	-	-	-	-	-	-	-	2,805,606	-	-	2,805,606
Operations and maintenance	-	4,316,522	2,336,978	677,130	314,910	-	581,588	-	-	-	8,227,128
Institutional support	8,855,063	-	-	3,679,993	2,104,945	97,799	873,870	-	-	-	15,611,670
Scholarships/Grants/Waivers	393,814	-	-	-	7,770,460	-	-	-	-	-	8,164,274
Total expenditures	35,830,700	4,316,522	2,336,978	4,357,123	21,817,071	97,799	1,536,170	2,805,606	-	-	73,097,969
Transfers, net	(2,510,246)	10,291	166,940	145,421	-	-	-	2,187,594	-	-	-
Fund balances, June 30, 2015	\$ 4,876,186	\$ 3,439,296	\$ (4,489,596)	\$ 598,650	\$ 38,251	\$ (17,134)	\$ (511,322)	\$ 2,286,928	\$ -	\$ 23,006,275	\$ 29,227,534

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
SUMMARY OF FIXED ASSETS AND DEBT

Year Ended June 30, 2015

	Fixed Assets/Debt July 1, 2014	Additions	Deletions	Fixed Assets/Debt June 30, 2015
<u>Fixed Assets</u>				
Sites, buildings, additions and improvements	\$ 90,913,133	\$ 3,379,290	\$ (319,018)	\$ 93,973,405
Equipment	7,941,317	244,119	(19,842)	8,165,594
Accumulated depreciation	(260,260)	(19,727)	-	(279,987)
Net fixed assets	\$ 98,594,190	\$ 3,603,682	\$ (338,860)	\$ 101,859,012
 <u>Debt</u>				
Bonds payable	\$ 23,155,000	\$ -	\$ (3,680,000)	\$ 19,475,000
Total fixed liabilities	\$ 23,155,000	\$ -	\$ (3,680,000)	\$ 19,475,000

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
OPERATING REVENUE BY SOURCE

Year Ended June 30, 2015

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
Local government:			
Current taxes	\$ 6,111,365	\$ 644,500	\$ 6,755,865
Chargeback revenue	1,063	-	1,063
Corporate personal property replacement taxes	463,713	-	463,713
Total local government	<u>6,576,141</u>	<u>644,500</u>	<u>7,220,641</u>
State government:			
ICCB Base Operating Grant	4,088,984	-	4,088,984
ICCB Equalization Grant	2,902,644	2,520,447	5,423,091
ICCB Career and Technology Funds	541,164	-	541,164
Illinois Department of Corrections	360,171	-	360,171
SURS contribution	9,393,536	697,399	10,090,935
Total state government	<u>17,286,499</u>	<u>3,217,846</u>	<u>20,504,345</u>
Federal government:			
Pell administrative fee	9,130	-	9,130
Total federal government	<u>9,130</u>	<u>-</u>	<u>9,130</u>
Student tuition and fees:			
Tuition	9,604,357	-	9,604,357
Fees	3,222,536	-	3,222,536
Other student assessments	864,551	-	864,551
Total student tuition and fees	<u>13,691,444</u>	<u>-</u>	<u>13,691,444</u>
Other sources:			
Center for Business and Industry seminars	203,816	-	203,816
Revenue from other educational services and materials	468,431	-	468,431
Facilities rent	-	481,069	481,069
Investment revenue	3,657	-	3,657
Donations	18,390	67,005	85,395
Miscellaneous, including receivable allowance adjustment	1,333,637	938	1,334,575
Total other sources	<u>2,027,931</u>	<u>549,012</u>	<u>2,576,943</u>
Total revenue	39,591,145	4,411,358	44,002,503
Less nonoperating revenue: *			
Tuition chargeback revenue	1,063	-	1,063
Adjusted revenue	<u>\$ 39,590,082</u>	<u>\$ 4,411,358</u>	<u>\$ 44,001,440</u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
OPERATING EXPENDITURES

Year Ended June 30, 2015

	Education Fund	Operations, Building and Maintenance Fund	Total Operating Funds
Expenditures by program:			
Instruction	\$ 20,077,809	\$ -	\$ 20,077,809
Academic support	1,958,516	-	1,958,516
Student services	2,519,700	-	2,519,700
Public services/Continuing education	2,025,798	-	2,025,798
Operations and maintenance	-	4,316,522	4,316,522
Institutional support	8,855,063	-	8,855,063
Scholarships/Grants/Waivers	393,814	-	393,814
Transfers	2,510,246	(10,291)	2,499,955
	38,340,946	4,306,231	42,647,177
Total expenditures by program			
Less nonoperating items:*			
Tuition chargeback	11,670	-	11,670
Transfers to (from) nonoperating funds	2,510,246	(10,291)	2,499,955
	35,819,030	4,316,522	40,135,552
	\$ 35,819,030	\$ 4,316,522	\$ 40,135,552
Expenditures by object:			
Salaries	\$ 16,384,702	\$ 1,217,770	\$ 17,602,472
Employee benefits	12,589,335	1,019,081	13,608,416
Contractual services	1,369,490	404,580	1,774,070
General materials and supplies	2,577,207	360,952	2,938,159
Conference and meeting expense	380,318	3,120	383,438
Fixed charges	538,713	108,143	646,856
Utilities	2,970	1,188,515	1,191,485
Capital outlay	186,177	14,361	200,538
Other	1,407,974	-	1,407,974
Student grants and scholarships	393,814	-	393,814
Transfers	2,510,246	(10,291)	2,499,955
	38,340,946	4,306,231	42,647,177
Total expenditures by object			
Less nonoperating items: *			
Tuition chargeback	11,670	-	11,670
Transfers to (from) nonoperating funds	2,510,246	(10,291)	2,499,955
	35,819,030	4,316,522	40,135,552
	\$ 35,819,030	\$ 4,316,522	\$ 40,135,552

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
RESTRICTED PURPOSES FUND REVENUE BY SOURCE

Year Ended June 30, 2015

Local government:	
Other local sources	<u>\$ 347,471</u>
State government:	
ICCB Credit Hour Grant	1,638,918
ICCB Program Improvement Grant	95,793
ICCB Adult Education and Family Literacy Grant	281,528
ICCB Accelerating Opportunity Implementation Grant	39,998
Highway Construction Careers Training Program	17,155
Illinois State Board of Education	118,128
Illinois Department of Corrections	5,822,577
Illinois Board of Higher Education	22,248
Illinois Department of Public Health	466
Illinois Emergency Management Agency	193,873
Illinois Secretary of State	56,260
Illinois Student Assistance Commission	723,480
Other state sources	<u>210,267</u>
Total state government	<u>9,220,691</u>
Federal government:	
U.S. Department of Education	7,744,895
U.S. Department of Labor	3,423,489
U.S. Department of Veterans Affairs	<u>95,008</u>
Total federal government	<u>11,263,392</u>
Other sources:	
John Deere program	822,335
Illinois Clean Energy Community Foundation	115,059
Miscellaneous	<u>1,033</u>
Total other sources	<u>938,427</u>
Total Restricted Purposes Fund revenue	<u><u>\$ 21,769,981</u></u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
RESTRICTED PURPOSES FUND EXPENDITURES

Year Ended June 30, 2015

Expenditures by program:	
Instruction	\$ 7,737,910
Academic support	-
Student services	234,046
Public services/Continuing education	3,654,800
Operations and maintenance	314,910
Institutional support	2,104,945
Scholarships/Grants/Waivers	7,770,460
	<hr/>
Total expenditures by program	\$ 21,817,071
	<hr/> <hr/>

Expenditures by object:	
Salaries	\$ 6,592,364
Employee benefits	1,918,029
Contractual services	2,708,322
Student financial aid	8,161,688
General materials and supplies	1,403,866
Conference and meeting expense	225,315
Fixed charges	491,884
Utilities	10,483
Capital outlay	305,120
	<hr/>
Total expenditures by object	\$ 21,817,071
	<hr/> <hr/>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

UNIFORM FINANCIAL STATEMENTS
CURRENT FUNDS EXPENDITURES BY ACTIVITY

Year Ended June 30, 2015

Instruction:	
Instructional programs	\$ 22,611,601
Instructional support	5,141,692
Other	62,426
Total instruction	27,815,719
Academic Support:	
Learning resource center	477,310
Academic administration and planning	723,956
Academic computing support	757,250
Total academic support	1,958,516
Student Services:	
Admissions and records	746,897
Counseling and career guidance	867,259
Student financial aid	923,073
Other	297,229
Total student services	2,834,458
Public Service/Continuing Education:	
Center for Business and Industry	600,496
Commercial Driver Training	273,132
LWIOA	3,423,490
Other	1,383,480
Total public service/continuing education	5,680,598
Auxiliary Services	
	2,805,606
Operations and Maintenance of Plant:	
Maintenance	424,383
Custodial services	883,388
Grounds	338,361
Campus security	397,033
Transportation	75,494
Utilities	1,168,870
Administration	1,419,911
Other	505,580
Total operations and maintenance of plant	5,213,020
Institutional Support:	
Executive office	3,823,811
Business office	1,887,856
General administrative services	1,347,728
General institutional support	2,270,599
Institutional research	83,518
Administrative data processing	2,256,707
Non-operating	261,458
Total institutional support	11,931,677
Scholarships/Grants/Waivers	
	8,164,274
Total current fund expenditures *	\$ 66,403,868

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2016

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2016

ALL FISCAL YEAR 2015 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1.	Education Fund	\$	35,572,411
2.	Operations, Building and Maintenance Fund		4,302,161
3.	Public Building Commission and Operation and Maintenance Fund		-
4.	Bond and Interest Fund		677,130
5.	Public Building Commission Rental Fund		-
6.	Restricted Purposes Fund		21,511,950
7.	Audit Fund		97,799
8.	Liability, Protection and Settlement Fund		1,536,170
9.	Auxiliary Enterprises Fund (Subsidy Only)		<u>1,399,053</u>
10.	TOTAL NON-CAPITAL EXPENDITURES (sum of lines 1-9)		<u>\$ 65,096,674</u>
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$	<u>1,880,366</u>
12.	TOTAL COSTS INCLUDED (line 10 plus line 11)		<u>\$ 66,977,040</u>
13.	Total certified semester credit hours for fiscal year 2015		<u>189,513.0</u>
14.	PER CAPITA COST (line 12 divided by line 13)		<u>\$ 353.42</u>
15.	All fiscal year 2015 state and federal operating grants for noncapital expenditures, except ICCB grants	\$	<u>22,400,215</u>
16.	Fiscal year 2015 state and federal grants per semester credit hour (line 15 divided by line 13)		<u>\$ 118.20</u>
17.	District's average ICCB grant rate (excluding equalization grants) for fiscal year 2016		<u>**</u>
18.	District's student tuition and fee rate per semester credit hour for fiscal year 2016		<u>\$ 115.30</u>
19.	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)		<u>**</u>

Approved: ** _____ Date _____
Chief Fiscal Officer

Approved: ** _____ Date _____
Chief Executive Officer

** Data not available for the fiscal year 2016 ICCB grant rates prior to the independent auditor's report date. This form will be completed, signed and submitted at a later date, when that information is available.

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

DOEHRING, WINDERS & Co. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

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

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

and

To the Illinois Board of Higher Education

Report on the Financial Statement

We have audited the Statement of Revenue and Expenditures (modified cash basis) of the Illinois Cooperative Work Study Program Grant of Lake Land College, Community College District #517 (College) for the period of February 3, 2014 through June 30, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

Auditor's Responsibility (continued)

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

Opinion

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois Cooperative Work Study Program Grant fund for Lake Land College for the period of February 3, 2014 through June 30, 2015, in conformity with the modified cash basis described in Note 3. Pursuant to the terms of the grant referred to above, funds were expended for the project in the grant agreement and grant funds were not used for sectarian purposes.

Basis of Accounting

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

Other Matters

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

Doehring, Winkler & Co. LLP

Illinois Department of Professional Regulation
License Number 066-003408
Mattoon, Illinois
September 30, 2015

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

STATEMENT OF REVENUE AND EXPENDITURES
(Modified Cash Basis)

For Grant Period Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenue:		
Cooperative Work Study Program Grant	<u>\$ 22,958</u>	<u>\$ 22,958</u>
Expenditures:		
Work study stipends	<u>22,958</u>	<u>22,958</u>
Total expenditures	<u>22,958</u>	<u>22,958</u>
Excess of revenue over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

ILLINOIS BOARD OF HIGHER EDUCATION
COOPERATIVE WORK STUDY PROGRAM

NOTES TO FINANCIAL STATEMENT

For Grant Period Ended June 30, 2015

1 PROGRAM BACKGROUND

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

2 ORGANIZATION

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

3 BASIS OF PRESENTATION

The financial statement is presented on a modified cash basis. Grants are recorded as revenue when cash is received from the State of Illinois, and expenditures are recorded when incurred or when obligations are established by executing purchase orders or firm contracts as of June 30, 2015. Expenditures must be paid or liquidated within 90 days after close of the program year.

ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS
FINANCIAL-COMPLIANCE SECTION

DOEHRING, WINDERS & Co. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

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

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

Report on the Financial Statements

We have audited the accompanying balance sheets of the Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of Lake Land College, Community College District #517 (College) as of June 30, 2015, and the related statements of revenues, expenditures and changes in fund balance - actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board (ICCB). The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion with the financial statements referred to above and compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants. However, our opinion does not provide a legal determination of the College's compliance.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of the College at June 30, 2015, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2015.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of the College's financial statements. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Program (page 81) is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Programs (page 81) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic grant program financial statements as a whole.

Doehring, Windsor & Co. LLP

Mattoon, Illinois
September 30, 2015

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT
BALANCE SHEET

June 30, 2015

ASSETS

Cash	\$	-
Total assets	\$	-

LIABILITIES AND FUND BALANCE

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

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

Revenue:	
State sources	<u>\$ 95,793</u>
Expenditures:	
Instructional equipment	<u> 95,793</u>
Total expenditures	<u> 95,793</u>
Excess of expenditures over revenue	-
Fund balance, July 1, 2014	<u>-</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

STATE ADULT EDUCATION AND FAMILY LITERACY
RESTRICTED FUNDS
BALANCE SHEET

June 30, 2015

	State Basic	Public Assistance	Performance	Total
<u>ASSETS</u>				
Governmental claims receivable	\$ 12,757	\$ 4,641	\$ 6,062	\$ 23,460
Total assets	\$ 12,757	\$ 4,641	\$ 6,062	\$ 23,460
<u>LIABILITIES AND FUND BALANCE</u>				
Accounts payable	\$ 11,349	\$ 3,734	\$ 4,922	\$ 20,005
Accrued salaries	1,408	907	1,140	3,455
Total liabilities	12,757	4,641	6,062	23,460
Fund balance - reserved for encumbrances	-	-	-	-
Fund balance - unreserved	-	-	-	-
Total liabilities and fund balance	\$ 12,757	\$ 4,641	\$ 6,062	\$ 23,460

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	<u>State Basic</u>	<u>Public Assistance</u>	<u>Performance</u>	<u>Total</u>
Revenue:				
State sources	\$ 153,088	\$ 55,697	\$ 72,743	\$ 281,528
Total revenue	<u>153,088</u>	<u>55,697</u>	<u>72,743</u>	<u>281,528</u>
Expenditures:				
Instructional and Student Services:				
Instruction	86,996	25,846	-	112,842
Social work services	20,177	-	-	20,177
Guidance services	-	20,177	12,744	32,921
Assistive and adaptive equipment	-	-	-	-
Assessment and testing	-	-	1,000	1,000
Student transportation services	-	-	-	-
Literacy services	-	-	-	-
Child care services	-	-	-	-
Total instructional and student services	<u>107,173</u>	<u>46,023</u>	<u>13,744</u>	<u>166,940</u>
Program Support:				
Improvement of instructional services	-	-	-	-
General administration	16,420	-	25,705	42,125
Operation & maintenance of plant services	-	-	12,803	12,803
Workforce coordination	20,288	-	6,015	26,303
Data and information services	9,207	10,194	16,044	35,445
Approved indirect costs	-	-	-	-
Total program support	<u>45,915</u>	<u>10,194</u>	<u>60,567</u>	<u>116,676</u>
Total expenditures	<u>153,088</u>	<u>56,217</u>	<u>74,311</u>	<u>283,616</u>
Excess (deficiency) of revenue over expenditures	-	(520)	(1,568)	(2,088)
Fund balance, July 1, 2014	<u>-</u>	<u>520</u>	<u>1,568</u>	<u>2,088</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

June 30, 2015

ASSETS

Government claims receivable	\$ 62,014
	<hr/>
Total assets	\$ 62,014
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 61,379
Accrued salaries	635
	<hr/>
Total liabilities	62,014
Fund balance - unreserved	<hr/> -
	<hr/>
Total liabilities and fund balance	\$ 62,014
	<hr/> <hr/>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

Revenue:	
Federal sources	\$ 136,157
Total revenue	<u>136,157</u>
Expenditures:	
Instructional and Student Services:	
Instruction	91,513
Social work services	23,004
Guidance services	15,010
Assistive and adaptive equipment	-
Assessment and training	-
Total instruction and student services	<u>129,527</u>
Program Support:	
General administration	2,930
Workforce coordinatin	3,700
Data and information services	-
Total program support	<u>6,630</u>
Total expenditures	<u>136,157</u>
Excess of revenue over expenditures	-
Fund balance, July 1, 2014	<u>-</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO ICCB GRANT PROGRAMS FINANCIAL STATEMENTS

Year Ended June 30, 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2015. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Fixed Assets

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

2 PAYMENT OF PRIOR YEAR'S ENCUMBRANCES

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% minimum required)	\$ 86,996	57%
General administration (15% maximum allowed)	\$ 16,420	11%
State Public Assistance		
Instruction (45% minimum required)	\$ 25,846	46%
General administration (15% maximum allowed)	\$ -	0%

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2015

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Equalization Grants

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

Performance Grants

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

Restricted Grants/Special Initiatives

Career and Technical Education-Program Improvement Grants

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

Restricted Adult Education Grants/State

State Basic

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

Public Assistance

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

Performance

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

BACKGROUND INFORMATION ON ICCB GRANT ACTIVITY

Year Ended June 30, 2015

Restricted Adult Education Grants/State (Continued)

Federal Basic

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

COMPLIANCE SECTION
ENROLLMENT DATA

DOEHRING, WINDERS & Co. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

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

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

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Lake Land College, Community College District #517, for the year ended June 30, 2015.

Management's Responsibility

This Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's management. Management's responsibilities include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based upon our audit. Our audit was made in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

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

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

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Schedule of Student Enrollment and Other Bases Upon Which Claims are Filed of the College. The supplementary reconciliation of Semester Credit Hours (page 88) and Documentation of Residency Verification Steps (page 89) are presented for purposes of additional analysis and are not a required part of the schedule, but are supplementary information required by the Illinois Community College Board.

The supplementary reconciliation of Semester Credit Hours and Documentation of Residency Verification Steps are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the schedule. Such information has been subjected to the auditing procedures applied in the audit of the schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule or to the schedule itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the schedule as a whole.

Doehring, Winters & Co. LLP

Mattoon, Illinois
September 30, 2015

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

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

Year Ended June 30, 2015

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	9,751.0	0.0	33,813.0	0.0	34,285.0	36.0	77,849.0	36.0
Business occupational	5,192.0	0.0	11,300.0	27.0	11,088.0	20.0	27,580.0	47.0
Technical occupational	9,379.5	0.0	21,364.0	122.0	24,290.5	103.0	55,034.0	225.0
Health occupational	2,977.5	0.0	7,870.0	72.0	9,603.5	176.0	20,451.0	248.0
Remedial development	768.5	0.0	3,058.5	0.0	2,174.5	0.0	6,001.5	0.0
Adult basic/ secondary education	21.0	0.0	41.0	1,053.5	64.5	861.5	126.5	1,915.0
Total credit hours	28,089.5	0.0	77,446.5	1,274.5	81,506.0	1,196.5	187,042.0	2,471.0

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

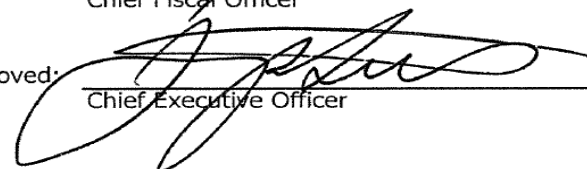
	Attending Out-of-District on Chargeback		Total	Dual Credit	Dual Enrollment
	Attending In-District	or Contractual Agreement			
Reimbursable semester credit hours	101,290.0	302.5	101,592.5	11,980.0	0.0

District prior-year equalized assessed valuation \$ 2,615,626,782

Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	717.0	1,263.0	1,431.0	3,411.0
Business occupational	2,530.0	4,818.5	4,580.5	11,929.0
Technical occupational	7,528.0	13,204.5	15,125.5	35,858.0
Remedial developmental	162.0	363.0	392.0	917.0
Total credit hours	10,937.0	19,649.0	21,529.0	52,115.0

Approved: 
Chief Fiscal Officer

29 Sep 15
Date

Approved: 
Chief Executive Officer

9/29/15
Date

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS

Year Ended June 30, 2015

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	77,849.0	77,849.0	0.0	36.0	36.0	0.0
Business occupational	27,580.0	27,580.0	0.0	47.0	47.0	0.0
Technical occupational	55,034.0	55,034.0	0.0	225.0	225.0	0.0
Health occupational	20,451.0	20,451.0	0.0	248.0	248.0	0.0
Remedial developmental	6,001.5	6,001.5	0.0	0.0	0.0	0.0
Adult basic/ secondary education	126.5	126.5	0.0	1,915.0	1,915.0	0.0
Total	<u>187,042.0</u>	<u>187,042.0</u>	<u>0.0</u>	<u>2,471.0</u>	<u>2,471.0</u>	<u>0.0</u>

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

Year Ended June 30, 2015

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	101,290.0	101,290.0	0.0
Out-of-district on chargeback or contractual agreement	302.5	302.5	0.0
Total	<u>101,592.5</u>	<u>101,592.5</u>	<u>0.0</u>

	Total Reimbursable	Total Reimbursable as Certified to the ICCB	Difference
Dual credit	11,980.0	11,980.0	0.0
Dual enrollment	0.0	0.0	0.0
Total	<u>11,980.0</u>	<u>11,980.0</u>	<u>0.0</u>

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS

Year Ended June 30, 2015

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	3,411.0	3,411.0	0.0
Business occupational	11,929.0	11,929.0	0.0
Technical occupational	35,858.0	35,858.0	0.0
Remedial developmental	917.0	917.0	0.0
Total	<u>52,115.0</u>	<u>52,115.0</u>	<u>0.0</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS

Year Ended June 30, 2015

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

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

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

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

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

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SUMMARY OF ASSESSED VALUATIONS
Most Recent Three Years

Year Ended June 30, 2015

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2014	\$ 2,615,626,782
2013	2,546,880,097
2012	<u>2,497,724,371</u>
Total	<u>\$ 7,660,231,250</u>

FEDERAL AWARDS - COMPLIANCE SECTION

DOEHRING, WINDERS & CO. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity and the discretely presented component unit of Lake Land College, Community College District #517 (College), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated September 30, 2015. The financial statements of the Lake Land College Foundation, Inc. (component unit of the College) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. Finding 2015-01.

Compliance and Other Matters

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

College's Response to Finding

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

Purpose of this Report

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

Doehring, Winters & Co. LLP

Mattoon, Illinois
September 30, 2015

DOEHRING, WINDERS & Co. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61988

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

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

Report on Compliance for Each Major Federal Program

We have audited Lake Land College, Community College District #517's (College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2015. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management' Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2015.

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

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

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

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dohring, Winkler & Co. LLP

Mattoon, Illinois
September 30, 2015

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
Supplemental Educational Opportunity Grants	84.007A	N/A	(1) \$ 76,809
Direct Student Loans	84.268	N/A	(1) 1,848,996
College Work Study	84.033A	N/A	(1) 74,117
Pell Grant Program - Fiscal Year 2015	84.063P	N/A	(1) <u>6,787,927</u>
Total Student Financial Assistance Cluster			<u>8,787,849</u>
TRIO - Student Support Services	84.042A	N/A	(2) 234,046
TRIO - Talent Search	84.044A	N/A	(2) <u>214,005</u>
Total TRIO Cluster			<u>448,051</u>
<i>Passed through Illinois Community College Board:</i>			
Adult Education - Basic Grants to States	84.002A	51701	136,157
Perkins Postsecondary Federal Allocation	84.048	CTE51715	220,966
Career and Technical Education - Dual Credit Enhancement	84.048	15DCE517	<u>9,998</u>
Total passed through the Illinois Community College Board			<u>367,121</u>
Total U.S. Department of Education			<u>9,603,021</u>
U.S. Department of Veteran Affairs			
Post 9/11 - Veterans Educational Assistance	64.028	N/A	<u>95,008</u>
Total U.S. Department of Veteran Affairs			<u>95,008</u>

See accompanying notes to schedule of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Subtotal, from previous page			\$ 9,698,029
U.S. Department of Labor			
<i>Passed through Illinois Department of Commerce and Economic Opportunity:</i>			
Workforce Investment Act (WIA) Cluster:			
WIA Formula Funds:			
WIA Adult Program	17.258	14-681023	(3) 641,866
WIA Youth Activities	17.259	14-681023	(3) 796,162
WIA Dislocated Workers	17.278	14-681023	(3) 924,153
			<u>2,362,181</u>
WIA Adult Program	17.258	13-681123	(3) 184,348
WIA Youth Activities	17.259	13-681123	(3) 153,018
WIA Dislocated Workers	17.278	13-681123	(3) 367,733
			<u>705,099</u>
WIA Trade Case Management			
WIA Dislocated Workers	17.278	13-653123	(3) 27,335
Total WIA Cluster			<u>3,094,615</u>
WIA NEG Dislocated Worker Training			
WIA National Emergency Grants	17.277	13-671123	61,251
Trade Adjustment Assistance Program	17.245	13-661023	196,296
Trade Adjustment Assistance Program	17.245	12-661123	71,327
Total Trade Adjustment Assistance Program			<u>267,623</u>
Total U.S. Department of Labor			<u>3,423,489</u>
Total Federal Awards			<u>\$ 13,121,518</u>

See accompanying notes to schedule of expenditures of federal awards.

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

1 GENERAL

The accompanying schedule of federal awards presents the activity of all federal award programs of Lake Land College, Community College District #517 (College) for the year ended June 30, 2015. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. The College was not involved in any insurance programs and did not receive any noncash assistance awards during the year.

2 BASIS OF ACCOUNTING

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

3 GUARANTEED STUDENT LOANS

During fiscal year 2015, the College participated in two guaranteed student loan programs sponsored by the U.S. Department of Education.

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

During fiscal year 2015, the College's students or their parents were eligible to receive the following guaranteed loans:

Stafford Loans:	
Subsidized	\$ 1,239,820
Unsubsidized	557,413
Parents Loans for Undergraduate Students (PLUS)	<u>108,241</u>
Total	<u><u>\$ 1,905,474</u></u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2015

4 RESTRICTED GRANTS/FEDERAL

Federal Basic

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

Restricted Vocational Education Grants to State (Perkins)/Federal

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

5 AMOUNTS PROVIDED TO SUBRECIPIENTS

During fiscal year 2015, the College maintained subrecipient agreements with C.E.F.S. Economic Opportunity Corp. under the Workforce Investment Act Cluster. The amount provided to C.E.F.S. through this Act amounted to \$2,935,389.

6 MAJOR PROGRAMS

The following federal program expenditures comprise major program expenditures under OMB Circular A-133 for the year ended June 30, 2015. Major programs are indicated in the Schedule of Expenditures of Federal Awards by (1), (2) and (3):

(1) Student Financial Aid Cluster	\$ 8,787,849
(2) TRIO Cluster	448,051
(3) Workforce Investment Act Cluster	<u>3,094,615</u>
Total major program expenditures	12,330,515
Nonmajor program expenditures	<u>791,003</u>
Total federal expenditures	<u><u>\$ 13,121,518</u></u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2015

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

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

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

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

Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$ 13,121,518
Subtract:	
Direct loans included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(1,848,996)</u>
Total federal grants and contracts and capital grants revenues shown in the Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 11,272,522</u>
Federal grants and contracts	\$ 11,264,024
Capital grants - federal	<u>8,498</u>
Total federal grants and contracts and capital grants revenues shown in the Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 11,272,522</u>

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program
84.007A, 84.033A, 84.063P, 84.268 84.042A, 84.044A 17.258, 17.259, 17.278	Student Financial Aid Cluster TRIO Cluster Workforce Investment Act Cluster

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

Auditee qualified as low-risk auditee? X Yes No

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2015

FINDINGS AND QUESTIONED COSTS FOR FINANCIAL REPORTING

2015-01 Internal Control over Preparation of Financial Statements

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

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

RECOMMENDATION

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

COLLEGE RESPONSE

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

LAKE LAND COLLEGE
COMMUNITY COLLEGE DISTRICT #517

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2015

SCHEDULE OF PRIOR FINDINGS

None noted.