

ILLINOIS CENTRAL COLLEGE DISTRICT 514

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2017 AND 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Illinois Central College District 514
East Peoria, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of Illinois Central College District 514 (the District), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the District's component unit were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the District as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages IV-XIV, the schedule of funding progress for the Illinois Central College Retiree Medical and Life Program on page 37, and the defined benefit pension plan information on page 38 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, Certification of Chargeback Reimbursement, Uniform Financial Statements, and Equalized Assessed Value and Taxes Extended 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Basis for Qualification

The District has elected to recognize the 2017 state funding of \$4,068,204 as a receivable and revenue as of June 30, 2017. In our opinion, accounting principles generally accepted in the United States of America require that an appropriation for such funding occur prior to the recognition of the receivable and revenue. The appropriation did not occur until July 6, 2017.

The combining and individual nonmajor fund financial statements, Uniform Financial Statements, the Certification of Chargeback Reimbursement, Equalized Assessed Value and Taxes Extended, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in the "Basis for Qualification" paragraph above, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Documentation of Residency Verification Steps on page 77 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2017, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's 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 Illinois Central College District 514's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017 AND 2016**

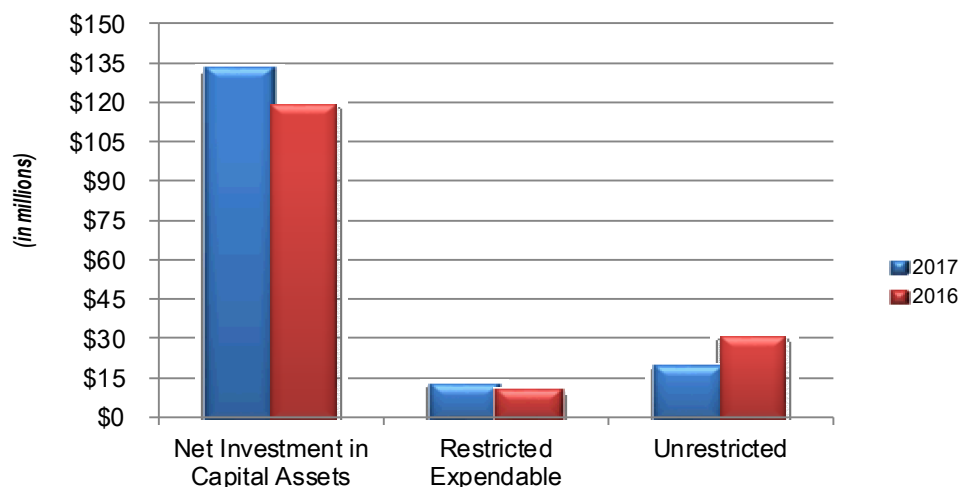
This section of Illinois Central College's Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2017, and June 30, 2016. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements (pages 1 through 5) and the footnotes (pages 6 through 36). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The College financial statements (see pages 1 through 36) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities, which are supported mainly by property taxes, student tuition, and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of cost of various College services to students and the public. The College's Educational Foundation is included and presented as a component unit as required by Governmental Accounting Standards. Further information on the component unit can be found in the attached notes to the financial statements.

Financial Highlights

Comparison of Net Position – FY 2017 and 2016



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Financial Analysis of the Total Reporting Entity

Net Position As of June 30, (in millions)							
	Increase (Decrease) 2017-2016				Increase (Decrease) 2016-2015		
	2017	2016		Percent Change	2015		Percent Change
Current Assets	\$ 78.9	\$ 89.9	\$ (11.0)	-12.2%	\$ 95.6	\$ (5.7)	-6.0%
Non-Current Assets							
Other	7.7	5.8	1.9	32.8%	5.7	0.1	1.8%
Capital Assets, Net of Depreciation	170.5	153.2	17.3	11.3%	143.4	9.8	6.8%
Deferred outflows of resources	0.2	0.3	(0.1)	-33.3%	0.4	(0.1)	100.0%
Total Assets	<u>257.3</u>	<u>249.2</u>	<u>8.1</u>	<u>3.3%</u>	<u>245.1</u>	<u>4.1</u>	<u>1.7%</u>
Current Liabilities	12.7	14.6	(1.9)	-13.0%	12.7	1.9	15.0%
Non-Current Liabilities	41.4	35.7	5.7	16.0%	35.0	0.7	2.0%
Total Liabilities	<u>54.1</u>	<u>50.3</u>	<u>3.8</u>	<u>7.6%</u>	<u>47.7</u>	<u>2.6</u>	<u>5.5%</u>
Deferred inflows of resources	38.4	38.3	0.1	0.3%	35.4	2.9	8.2%
Net Position							
Net Investment in Capital Assets	132.7	119.3	13.4	11.2%	121.9	(2.6)	-2.1%
Restricted Expendable	12.7	10.6	2.1	19.8%	5.2	5.4	103.8%
Unrestricted	19.4	30.7	(11.3)	-36.8%	34.9	(4.2)	-12.0%
Total Net Position	<u>\$ 164.8</u>	<u>\$ 160.6</u>	<u>\$ 4.2</u>	<u>2.6%</u>	<u>\$ 162.0</u>	<u>\$ (1.4)</u>	<u>-0.9%</u>

This schedule is prepared from the College's statement of net position (pages 1 and 2) which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Fiscal Year 2017 Compared to 2016

The \$8.1 million increase in total assets is attributed to an increase in net capital assets offset by lower current assets, specifically cash and investments. The College's cash position is lower than the prior year as a result of the planned capital spending associated with ongoing renovations of the Peoria Campus.

Total liabilities are higher as compared to the prior year as a result of the increase in Non-Current Liabilities, specifically Bonds Payable, due primarily to the issuance of \$10 million of additional bonding to support various capital projects at both the Peoria and East Peoria Campuses.

The overall change in the College's net position is attributed primarily to an increase in property tax revenue of \$2.9 million and an increase in other State of Illinois funding of \$1 million. The changes in the Net Investment in Capital Assets and Unrestricted reflect the College investment in renovations at the Peoria Campus.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016

Fiscal Year 2016 Compared to 2015

The \$4.2 million increase in total assets is attributed to an increase in net capital assets offset by lower current assets, specifically cash and investments. The College's cash position is lower than the prior year as a result of the planned capital spending associated with ongoing renovations of the North Campus coupled with the impact of the operating loss for the year.

Total liabilities are higher as compared to the prior year as a result of the increase in Current Liabilities, specifically Accounts Payable, due primarily to the timing of payments for construction billings associated with Capital improvements at North Campus as noted above.

Deferred inflows of resources is higher because of the increase in deferred property tax revenue associated with increase in the overall tax levy applicable to fiscal year 2016.

Operating Results for the Years Ended June 30, (in millions)							
	2017	2016	Increase (Decrease) 2017-2016	Percent Change	2015	Increase (Decrease) 2016-2015	Percent Change
Operating Revenue							
Tuition and Fees	\$ 24.0	\$ 23.5	\$ 0.5	2.1%	\$ 23.2	\$ 0.3	1.3%
Auxiliary	6.6	6.9	(0.3)	-4.3%	7.7	(0.8)	-10.4%
Funded Grants & Contracts	16.4	16.3	0.1	0.6%	22.1	(5.8)	-26.2%
Other	1.0	0.8	0.2	25.0%	0.9	(0.1)	-11.1%
Total	<u>48.0</u>	<u>47.5</u>	<u>0.5</u>	<u>1.1%</u>	<u>53.9</u>	<u>(6.4)</u>	<u>-11.9%</u>
Less Operating Expenses	107.9	103.0	4.9	4.8%	105.0	(2.0)	-1.9%
Net Operating Loss	<u>(59.9)</u>	<u>(55.5)</u>	<u>(4.4)</u>	<u>-7.9%</u>	<u>(51.1)</u>	<u>(4.4)</u>	<u>-8.6%</u>
Non-Operating Revenue							
State Grants & Contracts	24.5	18.9	5.6	29.6%	17.4	1.5	8.6%
Federal & Local Grants & Contracts	1.2	1.4	(0.2)	-14.3%	2.4	(1.0)	-41.7%
Property Taxes	34.6	31.6	3.0	9.5%	31.5	0.1	0.3%
Corporate Personal Property Tax	3.2	2.9	0.3	10.3%	3.2	(0.3)	-9.4%
Other	0.6	(0.7)	1.3	-185.7%	(0.7)	-	- %
Total	<u>64.1</u>	<u>54.1</u>	<u>10.0</u>	<u>18.5%</u>	<u>53.8</u>	<u>0.3</u>	<u>0.6%</u>
(Decrease) in Net Position	4.2	(1.4)	5.6	-400.0%	2.7	(4.1)	-151.9%
Net Position, Beginning of Year	160.6	162.0	(1.4)	-0.9%	159.3	2.7	1.7%
Net Position, End of Year	<u>\$ 164.8</u>	<u>\$ 160.6</u>	<u>\$ 4.2</u>	<u>2.6%</u>	<u>\$ 162.0</u>	<u>\$ (1.4)</u>	<u>-0.9%</u>
Total Revenues	<u>\$ 113.0</u>	<u>\$ 103.4</u>	<u>\$ 9.6</u>	<u>9.3%</u>	<u>\$ 109.8</u>	<u>\$ (6.4)</u>	<u>-5.8%</u>
Total Expenses	<u>\$ 108.9</u>	<u>\$ 104.7</u>	<u>\$ 4.2</u>	<u>4.0%</u>	<u>\$ 107.1</u>	<u>\$ (2.4)</u>	<u>-2.2%</u>

Fiscal Year 2017 Compared to 2016

The operating revenue was level with the prior year. The Net Operating loss was negatively influenced by increased operating expenses resulting from the SURS on behalf of pension payments exceeding the prior year by \$5 million.

Non-Operating Revenue increased \$9.9 million due to an increase in State Grants & Contracts reflecting a higher annual adjustment for the SURS on-behalf-of pension payments made by the State as well as an increase in property taxes.

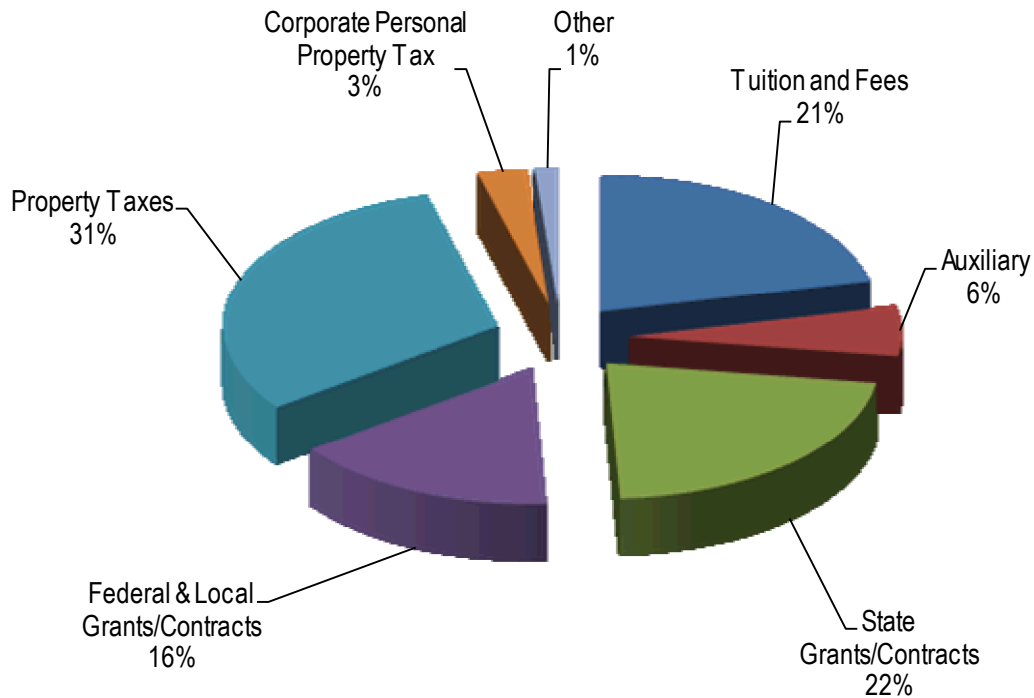
**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Fiscal Year 2016 Compared to 2015

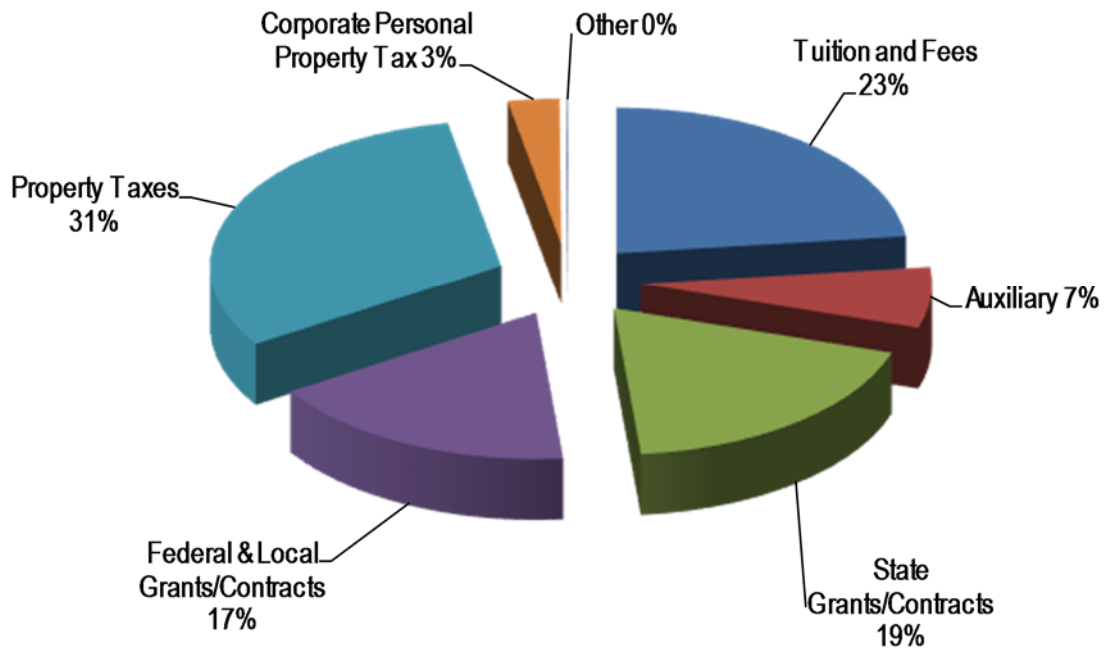
The operating revenue decline is attributed to a \$3.8 million loss in funding from the State coupled with a \$2.0 million reduction in Federal financial assistance due to lower enrollment levels for the year.

Non-Operating Revenue was relatively unchanged but reflected an increase in State Grants & Contracts reflecting a higher annual adjustment for the SURS on-behalf-of pension payments made by the State offset by lower Federal & Local Grants as the College transitioned away from its fiscal agent responsibilities for the Workforce Investment grant.

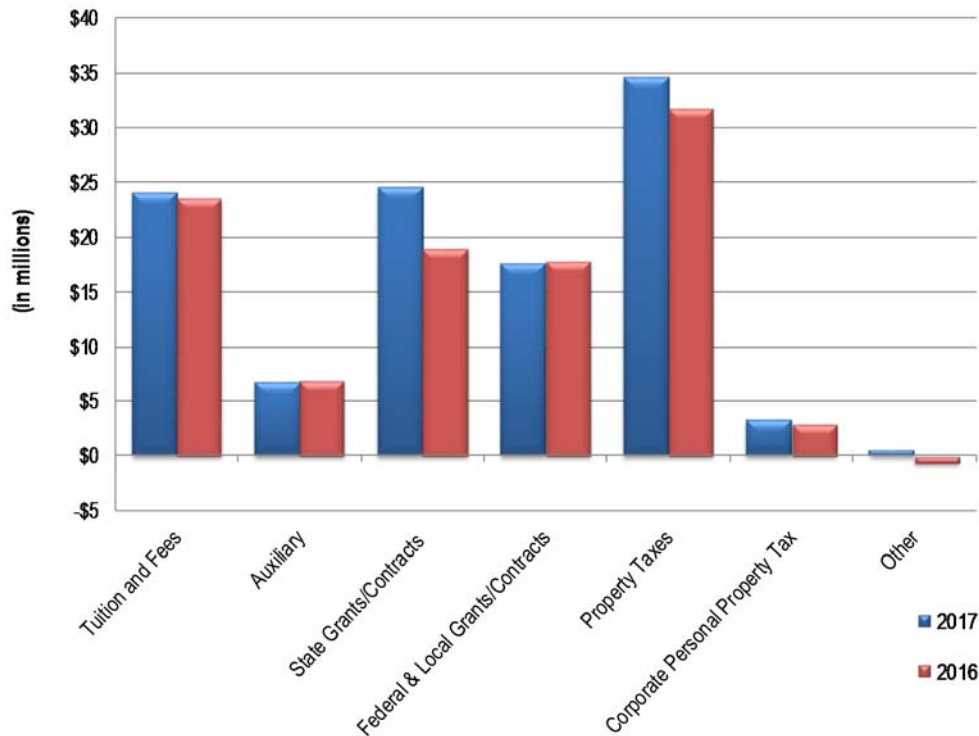
Revenue by Source 2017



Revenue by Source 2016



Comparison of Revenues – Fiscal Years 2017 and 2016



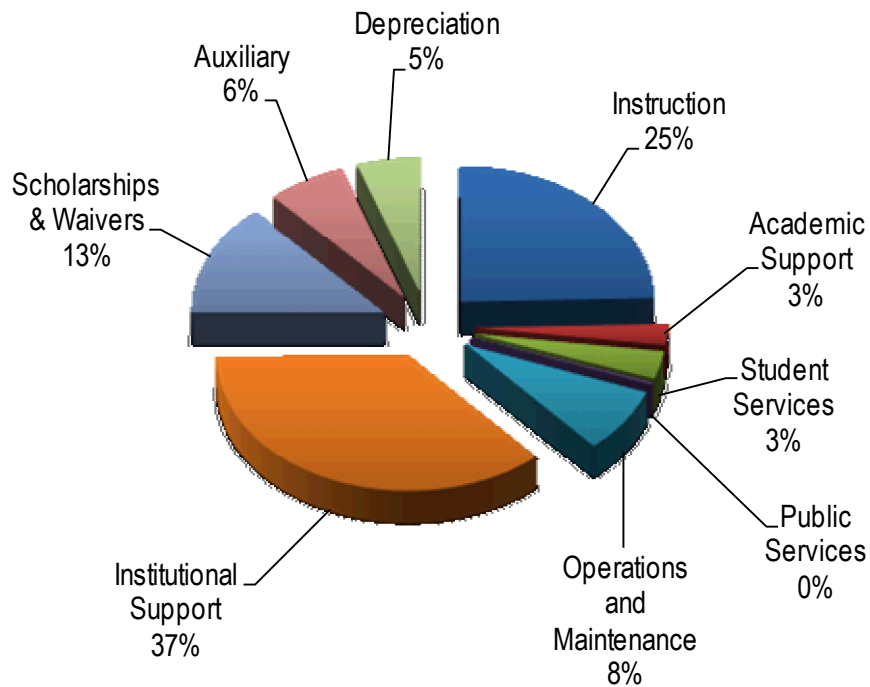
**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Operating Expenses
For the Years ended June 30,
(in millions)

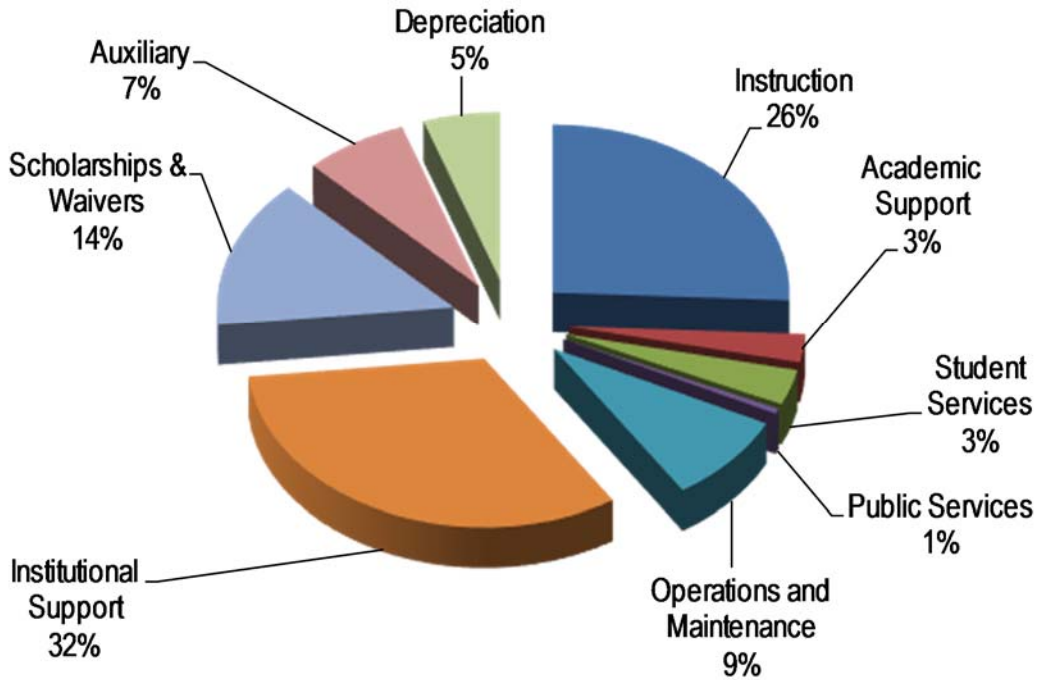
	2017	2016	Increase (Decrease) 2017-2016	Percent Change	2015	Increase (Decrease) 2016-2015	Percent Change
Operating Expense							
Instruction	\$ 26.5	\$ 26.5	\$ -	- %	\$ 26.8	\$ (0.3)	-1.1%
Academic Support	2.7	2.8	(0.1)	-3.6%	2.6	0.2	7.7%
Student Services	3.6	3.5	0.1	2.9%	3.6	(0.1)	-2.8%
Public Services	0.3	0.5	(0.2)	-40.0%	1.8	(1.3)	-72.2%
Operations and Maintenance	8.4	8.8	(0.4)	-4.5%	7.4	1.4	18.9%
Institutional Support	39.4	33.4	6.0	18.0%	32.9	0.5	1.5%
Scholarships & Waivers	14.3	14.8	(0.5)	-3.4%	16.0	(1.2)	-7.5%
Auxiliary	7.0	7.3	(0.3)	-4.1%	8.6	(1.3)	-15.1%
Depreciation	5.7	5.4	0.3	5.6%	5.3	0.1	1.9%
Total	<u>\$ 107.9</u>	<u>\$ 103.0</u>	<u>\$ 4.9</u>	<u>4.8%</u>	<u>\$ 105.0</u>	<u>\$ (2.0)</u>	<u>-1.9%</u>

The following is a graphic illustration of operating expenses for Fiscal Year 2017 and 2016.

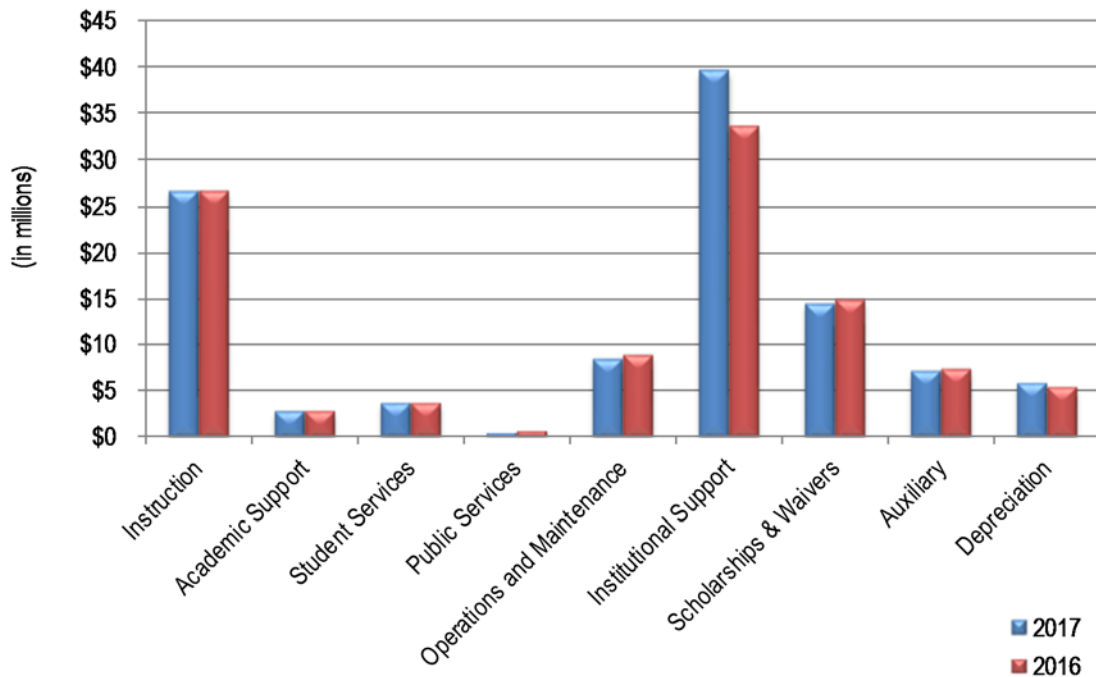
Operating Expenses – 2017



Operating Expenses – 2016



Comparison of Operating Expenses - Fiscal Years 2017 and 2016



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Fiscal Year 2017 Compared to 2016

Operating expenses increased \$4.9 million or 4.8% from the prior year due to the \$5 million increase in SURS. Overall operating expenditures were reduced in all other major categories in an effort to offset the impact of the loss of State funding.

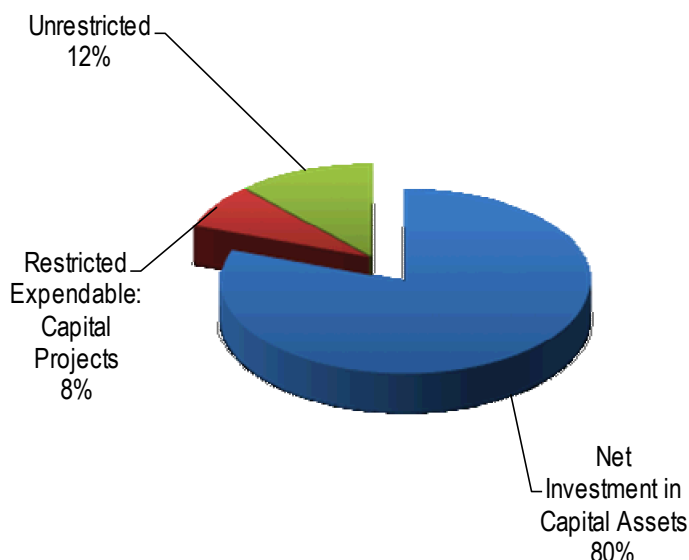
Fiscal Year 2016 Compared to 2015

Operating expenses declined \$2.0 million or a 1% decrease from the prior year due to restricted budget control on discretionary expenses, as a result of lower enrollments and due to the unanticipated shortfall in State funding.

Analysis of Net Position June 30, (in millions)							
	2017	2016	Increase (Decrease) 2017-2016	Percent Change	2015	Increase (Decrease) 2016-2015	Percent Change
Net Position							
Net Investment in Capital Assets	\$ 132.7	\$ 119.3	\$ 13.4	11.2%	\$ 121.9	\$ (2.6)	(2.1%)
Restricted Expendable							
Debt Service	-	-	-	- %	0.5	(0.5)	(100.0%)
Capital Projects	12.7	10.6	2.1	19.8%	4.7	5.9	125.5%
Unrestricted	19.4	30.7	(11.3)	(36.8%)	34.9	(4.2)	(12.0%)
Total	\$ 164.8	\$ 160.6	\$ 4.2	2.6%	\$ 162.0	\$ (1.4)	(0.9%)

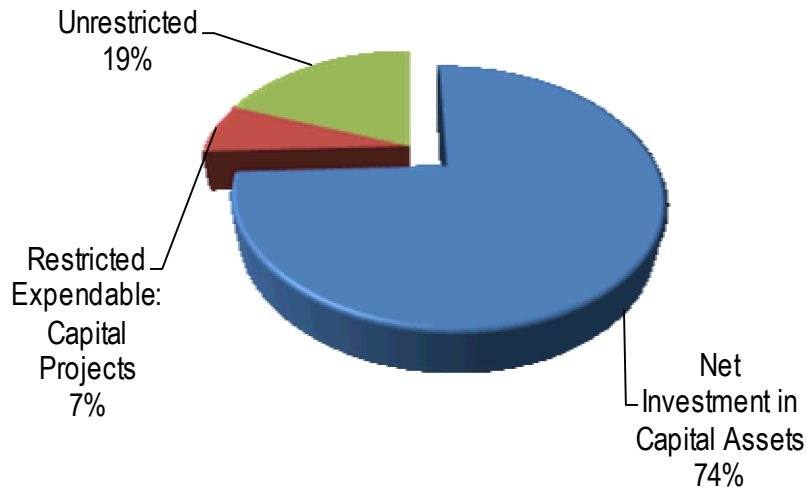
The following is a graphic illustration of net position for Fiscal Year 2017 and 2016

Analysis of Net Position 2017



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Analysis of Net Position 2016



Fiscal Year 2017 Compared to 2016

Total net position of \$164.8 million increased \$4.2 million or 2.6% from the prior year. The overall change in the College's net position is attributed primarily to an increase in property tax revenue of \$2.9 million and an increase in other State of Illinois funding of \$1 million.

Fiscal Year 2016 Compared to 2015

Total net position of \$160.6 million decreased \$1.4 million or .7% from the prior year. The overall change in the College's net position is attributed to the impact of \$5 million bond issue being offset by the effect of the operating loss and transfers from operations caused by an unplanned shortfall in State funding. In addition, net investment in capital assets decreased as capital additions were outpaced by depreciation.

Capital Asset and Debt Administration

Capital assets

The District's capital assets as of June 30, 2017 and 2016 amounted to \$170.5 million and \$153.2 million, respectively, (net of accumulated depreciation). The capital assets include land, construction-in-progress, land improvements, buildings and improvements, and equipment. The total increase in capital assets for the year ended June 30, 2017 was 11% and for the year ended June 30, 2016, an increase of 6.8%.

Major capital asset events during the year ended June 30, 2017 included the construction costs of the Peoria Campus for campus improvements primarily the remodeling supporting the transition of the Health Career programs to Birch and Cedar Halls at Peoria Campus from downtown Peoria.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Major capital asset events during the year ended June 30, 2016 included the construction costs of the Peoria Campus for campus improvements including remodeling of Elm Hall for the new Student Center. Additionally, a number of Life Safety project at the East Peoria campus including HVAC system upgrades and the roof replacement on a portion of the Academic Building.

Illinois Central College's Capital Assets
As of June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 3,352,154	\$ 3,352,154	\$ 3,352,154
Construction In Progress	704,536	13,672,083	3,299,820
Land Improvements	22,927,006	22,835,006	22,270,881
Building and Improvements	211,772,785	176,565,732	172,766,466
Equipment	53,797,013	53,196,811	52,759,728
Accumulated Depreciation	(122,067,137)	(116,406,687)	(111,098,685)
Total	<u>\$ 170,486,357</u>	<u>\$ 153,215,099</u>	<u>\$ 143,350,364</u>

Additional information on the District's capital assets can be found in Note 4 of this report.

Debt

As of June 30, 2017, the District, Illinois had general obligation bonds outstanding totaling \$43,570,000 compared to \$37,935,000 of general obligation bonds as of June 30, 2016. For the year ended June 30, 2017, the District paid \$3,965,000 in principal and \$1,098,646 in interest on outstanding debt.

During the year the College issued \$5 million in additional bonds to support capital projects on the North campus. For the year ended June 30, 2016, the District paid \$4,530,000 in principal and \$1,710,150 in interest on outstanding debt.

Additional information about the College's long-term debt can be found in Note 6 to basic financial statements.

Cash Flows

**Cash Flows for the Years Ended
June 30,
(in millions)**

	2017	2016	Increase (Decrease) 2017-2016	Percent Change	2015	Increase (Decrease) 2016-2015	Percent Change
Net Cash provided by (used in) operating activities	(32.5)	(29.5)	(3.0)	10.2%	(31.5)	2.0	-6.3%
Net Cash provided by (used in) noncapital financing activities	41.8	39.7	2.1	5.3%	42.4	(2.7)	-6.4%
Net Cash provided by (used in) capital and related financing activities	(19.0)	(16.9)	(2.1)	12.4%	(19.7)	2.8	-14.2%
Net Cash provided by (used in) investing activities	2.3	6.4	(4.1)	-64.1%	3.7	2.7	73.0%
Net increase/(decrease) in cash and equivalents	(7.4)	(0.3)	(7.1)	2366.7%	(5.1)	4.8	-94.1%
Cash and equivalents, beginning of the year	29.5	29.8	(0.3)	-1.0%	34.9	(5.1)	-14.6%
Cash and equivalents, end of year.	22.1	29.5	(7.4)	-25.1%	29.8	(0.3)	-1.0%

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017 AND 2016**

Fiscal Year 2017 Compared to 2016

The Statement of cash flows shows a decrease in cash of \$7.4 million in fiscal year 2017. The decrease was due to the lack of state funding and an increase in capital assets of \$23 million, offset by the issuance of \$9.6 million Series 2017 General Obligation Debt and changing investment liquidity to cover current cash needs.

Fiscal Year 2016 Compared to 2015

The Statement of cash flows shows a decrease in cash of \$.3 million in fiscal year 2016. The slight decrease in fiscal year 2016 was due to the lack of state funding offset by the issuance of the Series 2016 General Obligation Debt.

Other

The passage of a State budget in July of this year provided ICC an additional \$4.1 million in funding related to 2017 but it will be recognized in 2018, and an additional \$4.7 million for 2018.

Management is not aware of any other currently known facts, decisions, or conditions that would have a significant effect on the College's financial position or results of operations (revenue, expenses, and other changes in net position).

The financial report is designed to provide the College's Board, State Officials, Legislature, patrons, and other interested parties with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bruce Budde, Executive Vice President, Administration and Finance. College budgets and audited financial reports are also available on the College website at www.icc.edu.

BASIC FINANCIAL STATEMENTS

ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

	2017			2016		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 12,525,324	\$ 614,297	\$ 13,139,621	\$ 20,868,810	\$ 353,716	\$ 21,222,526
Restricted Cash	9,574,500	2,609,478	12,183,978	8,601,630	2,640,096	11,241,726
Investments	25,994,745	20,774,463	46,769,208	29,949,115	19,694,496	49,643,611
Taxes Receivable	27,534,385	-	27,534,385	26,952,441	-	26,952,441
Student Accounts Receivable, Less Allowance for Doubtful Accounts of \$500,000 for 2017 and \$600,000 for 2016	1,158,512	-	1,158,512	1,036,200	-	1,036,200
Accrued Interest Receivable	100,879	-	100,879	71,656	-	71,656
Contributions Receivable	-	102,439	102,439	-	128,067	128,067
Other Receivables	1,258,335	112,756	1,371,091	1,653,838	63,112	1,716,950
Due from Component Unit	16,716	-	16,716	784	-	784
Inventories	639,971	-	639,971	699,572	-	699,572
Other Assets	57,660	3,044	60,704	60,155	7,271	67,426
Total Current Assets	78,861,027	24,216,477	103,077,504	89,894,201	22,886,758	112,780,959
NONCURRENT ASSETS						
Investments	7,708,823	-	7,708,823	5,811,262	-	5,811,262
Other Receivables	-	85,000	85,000	-	164,743	164,743
Capital Assets not Being Depreciated	4,056,690	-	4,056,690	17,024,237	-	17,024,237
Capital Assets, Net of Accumulated Depreciation	166,429,667	7,280,657	173,710,324	136,190,862	7,734,667	143,925,529
Total Noncurrent Assets	178,195,180	7,365,657	185,560,837	159,026,361	7,899,410	166,925,771
DEFERRED OUTFLOWS OF RESOURCES						
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	79,645	-	79,645	88,314	-	88,314
Deferred Loss on Refunding	91,124	-	91,124	200,472	-	200,472
Total Deferred Outflows of Resources	170,769	-	170,769	288,786	-	288,786
 Total Assets and Deferred Outflows of Resources	<u>\$ 257,226,976</u>	<u>\$ 31,582,134</u>	<u>\$ 288,809,110</u>	<u>\$ 249,209,348</u>	<u>\$ 30,786,168</u>	<u>\$ 279,995,516</u>

See accompanying Notes to Basic Financial Statements.

**LIABILITIES, DEFERRED
INFLOWS OF RESOURCES,
AND NET POSITION**

CURRENT LIABILITIES

Accounts and Retainage

	2017			2016		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
Payable	\$ 2,078,106	\$ 104,778	\$ 2,182,884	\$ 4,249,446	\$ 120,594	\$ 4,370,040
Accrued Liabilities	2,418,513	113,330	2,531,843	1,908,166	143,347	2,051,513
Accrued Interest Payable	155,000	65,813	220,813	318,988	66,612	385,600
Unearned Revenue:						
Tuition and Fees	1,803,106	-	1,803,106	1,828,799	-	1,828,799
Other	119,664	29,311	148,975	244,294	54,086	298,380
Due to Primary Government	-	16,716	16,716	-	782	782
Compensated Absences	994,962	-	994,962	991,281	-	991,281
Unexpended Scholarship, Loan and Student Activity Funds	916,751	-	916,751	1,064,330	-	1,064,330
Bonds Payable - Current Portion	4,200,000	305,000	4,505,000	3,965,000	265,000	4,230,000
Total Current Liabilities	12,686,102	634,948	13,321,050	14,570,304	650,421	15,220,725

NONCURRENT LIABILITIES

Postemployment Benefits	2,033,401	-	2,033,401	1,766,607	-	1,766,607
Bonds Payable, Net	39,370,000	16,460,000	55,830,000	33,970,000	16,765,000	50,735,000
Total Noncurrent Liabilities	41,403,401	16,460,000	57,863,401	35,736,607	16,765,000	52,501,607
Total Liabilities	54,089,503	17,094,948	71,184,451	50,306,911	17,415,421	67,722,332

**DEFERRED INFLOWS OF
RESOURCES**

Deferred Bond Premium	3,165,067	122,173	3,287,240	3,792,630	131,898	3,924,528
Subsequent Year's Property Taxes	35,216,663	-	35,216,663	34,475,601	-	34,475,601
Total Deferred Inflows of Resources	38,381,730	122,173	38,503,903	38,268,231	131,898	38,400,129

NET POSITION

Net Investment in Capital Assets	132,687,479	(8,495,095)	124,192,384	119,344,487	(8,174,512)	111,169,975
Restricted for:						
Capital Projects	12,699,334	-	12,699,334	10,606,701	-	10,606,701
Scholarships	-	19,421,218	19,421,218	-	19,615,905	19,615,905
Unrestricted (Deficiency)	19,368,930	3,438,890	22,807,820	30,683,018	1,797,456	32,480,474
Total Net Position	\$ 164,755,743	\$ 14,365,013	\$ 179,120,756	\$ 160,634,206	\$ 13,238,849	\$ 173,873,055

ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
OPERATING REVENUE						
Student Tuition and Fees (Net of Scholarship Allowances of \$1,074,419 for 2017 and \$1,029,564 for 2016)	\$ 23,973,374	\$ -	\$ 23,973,374	\$ 23,509,878	\$ -	\$ 23,509,878
Auxiliary Enterprises Revenues	6,584,999	-	6,584,999	6,856,927	-	6,856,927
State and Federal Grants and Contracts	16,431,663	-	16,431,663	16,288,310	-	16,288,310
Contributions	-	1,204,875	1,204,875	-	1,056,969	1,056,969
Student Housing Revenues	-	1,533,843	1,533,843	-	1,267,456	1,267,456
Other Operating Revenues	984,263	338,213	1,322,476	811,485	398,841	1,210,326
Total Operating Revenue	47,974,299	3,076,931	51,051,230	47,466,600	2,723,266	50,189,866
OPERATING EXPENSES						
Instruction	26,445,420	-	26,445,420	26,447,185	-	26,447,185
Academic Support	2,642,600	925,131	3,567,731	2,806,068	424,427	3,230,495
Student Services	3,612,440	-	3,612,440	3,523,502	-	3,523,502
Public Services	335,251	-	335,251	454,002	-	454,002
Operations and Maintenance	8,426,749	-	8,426,749	8,818,183	-	8,818,183
Institutional Support	16,257,191	411,961	16,669,152	15,251,824	480,019	15,731,843
SURS Contribution Paid by State	23,173,428	-	23,173,428	18,180,580	-	18,180,580
Scholarships, Student Grants, and Waivers	14,276,899	627,154	14,904,053	14,828,039	598,898	15,426,937
Auxiliary Enterprises	7,027,238	811,909	7,839,147	7,266,672	855,599	8,122,271
Depreciation	5,703,414	482,410	6,185,824	5,434,286	473,173	5,907,459
Total Operating Expenses	107,900,630	3,258,565	111,159,195	103,010,341	2,832,116	105,842,457
OPERATING INCOME (LOSS)	(59,926,331)	(181,634)	(60,107,965)	(55,543,741)	(108,850)	(55,652,591)
NONOPERATING REVENUES (EXPENSES)						
State Grants and Contracts	1,370,001	-	1,370,001	725,240	-	725,240
Federal Grants and Contracts	1,150,412	-	1,150,412	1,374,364	-	1,374,364
Local Real Estate Taxes	34,551,762	-	34,551,762	31,652,089	-	31,652,089
Corporate Personal Property Replacement Tax	3,183,139	-	3,183,139	2,882,016	-	2,882,016
Investment Earnings	264,536	2,096,624	2,361,160	248,898	459,239	708,137
Interest Expense and Related Fees	(934,658)	(788,826)	(1,723,484)	(1,682,032)	(788,295)	(2,470,327)
SURS Contribution Provided by State	23,173,428	-	23,173,428	18,180,580	-	18,180,580
Other Nonoperating Revenue	1,289,248	-	1,289,248	844,629	-	844,629
Total Nonoperating Revenues (Expenses)	64,047,868	1,307,798	65,355,666	54,225,784	(329,056)	53,896,728
INCREASE (DECREASE) IN NET POSITION	4,121,537	1,126,164	5,247,701	(1,317,957)	(437,906)	(1,755,863)
Net Position - Beginning of Year	160,634,206	13,238,849	173,873,055	161,952,163	13,676,755	175,628,918
NET POSITION - END OF YEAR	<u>\$ 164,755,743</u>	<u>\$ 14,365,013</u>	<u>\$ 179,120,756</u>	<u>\$ 160,634,206</u>	<u>\$ 13,238,849</u>	<u>\$ 173,873,055</u>

See accompanying Notes to Basic Financial Statements.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
CASH FLOWS FROM OPERATING ACTIVITIES						
Student Tuition and Fees	\$ 23,825,369	\$ -	\$ 23,825,369	\$ 23,391,948	\$ -	\$ 23,391,948
Auxiliary Enterprise Charges	6,584,999	-	6,584,999	6,856,927	-	6,856,927
Federal and State Grants and Contracts	16,431,663	-	16,431,663	16,288,310	-	16,288,310
Contributions Received	-	1,310,246	1,310,246	-	1,158,093	1,158,093
Student Housing Rents Received	-	1,441,834	1,441,834	-	1,257,932	1,257,932
Payments to Employees	(38,462,493)	(163,036)	(38,625,529)	(38,429,853)	(154,291)	(38,584,144)
Payments to Suppliers	(27,541,869)	(1,643,406)	(29,185,275)	(23,619,641)	(1,257,959)	(24,877,600)
Aid and Scholarships	(14,276,899)	(627,155)	(14,904,054)	(14,828,039)	(598,898)	(15,426,937)
Other	968,331	-	968,331	832,289	-	832,289
Net Cash Provided (Used) by Operating Activities	(32,470,899)	318,483	(32,152,416)	(29,508,059)	404,877	(29,103,182)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property Taxes	34,710,880	-	34,710,880	32,458,355	-	32,458,355
State, Federal, and Local Grants and Contracts	7,263,673	-	7,263,673	7,274,872	-	7,274,872
Payment of Annuity Obligations	-	(25,094)	(25,094)	-	(20,900)	(20,900)
Net Increase (Decrease) in Unexpended Scholarship, Loan, and Student Activity Funds	(147,579)	-	(147,579)	(4,738)	-	(4,738)
Direct Lending Receipts	4,828,550	-	4,828,550	4,900,589	-	4,900,589
Direct Lending Payments	(4,828,550)	-	(4,828,550)	(4,900,589)	-	(4,900,589)
Net Cash Provided (Used) by Noncapital Financing Activities	41,826,974	(25,094)	41,801,880	39,728,489	(20,900)	39,707,589
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(23,036,952)	(28,400)	(23,065,352)	(15,299,021)	(305,062)	(15,604,083)
Proceeds from Issuance of Debt	9,600,000	-	9,600,000	4,495,000	-	4,495,000
Principal Payments on Bonds	(3,965,000)	(265,000)	(4,230,000)	(4,530,000)	(230,000)	(4,760,000)
Interest and Fees Paid on Bonds	(1,616,861)	(799,350)	(2,416,211)	(1,564,356)	(798,697)	(2,363,053)
Net Cash Used by Capital and Related Financing Activities	(19,018,813)	(1,092,750)	(20,111,563)	(16,898,377)	(1,333,759)	(18,232,136)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	235,313	329,108	564,421	247,141	569,251	816,392
Purchase of Investments	(4,707,797)	(2,101,822)	(6,809,619)	(19,540,909)	(5,194,500)	(24,735,409)
Proceeds from Sale of Annuity Investments	-	25,094	25,094	-	20,900	20,900
Proceeds from Sale and Maturities of Investment	6,764,606	2,776,944	9,541,550	25,690,473	5,255,207	30,945,680
Net Cash Provided By Investing Activities	2,292,122	1,029,324	3,321,446	6,396,705	650,858	7,047,563

See accompanying Notes to Basic Financial Statements.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (7,370,616)	\$ 229,963	\$ (7,140,653)	\$ (281,242)	\$ (298,924)	\$ (580,166)
Cash and Cash Equivalents - Beginning of Year	29,470,440	2,993,812	32,464,252	29,751,682	3,292,736	33,044,418
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 22,099,824</u>	<u>\$ 3,223,775</u>	<u>\$ 25,323,599</u>	<u>\$ 29,470,440</u>	<u>\$ 2,993,812</u>	<u>\$ 32,464,252</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (59,926,331)	\$ (181,634)	\$ (60,107,965)	\$ (55,543,741)	\$ (108,850)	\$ (55,652,591)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	5,703,414	482,410	6,185,824	5,434,286	473,174	5,907,460
Loss on Disposal of Capital Assets	62,280	-	62,280	-	-	-
SURS Contribution Paid by State	23,173,428	-	23,173,428	18,180,580	-	18,180,580
Changes in Deferred Outflows of Resources	8,669	-	8,669	14,128	-	14,128
Effects of Changes in Assets and Liabilities:						
Accounts Receivable	(122,312)	55,727	(66,585)	(235,756)	28,873	(206,883)
Due from Component Unit	(15,932)	-	(15,932)	20,804	-	20,804
Inventories	59,601	-	59,601	(116,398)	-	(116,398)
Prepaid Items and Other Assets	2,495	4,227	6,722	177,498	3,519	181,017
Accounts Payable	(2,171,340)	(33,406)	(2,204,746)	1,984,851	(4,560)	1,980,291
Due to Primary Government	-	15,934	15,934	-	(20,806)	(20,806)
Accrued Liabilities	510,347	-	510,347	223,188	-	223,188
Postemployment Benefits	266,794	-	266,794	223,155	-	223,155
Deferred Revenue - Tuition, Fees, and Other	(25,693)	(24,775)	(50,468)	117,826	33,527	151,353
Accrued Vacation Benefits	3,681	-	3,681	11,520	-	11,520
 Net Cash Provided (Used) by Operating Activities	<u>\$ (32,470,899)</u>	<u>\$ 318,483</u>	<u>\$ (32,152,416)</u>	<u>\$ (29,508,059)</u>	<u>\$ 404,877</u>	<u>\$ (29,103,182)</u>

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Illinois Central College District 514 (District) is a public community college serving Peoria and Woodford Counties and parts of Tazewell, Marshall, McLean, Bureau, Mason, Livingston, Stark, and Logan Counties. Revenues are substantially generated as a result of taxes assessed and allocated to the District and grants received from other state and federal governmental agencies. The District's revenues are, therefore, primarily dependent upon the availability of funds at the state and federal level and the economy within its territorial boundaries. Industry within the territorial area is primarily manufacturing, retail, and agricultural.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to districts and institutions of higher education, as well as those prescribed by the Illinois Community College Board (ICCB). The District reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

Financial Reporting Entity

For financial reporting purposes, in accordance with GASB Statement 61, *The Financial Reporting Entity: Omnibus – and amendment of GASB Statements No. 14 and No. 34*, Illinois Central College District 514 is a primary government in that it is a community college with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The District has developed criteria to determine whether other entities are component units of the District. Component units are legally separate organizations for which the elected officials of the District are financially accountable. Illinois Central College would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on Illinois Central College, the District is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Additionally, organizations that raise and hold economic resources for the direct benefit of the District are considered to be component units.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Based on the foregoing criteria, the following organization is considered to be a component unit and is discretely presented in the basic financial statements:

Illinois Central College Educational Foundation (Foundation)

The Foundation is a legally separate tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to support the educational, charitable, and benevolent purposes of the District. Additionally, the Foundation is the sole member of the Educational Foundation Student Residence L.L.C., which was created to finance, construct, and manage a student housing project.

Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds, are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District.

Financial statements for the Foundation can be obtained by calling the District at 309-694-5337.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables - Property Taxes

The District's property taxes are levied each year on all taxable real property located in the District. The levy becomes an enforceable lien against the property as of January 1 of the levy year. Property taxes are recorded on an accrual basis of accounting. The District records the 2016 levy payable in 2017 as property taxes receivable, less any amounts collected prior to June 30, 2017, and a deferred inflow of resources, as this levy is intended to finance the District's 2017-2018 fiscal year.

The personal property replacement tax is recorded on the accrual basis based on amounts held by the state.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets, such as roads and sidewalks. Infrastructure assets are included in land improvements. Capital assets are defined by the District as assets with an initial unit cost of \$5,000 or greater with a 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 market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed, with interest accrued during the construction period.

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

Land Improvements	20 Years
Buildings and Improvements	50 Years
Equipment	8 to 16 Years

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and certificates of deposit.

The District is allowed to invest its funds in accordance with the Illinois Public Community College Act and the Investment of Public Funds Act. The District's policy limits investments to bonds, notes, Treasury bills, and other securities issued and/or guaranteed by the United States Government or its agencies, interest-bearing savings accounts, certificates of deposit or time deposits, or commercial paper of U.S. corporations with assets exceeding \$500 million.

Accounts Receivable

Accounts receivable are uncollateralized student obligations, which generally require payment by the first day of class, and government receivables due from the state of Illinois. Accounts receivable are stated at the invoice amount.

Account balances not paid by semester end are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the students' remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility 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.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost or net realizable value, cost being determined using the retail method for bookstore supplies and the first-in, first-out method for food service, office, educational, maintenance, and custodial supplies. Inventories are accounted for under the consumption method whereby acquisitions are recorded in inventory accounts initially and charged as expenses when used.

Unearned Tuition and Fee Revenue

Tuition collected prior to June 30 for the subsequent fall semester and the portion of tuition collected for the summer session that is not earned as of June 30, is recorded as unearned revenue at June 30, and recognized as revenue in the following year.

Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The District has two types of deferred outflows of resources for the deferred loss on refunding of debt and pension expense for employer paid federal, trust or grant contributions were made subsequent to the pension liability measurement date.

Deferred Inflows of Resources

The District's statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District has two types of deferred inflows of resources relating to revenue recognition. Tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. Deferred bond premiums are recorded in the current year, but the revenue will be recorded as they are amortized.

Accrued Vacation Benefits

Employees earn vacation and sick leave benefits based on years of service with the institution. The District records a liability for unused vacation based on hours available at salary rates in effect at the end of the year. Sick leave benefits do not vest and are not paid upon termination. Therefore, no liability is recorded.

Pensions

Financial reporting information pertaining to the District's participation in the State Universities Retirement System of Illinois (SURS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

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

For the purposes of financial reporting, the state of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide 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. Participating employers are considered contributing entities.

Net Position

The District's net positions are classified as follows:

Net Investment in Capital Assets

This represents the District's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted

This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted

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

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues and Expenses

Operating revenue includes federal student financial aid and activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, and (3) most federal, state, and local grants and contracts and federal appropriations. Operating expenses include the costs related to operating the District and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 CASH AND INVESTMENTS

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rate volatility, the District's investment policy limits the average maturity of the investment portfolio not to exceed two years. The maximum dollar amount of investments that exceeds two years is limited to 25% of the total portfolio.

Investments in certificates of deposit are included in deposits discussed above. The maturities of certificates of deposit held at June 30, 2017 and 2016 were all one year or less.

The money market funds as of June 30, 2017 and 2016 (Illinois School District Liquid Asset Fund of \$5,141,862 and \$10,012,406, respectively; Illinois Funds of \$2,043,597 and \$1,942,018, respectively) are considered to be cash equivalents in the financial statements. The District also had money market funds of \$130,679 and \$2,009,915 as of June 30, 2017 and 2016, respectively that were considered to be cash equivalents in the financial statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

At June 30, 2017 and 2016, the carrying amount of the District's deposits, which includes demand deposits and certificates of deposit, was \$37,974,992 and \$42,658,467, respectively, (excludes \$46,970 and \$48,295 in cash on hand, and undeposited receipts, respectively) and the bank balance was \$39,067,698 and \$45,206,262, respectively. Of the bank balance, \$23,472,919 and \$27,436,196, respectively, was covered by federal or private depository insurance. An additional amount of \$15,594,779 and \$17,770,066, respectively, was covered by collateral held by the pledging financial institution's trust department or agent in the District's name. At June 30, 2017 and 2016, the remaining uncollateralized amount exposed to credit risk was \$-0-.

Investments

As of June 30, 2017 and 2016, the District had the following investments and maturities.

Investment Type	Fair Value	2017 Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Government Agencies	<u>\$ 7,958,828</u>	<u>\$ 250,005</u>	<u>\$ 5,657,524</u>	<u>\$ 2,051,299</u>	<u>\$ -</u>

Investment Type	Fair Value	2016 Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Government Agencies	<u>\$ 6,061,342</u>	<u>\$ 250,080</u>	<u>\$ 4,811,457</u>	<u>\$ 999,805</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that the District will not recover its investments due to the inability of the counterparty to fulfill its obligation. Illinois statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies, interest-bearing savings accounts, interest-bearing time deposits, money market mutual funds registered under the Investment Company Act of 1940 (limited U.S. Government obligations), shares issues by savings and loan associations (provided the investments are insured by the Federal Savings and Loan Insurance Corporation (FSLIC)), short-term discount obligations issued by the Federal National Mortgage Associations, share accounts of certain credit unions, securities issued by the Illinois Funds, investments in the ISDLAF, and certain repurchase agreements.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

Currently, the District has no policy in place surrounding the limitations of credit risk for investments. The applicable rating for the District's investments at June 30, 2017 and 2016, according to *Standard & Poor's*, is as follows:

	2017	
	Fair Value	Rating
U.S. Government Agencies	\$ 7,958,828	AAA
Mutual Funds - Fixed Income:		
Commerce Bond Fund	1,519,375	Not Rated
Fidelity Floating Rate High Income	493,327	Not Rated
Hartford Floating Rate Fund	493,762	Not Rated

	2016	
	Fair Value	Rating
U.S. Government Agencies	\$ 6,061,342	AAA
Mutual Funds - Fixed Income:		
Commerce Bond Fund	1,547,742	Not Rated
Fidelity Floating Rate High Income	478,486	Not Rated
Hartford Floating Rate Fund	472,146	Not Rated

Below is a reconciliation of the District's deposits and investments as reported in the June 30, 2017 and 2016 financial statements.

	2017
	Statement of Net Position
Cash and Cash Equivalents	\$ 12,525,324
Restricted Cash	9,574,500
Investments - Current	25,994,745
Investments - Noncurrent	7,708,823
Total	<u>\$ 55,803,392</u>
Deposits	\$ 37,974,992
Cash on Hand	46,970
Money Market Funds	7,316,138
U.S. Government Agencies	7,958,828
Mutual Funds - Fixed Income	2,506,464
Total	<u>\$ 55,803,392</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

	2016
	Statement of Net Position
Cash and Cash Equivalents	\$ 20,868,810
Restricted Cash	8,601,630
Investments - Current	29,949,115
Investments - Noncurrent	5,811,262
Total	<u>\$ 65,230,817</u>
Deposits	\$ 42,658,467
Cash on Hand	48,295
Money Market Funds	13,964,339
U.S. Government Agencies	6,061,342
Mutual Funds - Fixed Income	2,498,374
Total	<u>\$ 65,230,817</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District requires all deposits in excess of federally insured limits to be collateralized 110%.

Concentration of Credit Risk

The District's investments are diversified to eliminate the risk of loss resulting in over concentration of a specific maturity, issuer, or class of securities. Invested balances determined to exceed immediate operating needs (one year operating cycle) can be invested to the extent that the average portfolio maturity does not exceed two year. The maximum dollar amount of investments that exceed two years is limited to 25% of the total investment portfolio.

Investments and Fair Value Measurements

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Accounting principles generally accepted in the United States of America provide the framework for measuring fair value. That 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 accounting principles generally accepted in the United States of America are described below:

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments and Fair Value Measurements (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the *Level 2* input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within *Level 1* of the valuation hierarchy.

Debt securities consisting primarily of corporate and municipal bonds are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Debt securities are generally classified within *Level 2* of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2017 and 2016:

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments and Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2017 and 2016:

2017				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 2,506,464	\$ -	\$ -	\$ 2,506,464
U.S. Government Agency Bonds	-	7,958,828	-	7,958,828
Total	<u>\$ 2,506,464</u>	<u>\$ 7,958,828</u>	<u>\$ -</u>	<u>\$ 10,465,292</u>

2016				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 2,498,374	\$ -	\$ -	\$ 2,498,374
U.S. Government Agency Bonds	-	6,061,342	-	6,061,342
Total	<u>\$ 2,498,374</u>	<u>\$ 6,061,342</u>	<u>\$ -</u>	<u>\$ 8,559,716</u>

NOTE 3 TAXES RECEIVABLE

An analysis of the 2016 and 2015 tax levy at June 30, which has been reflected as a receivable and deferred inflow of resources, and will be substantially collected during the fiscal years ended June 30, 2017 and 2016, is as follows:

	2017	2016
Tax Levy (Deferred Inflow of Resources)	\$ 35,216,663	\$ 34,475,601
Less Distributions Received by the District Through June 30	7,682,278	7,523,160
Taxes Receivable	<u>\$ 27,534,385</u>	<u>\$ 26,952,441</u>

Property taxes attach as an enforceable lien on property as of January 1. The District's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the District on January 1. Taxes are normally due and payable in two installments in June and September.

Uncollected taxes are sold by the County Collector in order that those taxes can be distributed to respective taxing bodies. Final distribution on the current year levy is made by each County Collector's office at a date after the tax sale, usually no later than sometime during the first quarter of the following year.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 4 CAPITAL ASSETS

A summary of the changes in capital assets for the years ended June 30, 2017 and 2016 is as follows:

Capital Assets - Fiscal Year 2017

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Capital Assets not Being Depreciated:					
Land	\$ 3,352,154	\$ -	\$ -	\$ -	\$ 3,352,154
Construction in Progress	13,672,083	20,837,271	-	(33,804,818)	704,536
Total Capital Assets not Being Depreciated	17,024,237	20,837,271	-	(33,804,818)	4,056,690
Capital Assets Being Depreciated:					
Land Improvements	22,835,006	92,000	-	-	22,927,006
Buildings and Improvements	176,565,732	1,477,235	(75,000)	33,804,818	211,772,785
Equipment	53,196,811	630,446	(30,244)	-	53,797,013
Total Capital Assets Being Depreciated	252,597,549	2,199,681	(105,244)	33,804,818	288,496,804
Less Accumulated Depreciation for:					
Land Improvements	(13,165,925)	(788,390)	-	-	(13,954,315)
Buildings and Improvements	(53,951,185)	(3,884,809)	16,500	-	(57,819,494)
Equipment	(49,289,577)	(1,030,215)	26,464	-	(50,293,328)
Total Accumulated Depreciation	(116,406,687)	(5,703,414)	42,964	-	(122,067,137)
Capital Assets Being Depreciated, Net	136,190,862	(3,503,733)	(62,280)	33,804,818	166,429,667
Capital Assets, Net	<u>\$ 153,215,099</u>	<u>\$ 17,333,538</u>	<u>\$ (62,280)</u>	<u>\$ -</u>	<u>\$ 170,486,357</u>

The construction-in-progress pertains to the college developmental projects. The estimated outstanding commitment to contracts is \$2,524,470. The projects are estimated at a total cost of \$4,031,660.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital Assets - Fiscal Year 2016

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Capital Assets not Being Depreciated:					
Land	\$ 3,352,154	\$ -	\$ -	\$ -	\$ 3,352,154
Construction in Progress	3,299,820	13,709,472	-	(3,337,209)	13,672,083
Total Capital Assets not Being Depreciated	6,651,974	13,709,472	-	(3,337,209)	17,024,237
Capital Assets Being Depreciated:					
Land Improvements	22,270,881	239,756	-	324,369	22,835,006
Buildings and Improvements	172,766,466	786,426	-	3,012,840	176,565,732
Equipment	52,759,728	563,367	(126,284)	-	53,196,811
Total Capital Assets Being Depreciated	247,797,075	1,589,549	(126,284)	3,337,209	252,597,549
Less Accumulated Depreciation for:					
Land Improvements	(12,356,973)	(808,952)	-	-	(13,165,925)
Buildings and Improvements	(50,457,254)	(3,493,931)	-	-	(53,951,185)
Equipment	(48,284,458)	(1,131,403)	126,284	-	(49,289,577)
Total Accumulated Depreciation	(111,098,685)	(5,434,286)	126,284	-	(116,406,687)
Capital Assets Being Depreciated, Net	136,698,390	(3,844,737)	-	3,337,209	136,190,862
Capital Assets, Net	<u>\$ 143,350,364</u>	<u>\$ 9,864,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,215,099</u>

NOTE 5 OTHER RECEIVABLES

Other receivables at June 30, 2017 and 2016 consist of the following:

	2017	2016
Restricted Grant Funds	\$ 653,033	\$ 779,205
Students - Bookstore	119	233
Replacement Taxes	502,969	518,904
Other - Miscellaneous	83,749	303,229
Auxiliary - Professional Development	18,465	52,267
Total	<u>\$ 1,258,335</u>	<u>\$ 1,653,838</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities during the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Balance Due Within One Year
General Obligation					
Community College					
Bonds:					
2009 Issue	\$ 10,465,000	\$ -	\$ (3,965,000)	\$ 6,500,000	\$ 4,200,000
2014A Issue	21,605,000	-	-	21,605,000	-
2014B Issue	1,370,000	-	-	1,370,000	-
2016 Issue	4,495,000	-	-	4,495,000	-
Debt Certificates	-	9,600,000	-	9,600,000	-
Compensated					
Absences	991,281	994,962	(991,281)	994,962	994,962
Total	<u>\$ 38,926,281</u>	<u>\$ 10,594,962</u>	<u>\$ (4,956,281)</u>	<u>\$ 44,564,962</u>	<u>\$ 5,194,962</u>

The following is a summary of changes in long-term liabilities during the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Balance Due Within One Year
General Obligation					
Community College					
Bonds:					
2006 Issue	\$ 1,005,000	\$ -	\$ (1,005,000)	\$ -	\$ -
2009 Issue	13,990,000	-	(3,525,000)	10,465,000	3,965,000
2014A Issue	21,605,000	-	-	21,605,000	-
2014B Issue	1,370,000	-	-	1,370,000	-
2016 Issue	-	4,495,000	-	4,495,000	-
Debt Certificates	-	5,000,000	(5,000,000)	-	-
Compensated					
Absences	979,761	991,281	(979,761)	991,281	991,281
Total	<u>\$ 38,949,761</u>	<u>\$ 10,486,281</u>	<u>\$ (10,509,761)</u>	<u>\$ 38,926,281</u>	<u>\$ 4,956,281</u>

Bonds payable are composed of the following issues:

\$5,900,000 General Obligation Community College Bonds, Series 2006, dated February 1, 2006, fully registered and without coupons, issued in \$5,000 denominations. Interest is charged at 3.5%, payable each December 1 and June 1, commencing December 1, 2006. Annual principal payments are due commencing on December 1, 2007 and maturing on December 1, 2015. The proceeds of the bonds were used to pay outstanding and unpaid claims against the District.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

\$33,000,000 General Obligation Community College Bonds, Series 2009, dated February 18, 2009, fully registered and without coupons, issued in \$5,000 denominations. Interest at 3.0% payable each June 1 and December 1, commencing December 1, 2009 and maturing on December 1, 2018. The proceeds of the bonds were used to pay for capital acquisition and construction expenses.

\$21,605,000 General Obligation Community College Bonds, Series 2014A, dated March 13, 2014, fully registered and without coupons, issued in \$5,000 denominations. Interest at 5.0% payable each June 1 and December 1, commencing December 1, 2014 and maturing on December 1, 2022. The proceeds of the bonds were used to pay for capital acquisition and construction expenses and to advance refund \$6,120,000 of the series 2009 General Obligation Community College Bonds.

\$1,370,000 Taxable General Obligation Community College Bonds, Series 2014B, dated March 13, 2014, fully registered and without coupons, issued in \$5,000 denominations. Interest at 3.6% payable each June 1 and December 1, commencing December 1, 2014 and maturing on December 1, 2022. The proceeds of the bonds were used to pay for capital acquisition and construction expenses.

\$4,495,000 General Obligation Community College Bonds, Series 2016, dated February 25, 2016, fully registered and without coupons, issued in \$5,000 denominations. Interest at 4.0% payable each June 1 and December 1, commencing December 1, 2016 and maturing on December 1, 2023. The proceeds of the bonds were used to defease the Debt Certificates.

\$3,010,000 Debt Certificates, Series 2017A, dated June 8, 2017. Interest ranging from 1.50% to 2.85% payable each December 1, commencing December 1, 2018 and maturing December 1, 2026. The proceeds of the debt certificates will be used to pay for construction expenses.

\$6,590,000 Debt Certificates, Series 2017B, dated June 8, 2017. Interest at 4.30% payable each December 1, commencing December 1, 2026 and maturing December 1, 2028. The proceeds of the debt certificates will be used to pay for construction expenses.

Annual debt service requirements to maturity for bonds payable and debt certificates at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,200,000	\$ 1,765,012	\$ 5,965,012
2019	4,775,000	1,653,300	6,428,300
2020	5,055,000	1,424,080	6,479,080
2021	5,365,000	1,174,055	6,539,055
2022	5,685,000	907,800	6,592,800
2023-2027	18,490,000	2,115,348	20,605,348
Total	<u>\$ 43,570,000</u>	<u>\$ 9,039,595</u>	<u>\$ 52,609,595</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Legal Debt Margin

The legal debt margin of the District at June 30, 2017 and 2016 is as follows:

Assessed Valuation 2017	<u>\$ 7,231,774,733</u>
Statutory Debt Limit (2.875% of Equalized Assessed Valuation)	\$ 207,913,524
Less Bonded Debt	<u>43,570,000</u>
Legal Debt Margin	<u>\$ 164,343,524</u>
Assessed Valuation 2016	<u>\$ 6,844,886,196</u>
Statutory Debt Limit (2.875% of Equalized Assessed Valuation)	\$ 196,790,478
Less Bonded Debt	<u>37,970,000</u>
Legal Debt Margin	<u>\$ 158,820,478</u>

\$9,574,500 of the Series 2017A and 2014B debt certificate proceeds is unspent as of June 30, 2017. This amount is shown as restricted cash on the statement of net position.

NOTE 7 PENSION PLAN

General Information about the Pension Plan

Plan Description. The District contributes to the State Universities Retirement System of Illinois, 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, 2016 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 7 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions. The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal years 2016 and 2017, respectively, was 12.69% and 12.53% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past-unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.00% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139-5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

Net Pension Liability

SURS reported a net pension liability (NPL) of \$25,965,271,744 at June 30, 2016 and \$23,756,361,086 at June 30, 2015. The net pension liability was measured as of June 30, 2015.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District in fiscal year 2016 is \$-0- and for fiscal year 2015 it was \$-0-. The proportionate share of the State’s net pension liability associated with the District at June 30, 2016 and June 30, 2015 was \$234,476,110 or .9030% and \$216,538,254 or .9115%, respectively. This amount should not be recognized in the financial statement. The net pension liability was measured as of June 30, 2016 and June 30, 2015, respectively, and the total pension used to calculate the net pension liability was determined based on the June 30, 2016 and June 30, 2015 actuarial valuation rolled forward, respectively. The basis of allocation used in the proportionate share of net pension liability for each year is the actual reported pensionable earnings made to SURS during fiscal year 2016 and 2015, respectively.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 PENSION PLAN (CONTINUED)

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

Pension Expense

At June 30, 2016 and June 30, 2015, SURS reported a collective net pension expense of \$2,566,164,865 and \$1,994,587,170, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2016 and 2015, respectively. As a result, the District recognized on-behalf revenue and pension expense of \$23,173,428 and \$18,180,580 for the fiscal years ended June 30, 2017 and June 30, 2016, respectively.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources:

Fiscal Year Ended June 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 14,215,882	\$ 2,298,574
Changes in Assumption	655,463,758	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,431,081,306	635,552,976
Total	<u>\$ 2,100,760,946</u>	<u>\$ 637,851,550</u>
Fiscal Year Ended June 30, 2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 27,312,043	\$ -
Changes in Assumption	609,393,909	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	593,840,642	953,329,464
Total	<u>\$ 1,230,546,594</u>	<u>\$ 953,329,464</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 7 PENSION PLAN (CONTINUED)

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

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

Employer Deferral of Pension Expense

The employer paid \$79,645 and \$88,314 in federal, trust or grant contributions for the fiscal years ended June 30, 2017 and June 30, 2016, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2016 and June 30, 2015, and are recognized as Deferred Outflows of Resources as of June 30, 2017 and June 30, 2016.

Assumptions and Other Inputs

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

Inflation	2.75%
Salary Increases	3.75 to 15.00%, including inflation
Investment Rate of Return	7.25% beginning with actuarial valuation as of June 30, 2014

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

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target 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, 2016, these best estimates are summarized in the following table:

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

Discount Rate. A single discount rate of 7.010% and 7.120% at June 30, 2016 and June 30, 2015, respectively, 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 7.250% at June 30, 2016 and June 30, 2015, respectively, and a municipal bond rate of 2.85% and 3.80% at June 30, 2016 and June 30, 2015 (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.01% and 7.12% at June 30, 2016 and June 30, 2015, respectively, 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:

June 30, 2016		
1% Decrease 6.01%	Current Single Discount Rate Rate Assumption 7.01%	1% Increase 8.01%
<u>\$ 31,348,831,631</u>	<u>\$ 25,965,271,744</u>	<u>\$ 21,502,421,700</u>
June 30, 2015		
1% Decrease 6.12%	Current Single Discount Rate Rate Assumption 7.12%	1% Increase 8.12%
<u>\$ 28,929,333,917</u>	<u>\$ 23,756,361,086</u>	<u>\$ 19,470,982,362</u>

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.

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

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

- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary increase. Change assumption to service-based rates, ranging from 3.75% to 15.00% based on years of service, with underlying wage inflation of 3.75%.
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

Illinois Central College District 514 administers a single-employer defined benefit healthcare plan. The Illinois Central College Retiree Medical and Life Program provides medical, prescription drug, dental, vision, and life insurance benefits to eligible retirees and their spouses. The program is only provided to a group of grandfathered retirees, their dependents, and surviving spouses. Active employees and other retirees may participate in a program offered by the State of Illinois for Community College employees.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits.

For fiscal years 2017 and 2016, the District contributed \$227,435 and \$599,188, respectively. Retiree receiving benefits have required contributions of \$357-\$713/month for health insurance coverage.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the District's net OPEB obligation to the plan.

	2017	2016
Annual Required Contribution (ARC)	\$ 613,539	\$ 908,696
Interest on Net OPEB Obligation	52,998	46,303
Adjustment to Annual Required Contribution	(172,308)	(132,656)
Annual OPEB Cost	494,229	822,343
Contributions Made	(227,435)	(599,188)
Increase in Net OPEB Obligation	266,794	223,155
Net OPEB Obligation - Beginning of Year	1,766,607	1,543,452
Net OPEB Obligation - End of Year	<u>\$ 2,033,401</u>	<u>\$ 1,766,607</u>

The net OPEB obligation is recorded in the statement of net assets as a noncurrent liability.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/17	\$ 494,229	46.02	\$ 2,033,401
6/30/16	822,343	72.86	1,766,607
6/30/15	835,680	71.47	1,543,452

Funded Status and Funding Progress

As of June 30, 2017 and 2016, the actuarial accrued liability for benefits was \$1,933,000 and \$9,657,000, respectively, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$-0- and \$-0-, respectively, as the plan is not available to active employees and the ratio of the UAAL to the covered payroll was 0.00% and 0.00%, respectively. As of January 1, 2017 the plan was amended to eliminate most of the plan participants reducing the actuarial accrued liability to \$1,939,000.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents three-year trend information.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 3.00% was used and a healthcare inflation rate of 5.70% for pre-65 aged retirees and 5.50% for post-65 aged retirees. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2017 was 12 years.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; natural disasters, and medical claims of its employees and their dependents. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based upon actuarial estimates and prior experience. The District sponsors a self-insured program for health benefits provided to eligible employees and retirees. At June 30, 2017 and 2016, the estimate of health claims payable and health claims incurred but not reported, based on estimates provided by the claims administrator, amounted to approximately \$1,007,000 and \$734,000, respectively, which is included in accrued liabilities in the statements of net position. The District has stop-loss insurance coverage when annual claims for an individual exceed \$190,000. Individual participants have an unlimited lifetime coverage.

The District purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 9 RISK MANAGEMENT (CONTINUED)

Changes in the claims liability for health benefits in fiscal years 2016 – 2017 were:

Balance - June 30, 2015	\$ 675,347
Current Year Claims and Changes in Estimates	6,448,853
Claims Paid	<u>(6,390,452)</u>
Balance - June 30, 2016	733,748
Current Year Claims and Changes in Estimates	9,042,663
Claims Paid	<u>(8,769,128)</u>
Balance - June 30, 2017	<u><u>\$ 1,007,283</u></u>

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION

Following is condensed financial information of the Illinois Central College Educational Foundation, a discretely presented component unit of the District.

The Foundation is a private nonprofit organization that reports its financial results under applicable Governmental Accounting Standards Board (GASB) Statements.

The financial statements separately identify the net position of the Foundation according to the legal restrictions placed on the assets by donors as follows:

Net Investment in Capital Assets - Includes capital assets, net of accumulated depreciation.

Restricted Net Position - Includes net position that is restricted by donor-imposed stipulations that require the Foundation to expend the resources either for a particular purpose or after the expiration of a certain period of time.

Unrestricted Net Position - Includes net position that is not restricted by donor-imposed stipulations which can be used at the discretion of the Foundation's Board to accomplish the purposes for which the Foundation was founded.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions received with donor-imposed restrictions and related gains and investment income that are met in the same year as received are reported as unrestricted revenues.

Student housing revenue is recognized in the period earned in accordance with the term of the lease.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of net position and unrealized gains and losses are reflected in the statements of revenues, expenses, and changes in net position. The realized gain or loss on the sale of a security is based upon the adjusted cost of the specific security.

Investments as of June 30, 2017 and 2016 are as follows:

2017				
	Level 1	Level 2	Level 3	Total
Bond Mutual Funds	\$ 4,129,538	\$ 3,643,206	\$ -	\$ 7,772,744
Equity Mutual Funds	3,220,831	6,191,089	-	9,411,920
Money Market	176,528	-	-	176,528
Common Stocks	3,278,906	-	-	3,278,906
Beneficial Interest in Remainder Trust	-	-	110,055	110,055
Venture Capital	-	-	24,310	24,310
Total Investments	<u>\$ 10,805,803</u>	<u>\$ 9,834,295</u>	<u>\$ 134,365</u>	<u>\$ 20,774,463</u>

2016				
	Level 1	Level 2	Level 3	Total
Bond Mutual Funds	\$ 4,612,991	\$ 2,972,020	\$ -	\$ 7,585,011
Equity Mutual Funds	3,754,364	4,384,556	-	8,138,920
Money Market	83,050	-	-	83,050
Common Stocks	3,739,250	-	-	3,739,250
Beneficial Interest in Remainder Trust	-	-	122,482	122,482
Venture Capital	-	-	25,783	25,783
Total Investments	<u>\$ 12,189,655</u>	<u>\$ 7,356,576</u>	<u>\$ 148,265</u>	<u>\$ 19,694,496</u>

Concentration of Credit Risk

By policy, the Foundation may invest no more than 5% of total investments in any one issuer. As of June 30, 2017 and 2016, the Foundation held no investment with any one issuer that were greater than 5% of total investments.

Interest and dividend income is shown net of investment fees of \$84,537 and \$85,759 for the years ended June 30, 2017 and 2016, respectively.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

The applicable rating for the Foundation's investments at June 30, 2017 and 2016, according to *Standard & Poor's* is as follows:

	Credit Rating	Fair Value	
		6/30/2017	6/30/2016
Money Market Funds:			
Schwab Govt Money Fund	Not Rated	\$ 176,528	\$ 83,050
Total		<u>\$ 176,528</u>	<u>\$ 83,050</u>
Bond Mutual Funds:			
Metropolitan West Total Return Bond I	BBB	\$ 2,150,613	\$ 2,205,384
Vanguard Short Term Investment Grade Fund Admiral	A	863,172	1,214,152
Vanuard Short Term Infl Prot Index Adm	AAA	1,115,754	1,193,454
Multi-Strategy Bond Fund	Not Rated	3,643,205	2,972,021
Total		<u>\$ 7,772,744</u>	<u>\$ 7,585,011</u>

Capital Assets

A summary of capital assets as of June 30, 2017 and 2016 is as follows:

	2017		
	Cost	Accumulated Depreciation	Cost, Net of Accumulated Depreciation
Buildings	\$ 12,357,705	\$ 5,469,960	\$ 6,887,745
Land Improvements	310,861	155,893	154,968
Equipment	769,607	531,663	237,944
Total	<u>\$ 13,438,173</u>	<u>\$ 6,157,516</u>	<u>\$ 7,280,657</u>
	2016		
	Cost	Accumulated Depreciation	Cost, Net of Accumulated Depreciation
Buildings	\$ 12,357,705	\$ 5,043,831	\$ 7,313,874
Land Improvements	310,861	141,523	169,338
Equipment	741,207	489,752	251,455
Total	<u>\$ 13,409,773</u>	<u>\$ 5,675,106</u>	<u>\$ 7,734,667</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Long-Term Debt

In March of 2007, the City of East Peoria, Illinois (City), issued \$18,000,000 of revenue refunding bonds to provide financial assistance to the Educational Foundation Student Residence LLC (LLC) in order to refund the Illinois Development Finance Authority variable rate demand revenue bonds (described above), fund a debt service reserve fund for the Series 2007 bonds, and to pay the costs of issuing the bonds. The bonds are payable solely from the amounts required to be deposited by the LLC with a trustee under an agreement with the City, and amounts held in certain funds and accounts established under the agreement. The bonds are secured by all LLC revenues, the on-campus housing facility, and a guaranty by the Foundation of up to \$4,000,000. During the years ended June 30, 2017 and 2016, the Foundation contributed \$473,278 and \$501,341, respectively, to the LLC under this guaranty. The bond agreement also requires a financial guaranty insurance policy to insure the payment of principal and interest on the bonds.

The bond requires interest payments due each June 1 and December 1. The agreement also provides for varying annual principal payments beginning in June 2010 and ending in June 2036. The bonds were issued with varying interest rates ranging from 3.75 to 5.13%. The loan agreement includes covenants related to reporting, maintenance of a minimum debt service coverage ratio, and other matters. As of June 30, 2017, the LLC was in compliance with the cash reserve requirements.

At June 30, 2017 and 2016, long-term debt consisted of the following:

	<u>2017</u>	<u>2016</u>
Bonds Payable, Interest Payments due Semiannually and Annual Principal Payments Beginning in June 2010, Maturing in June 2036	\$ 16,765,000	\$ 17,030,000
Deferred Bond Premium	122,173	131,898
Total Long-Term Debt	<u>\$ 16,887,173</u>	<u>\$ 17,161,898</u>

Future maturities of long-term debt at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 305,000
2019	345,000
2020	385,000
2021	430,000
2022	480,000
Thereafter	14,820,000
Total	<u>\$ 16,765,000</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Restricted Net Position

Restricted net position at June 30, 2017 and 2016 are available for the following purposes or period:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 15,898,172	\$ 15,694,567
Student Assistance	53,771	46,973
Equipment	2,817,573	3,303,894
Faculty and Staff Development	136,421	128,472
Miscellaneous	515,281	441,998
Total	<u>\$ 19,421,218</u>	<u>\$ 19,615,904</u>

NOTE 11 CONTINGENCIES

The District is from time to time subject to various claims, legal actions, and inquiries relating to compliance with environmental and other governmental laws and regulations arising in the ordinary course of business. Although it is difficult to quantify the potential impact of these claims, management believes that the ultimate settlement of these matters will not adversely affect the District's future financial condition or results of operations as the District has the ability to levy funds through local real estate taxes specifically for these purposes.

Accordingly, management does not believe that a reserve for the future effect, if any, of these matters on the financial condition or results of operations of the District is necessary at June 30, 2017 and 2016 as it is not possible to determine with any degree of probability the level of future expenditures for these matters.

NOTE 12 SUBSEQUENT EVENTS

Bond Issues

On August 10, 2017, the District issued General Obligation Bonds, Series 2017C, in the amount of \$9,885,000. Principal installments are due serially on December 1, 2023 through 2025. Interest is payable on the first day of June and December each year. Interest rates vary from 2.40% to 2.70%. The proceeds of the bonds will be used to pay claims against the District, pay capitalized interest on the bonds, and pay all costs associated with the issuance of the bonds.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 12 SUBSEQUENT EVENTS (CONTINUED)

State Appropriations

Subsequent to year-end, on July 6, 2017, the State of Illinois General Assembly passed Public Act 100-0021, authorizing several appropriations for costs incurred through June 30, 2017. The District will recognize these amounts as revenues in its fiscal year 2018 due to the fact that appropriations did not exist at the date of these financial statements. The amount to be recognized in fiscal year 2018 are:

<u>Appropriation</u>	<u>Amount</u>
Base Operating Grant	\$ 2,980,590
Equalization Grant	556,860
Adult Education Funding	462,515
CTE Formula Grant	420,870
Subtotal	<u>4,420,835</u>
Less: Adult Education Funding appropriated but not Expended at June 30, 2017	<u>(352,361)</u>
Net	<u><u>\$ 4,068,474</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS CENTRAL COLLEGE – RETIREE MEDICAL AND LIFE PROGRAM
JUNE 30, 2017 AND 2016**

Schedule of Funding Progress
(Unaudited)

Actuarial Valuation Date	Actuarial Value of the Assets (a)	Actuarial Accrued Liability (b)	Unfunded Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2017	\$ -	\$ 1,933,000	\$ 1,933,000	0%	N/A	N/A
6/30/2016	-	9,657,000	9,657,000	0%	N/A	N/A
6/30/2015	-	9,966,000	9,966,000	0%	N/A	N/A

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of July 1, 2016.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS CENTRAL COLLEGE – SURS COVERED PAYROLL
YEAR ENDED JUNE 30, 2017**

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -
(c) Portion of Nonemployer Contributing Entities' Total Proportion			
Collective Net Pension Liability Associated with Employer	198,536,476	219,538,254	234,476,110
Total (b) + (c)	198,536,476	219,538,254	234,476,110
Employer Covered-Employee Payroll	33,077,933	33,152,768	32,587,851
Proportion of Collective Net Pension Liability Associated with			
Employer as a Percentage of Covered-Employee Payroll	600.21%	662.20%	719.52%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%
Federal, Trust, Grant, and Other Contribution	102,440	88,314	79,645
Contribution in Relation to Required Contribution	102,440	88,314	79,645
Contribution Deficiency (Excess)	-	-	-
Employer Covered-Employee Payroll	33,077,933	33,152,768	32,587,851
Contributions as a Percentage of Covered-Employee Payroll	0.31%	0.27%	0.24%

ADDITIONAL INFORMATION

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
On-Behalf Payments for Community College Health Insurance Program	\$ 154,251	\$ 157,947	\$ 156,180	\$ 158,523

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

SUPPLEMENTARY FINANCIAL INFORMATION

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL) – ALL FUNDS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Proprietary Fund	Agency Fund	Memorandum Totals	
							2017	2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
Cash	\$ 1,545,206	\$ 349,192	\$ 1,035,391	\$ 892,076	\$ 470,963	\$ 916,096	\$ 5,208,924	\$ 15,506,099
Investments	25,533,170	10,943,531	9,574,762	4,543,005	-	-	50,594,468	49,724,717
Taxes Receivable	20,239,917	101,004	4,404,643	2,788,823	-	-	27,534,387	26,952,441
Receivable from Other Funds	1,600,000	-	-	-	-	-	1,600,000	1,200,000
Student Accounts Receivable, Less Allowance for Doubtful Accounts	1,158,512	-	-	-	-	-	1,158,512	1,036,200
Accrued Interest Receivable	67,475	33,404	-	-	-	-	100,879	71,656
Other Receivables	4,382,730	782,816	-	87	176,967	655	5,343,255	1,654,622
Inventories	-	-	-	-	639,971	-	639,971	699,572
Prepaid Items	1,151,235	2,645	-	-	12,992	-	1,166,872	1,126,546
Total Assets	55,678,245	12,212,592	15,014,796	8,223,991	1,300,893	916,751	93,347,268	97,971,853
DEFERRED OUTFLOWS OF RESOURCES								
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	-	79,645	-	-	-	-	79,645	88,314
Total Assets and Deferred Outflows of Resources	<u>\$ 55,678,245</u>	<u>\$ 12,292,237</u>	<u>\$ 15,014,796</u>	<u>\$ 8,223,991</u>	<u>\$ 1,300,893</u>	<u>\$ 916,751</u>	<u>\$ 93,426,913</u>	<u>\$ 98,060,167</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
LIABILITIES								
Accounts and Retainage Payable	\$ 418,734	\$ 203,116	\$ 650	\$ 1,338,270	\$ 120,096	\$ -	\$ 2,080,866	\$ 4,254,314
Accrued Liabilities	2,332,260	32,202	-	-	51,291	-	2,415,753	3,665,260
Payable to Other Funds	-	-	-	-	1,600,000	-	1,600,000	1,200,000
Unexpended Scholarship, Loan, and Student Activity Funds	-	-	-	-	-	916,751	916,751	1,064,330
Accrued Vacation Benefits	867,527	39,078	-	-	88,357	-	994,962	991,281
Unearned Revenue:								
Tuition and Fees	2,953,167	-	-	-	43,036	-	2,996,203	2,974,643
Other	-	119,664	-	-	-	-	119,664	244,294
Total Liabilities	6,571,688	394,060	650	1,338,270	1,902,780	916,751	11,124,199	14,394,122
DEFERRED INFLOWS OF RESOURCES								
Subsequent Year's Property Taxes	25,886,946	129,185	5,633,619	3,566,914	-	-	35,216,664	34,475,601
FUND BALANCE	<u>23,219,611</u>	<u>11,768,992</u>	<u>9,380,527</u>	<u>3,318,807</u>	<u>(601,887)</u>	<u>-</u>	<u>47,086,050</u>	<u>49,190,444</u>
Total Liabilities Deferred Inflows of Resources, and Fund Balance	<u>\$ 55,678,245</u>	<u>\$ 12,292,237</u>	<u>\$ 15,014,796</u>	<u>\$ 8,223,991</u>	<u>\$ 1,300,893</u>	<u>\$ 916,751</u>	<u>\$ 93,426,913</u>	<u>\$ 98,060,167</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
RECONCILIATION OF THE COMBINING BALANCE SHEET (MODIFIED ACCRUAL) – ALL FUNDS
TO THE STATEMENTS OF NET POSITION (FULL ACCRUAL)
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Total Fund Balance - All Funds	\$ 47,086,050	\$ 49,190,444
<p>Amounts reported in the Statements of Net Position is different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the individual funds. The cost of the assets and related accumulated depreciation is:</p>		
Cost of Capital Assets	292,553,494	269,621,788
Accumulated Depreciation	(122,067,137)	(116,406,687)
<p>Tuition revenue and certain related expenses for the summer session are deferred in the individual funds, but are recognized when earned/incurred in the Statements of Net Position.</p>		
	83,884	74,807
<p>Illinois Community College Board FY17 appropriations that were recognized as receivables by the College in the individual funds are not reported as receivables in governmental activities as the appropriation did not occur until after the College's fiscal year end.</p>		
	(4,068,204)	-
<p>Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported as liabilities in the individual funds. Long-term liabilities consist of:</p>		
Bonds Payable	(43,570,000)	(37,935,000)
Deferred Loss on Refunding	91,124	200,472
Bond Premium	(3,165,067)	(3,792,630)
Accrued Interest Payable	(155,000)	(318,988)
Postemployment Benefits	(2,033,401)	-
Total Net Position	<u>\$ 164,755,743</u>	<u>\$ 160,634,206</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(MODIFIED ACCRUAL) – ALL FUNDS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Proprietary Fund	Memorandum Totals	
						2017	2016
REVENUES							
Local Real Estate Taxes	\$ 25,296,452	\$ 125,922	\$ 5,652,525	\$ 3,476,863	\$ -	\$ 34,551,762	\$ 31,652,088
Corporate Personal Property Replacement Tax	3,183,139	-	-	-	-	3,183,139	2,882,016
ICCB State Grants:							
Credit Hour Grant	5,101,863	-	-	-	-	5,101,863	1,384,737
Equalization Grant	556,860	-	-	-	-	556,860	50,000
Other	807,145	428,939	-	-	-	1,236,084	163,508
Other State Government Sources	23,173,428	970,085	-	-	-	24,143,513	19,112,464
Federal Government Sources	-	15,155,388	-	-	-	15,155,388	15,857,786
Student Tuition and Fees, Net of Scholarship Allowances of \$1,029,564 and \$947,096, Respectively	23,926,121	-	-	-	-	23,926,121	23,667,893
Auxiliary Enterprises	-	-	-	-	6,584,999	6,584,999	6,856,927
Investment Income	145,432	60,283	6,423	52,398	-	264,536	248,897
Other	994,925	418,578	103,717	824,707	-	2,341,927	2,276,504
Total Revenues	83,185,365	17,159,195	5,762,665	4,353,968	6,584,999	117,046,192	104,152,820
EXPENDITURES							
Instruction	24,954,158	1,453,085	-	-	-	26,407,243	26,469,635
Academic Support	2,591,026	51,574	-	-	-	2,642,600	2,806,067
Student Services	2,666,892	945,548	-	-	-	3,612,440	3,523,501
Public Services	328,634	6,617	-	-	-	335,251	454,002
Operations and Maintenance	8,862,041	-	-	-	-	8,862,041	9,299,682
Institutional Support	38,302,804	861,019	-	-	-	39,163,823	33,432,404
Scholarships, Student Grants, and Waivers	-	14,276,899	-	-	-	14,276,899	14,828,039
Auxiliary Enterprises	-	-	-	-	7,027,240	7,027,240	7,266,670
Capital Outlay	-	-	-	22,443,492	-	22,443,492	14,817,523
Debt Service	-	-	5,746,164	-	-	5,746,164	6,756,823
Total Expenditures	77,705,555	17,594,742	5,746,164	22,443,492	7,027,240	130,517,193	119,654,346
DEFICIENCY OF REVENUES OVER EXPENDITURES	5,479,810	(435,547)	16,501	(18,089,524)	(442,241)	(13,471,001)	(15,501,526)
OTHER FINANCING SOURCES (USES)							
Proceeds from Issuance of Debt	-	-	9,600,000	-	-	9,600,000	9,495,000
Transfers In	60,283	1,324,133	-	2,200,000	400,000	3,984,416	6,150,617
Transfers Out	(3,924,133)	(60,283)	-	-	-	(3,984,416)	(6,150,617)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(5,103,982)
Bond Premium Financing	-	-	-	-	-	-	608,982
Total Other Financing Sources (Uses)	(3,863,850)	1,263,850	9,600,000	2,200,000	400,000	9,600,000	5,000,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	1,615,960	828,303	9,616,501	(15,889,524)	(42,241)	(3,871,001)	(10,501,526)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	19,837,044	10,940,689	(235,974)	19,208,331	(559,646)	49,190,444	59,691,970
Prior Period Adjustment	1,766,607	-	-	-	-	1,766,607	-
Fund Balance (Deficit) - Beginning of Year, as Restated	21,603,651	10,940,689	(235,974)	19,208,331	(559,646)	50,957,051	59,691,970
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 23,219,611</u>	<u>\$ 11,768,992</u>	<u>\$ 9,380,527</u>	<u>\$ 3,318,807</u>	<u>\$ (601,887)</u>	<u>\$ 47,086,050</u>	<u>\$ 49,190,444</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
RECONCILIATION OF THE COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (MODIFIED ACCRUAL) – ALL FUNDS
TO THE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION (FULL ACCRUAL)
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Total Net Change in Fund Equity - All Funds	\$ (3,871,001)	\$ (10,501,525)
Amounts reported in the Statements of Revenues, Expenses, and Changes in Net Position are different than amounts reported in the individual funds because:		
Capital outlays are reported in the individual funds as expenditures. However, in the statements of revenues, expenses, and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Below are the depreciation expense and capital outlay for the year:		
Capital Outlay	23,036,952	15,299,021
Depreciation Expense	(5,703,414)	(5,434,286)
Disposals		-
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, donations, disposals) is to increase/decrease net position:		
Loss on Disposal of Capital Assets	(62,280)	-
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of revenue, expenses and changes in net position. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Issuance of Debt Certificates	(9,600,000)	(10,103,982)
Repayment of Principal	3,965,000	9,530,000
Amortization of Premiums	627,563	119,546
Amortization of Deferred Charge on Refunding	(109,348)	(109,348)
Illinois Community College Board FY17 appropriations that were recognized as revenues by the College in the individual funds are not reported as revenues in governmental activities as the appropriation did not occur until after the College's fiscal year-end.		
	(4,068,204)	-
Interest expense is reported when paid in the individual funds. However, in the Statements of Revenues, Expenses, and Changes in Net Position, interest expense is recognized when incurred.		
	163,988	18,183
Postemployment benefit expenses reported in the Statements of Revenues, Expenses, and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
	(266,796)	-
Tuition revenue and certain related expenses for the summer session are deferred in the individual funds, but are recognized when earned/incurred in the Statements of Revenues, Expenses, and Changes in Net Position.		
	<u>9,077</u>	<u>(135,566)</u>
Change in Net Position	<u>\$ 4,121,537</u>	<u>\$ (1,317,957)</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
GENERAL FUND – OPERATING FUNDS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	Educational Fund	Ancillary Fund	Operations and Maintenance Fund	Memorandum Totals	
				2017	2016
ASSETS					
Cash	\$ 362,211	\$ 848,199	\$ 334,796	\$ 1,545,206	\$ 2,465,109
Investments	14,399,328	6,685,000	4,448,842	25,533,170	26,649,412
Taxes Receivable	13,910,790	3,540,304	2,788,823	20,239,917	19,733,256
Receivable from Other Funds	1,600,000	-	-	1,600,000	1,200,000
Student Accounts Receivable, Less Allowance for Doubtful Accounts	1,158,512	-	-	1,158,512	1,036,200
Accrued Interest Receivable	67,475	-	-	67,475	48,424
Other Receivables	3,237,259	-	1,145,471	4,382,730	721,187
Prepaid Items	1,118,411	32,824	-	1,151,235	1,125,026
Total Assets	<u>\$ 35,853,986</u>	<u>\$ 11,106,327</u>	<u>\$ 8,717,932</u>	<u>\$ 55,678,245</u>	<u>\$ 52,978,614</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 160,017	\$ 76,047	\$ 182,670	\$ 418,734	\$ 491,674
Accrued Liabilities	2,178,258	35,342	118,660	2,332,260	3,605,206
Accrued Vacation Benefits	622,923	69,053	175,551	867,527	867,546
Unearned Revenue - Tuition and Fees	2,953,167	-	-	2,953,167	2,935,942
Total Liabilities	<u>5,914,365</u>	<u>180,442</u>	<u>476,881</u>	<u>6,571,688</u>	<u>7,900,368</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	17,791,850	4,528,182	3,566,914	25,886,946	25,241,202
FUND BALANCE	<u>12,147,771</u>	<u>6,397,703</u>	<u>4,674,137</u>	<u>23,219,611</u>	<u>19,837,044</u>
Total Liabilities Deferred Inflows of Resources, and Fund Balance	<u>\$ 35,853,986</u>	<u>\$ 11,106,327</u>	<u>\$ 8,717,932</u>	<u>\$ 55,678,245</u>	<u>\$ 52,978,614</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (MODIFIED ACCRUAL)
GENERAL FUND – OPERATING FUNDS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Educational Fund	Ancillary Fund	Operations and Maintenance Fund	Memorandum Totals	
				2017	2016
REVENUES					
Local Real Estate Taxes	\$ 17,111,483	\$ 4,708,106	\$ 3,476,863	\$ 25,296,452	\$ 22,763,954
Corporate Personal Property Replacement Tax	250,000	-	2,933,139	3,183,139	2,882,016
ICCB State Grants:					
Credit Hour Grant	3,826,397	-	1,275,466	5,101,863	1,384,737
Equalization Grant	417,645	-	139,215	556,860	50,000
Other	807,145	-	-	807,145	16,028
Other State Government Sources	23,173,428	-	-	23,173,428	18,180,580
Student Tuition and Fees, Net of Scholarship Allowances of \$1,074,419 and \$1,029,564, Respectively	23,926,121	-	-	23,926,121	23,667,893
Investment Income	103,765	-	41,667	145,432	125,610
Other	326,565	6,000	662,360	994,925	823,124
Total Revenues	69,942,549	4,714,106	8,528,710	83,185,365	69,893,942
EXPENDITURES					
Instruction	24,954,158	-	-	24,954,158	25,135,348
Academic Support	2,591,026	-	-	2,591,026	2,728,163
Student Services	2,607,800	59,092	-	2,666,892	2,643,190
Public Services	328,634	-	-	328,634	358,943
Operations and Maintenance	1,592	1,533,144	7,327,305	8,862,041	9,299,682
Institutional Support	35,665,269	2,637,535	-	38,302,804	32,423,141
Total Expenditures	66,148,479	4,229,771	7,327,305	77,705,555	72,588,467
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,794,070	484,335	1,201,405	5,479,810	(2,694,525)
OTHER FINANCING SOURCES (USES)					
Transfers In	60,283	-	-	60,283	50,617
Transfers Out	(1,724,133)	-	(2,200,000)	(3,924,133)	(1,100,000)
Total Other Financing Sources (Uses)	(1,663,850)	-	(2,200,000)	(3,863,850)	(1,049,383)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,130,220	484,335	(998,595)	1,615,960	(3,743,908)
Fund Balance - Beginning of Year, as Previously Reported	8,250,944	5,913,368	5,672,732	19,837,044	23,580,952
Prior Period Adjustment	1,766,607	-	-	1,766,607	-
Fund Balance - Beginning of Year, as Restated	10,017,551	5,913,368	5,672,732	21,603,651	23,580,952
FUND BALANCE - END OF YEAR	<u>\$ 12,147,771</u>	<u>\$ 6,397,703</u>	<u>\$ 4,674,137</u>	<u>\$ 23,219,611</u>	<u>\$ 19,837,044</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
SPECIAL REVENUE FUNDS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	Audit Fund	Current Restricted Fund	Working Cash Fund	Memorandum Totals	
				2017	2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash	\$ 59,777	\$ 243,417	\$ 45,998	\$ 349,192	\$ 337,190
Investments	215,000	900,000	9,828,531	10,943,531	10,077,573
Taxes Receivable	101,004	-	-	101,004	97,532
Accrued Interest Receivable	-	-	33,404	33,404	23,232
Other Receivables	-	782,816	-	782,816	785,114
Prepaid Items	-	2,645	-	2,645	1,520
Total Assets	<u>375,781</u>	<u>1,928,878</u>	<u>9,907,933</u>	<u>12,212,592</u>	<u>11,322,161</u>
DEFERRED OUTFLOWS OF RESOURCES					
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	-	79,645	-	79,645	88,314
Total Assets and Deferred Outflows of Resources	<u>\$ 375,781</u>	<u>\$ 2,008,523</u>	<u>\$ 9,907,933</u>	<u>\$ 12,292,237</u>	<u>\$ 11,410,475</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 203,116	\$ -	\$ 203,116	\$ 184,959
Accrued Liabilities	-	32,202	-	32,202	6,679
Accrued Vacation Benefits	-	39,078	-	39,078	30,761
Unearned Revenue	-	119,664	-	119,664	122,437
Total Liabilities	<u>-</u>	<u>394,060</u>	<u>-</u>	<u>394,060</u>	<u>344,836</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	129,185	-	-	129,185	124,950
FUND BALANCE	<u>246,596</u>	<u>1,614,463</u>	<u>9,907,933</u>	<u>11,768,992</u>	<u>10,940,689</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 375,781</u>	<u>\$ 2,008,523</u>	<u>\$ 9,907,933</u>	<u>\$ 12,292,237</u>	<u>\$ 11,410,475</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (MODIFIED ACCRUAL)
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Audit Fund	Current Restricted Fund	Working Cash Fund	Memorandum Totals	
				2017	2016
REVENUES					
Local Real Estate Taxes	\$ 125,922	\$ -	\$ -	\$ 125,922	\$ 149,494
ICCB State Grants:					
Other	-	428,939	-	428,939	147,480
Other State Government					
Sources	-	970,085	-	970,085	931,884
Federal Government Sources	-	15,155,388	-	15,155,388	15,857,786
Investment Income	-	-	60,283	60,283	50,617
Other	-	418,578	-	418,578	431,736
Total Revenues	125,922	16,972,990	60,283	17,159,195	17,568,997
EXPENDITURES					
Instruction	-	1,453,085	-	1,453,085	1,334,287
Academic Support	-	51,574	-	51,574	77,904
Student Services	-	945,548	-	945,548	880,311
Public Services	-	6,617	-	6,617	95,059
Institutional Support	123,239	737,780	-	861,019	1,009,263
Scholarships, Student Grants, and Waivers	-	14,276,899	-	14,276,899	14,828,039
Total Expenditures	123,239	17,471,503	-	17,594,742	18,224,863
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,683	(498,513)	60,283	(435,547)	(655,866)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	1,324,133	-	1,324,133	450,000
Transfers Out	-	-	(60,283)	(60,283)	(50,617)
Total Other Financing Sources (Uses)	-	1,324,133	(60,283)	1,263,850	399,383
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,683	825,620	-	828,303	(256,483)
Fund Balance - Beginning of Year	243,913	788,843	9,907,933	10,940,689	11,197,172
FUND BALANCE - END OF YEAR	<u>\$ 246,596</u>	<u>\$ 1,614,463</u>	<u>\$ 9,907,933</u>	<u>\$ 11,768,992</u>	<u>\$ 10,940,689</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 1,035,391	\$ 348,501
Investments	9,574,762	750,000
Taxes Receivable	<u>4,404,643</u>	<u>4,409,422</u>
Total Assets	<u>\$ 15,014,796</u>	<u>\$ 5,507,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 650	\$ -
Unearned Revenue	<u>-</u>	<u>103,717</u>
Total Liabilities	<u>650</u>	<u>103,717</u>
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	5,633,619	5,640,180
FUND BALANCE (DEFICIT)	<u>9,380,527</u>	<u>(235,974)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,014,796</u>	<u>\$ 5,507,923</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (MODIFIED ACCRUAL)
DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)**

	<u>2017</u>	<u>2016</u>
REVENUES		
Local Real Estate Taxes	\$ 5,652,525	\$ 5,361,421
Investment Income	6,423	8,775
Other	103,717	647,482
Total Revenues	<u>5,762,665</u>	<u>6,017,678</u>
EXPENDITURES		
Debt Service:		
Principal	3,965,000	4,530,000
Interest Expense	1,749,529	1,703,489
Debt Issuance Costs	25,500	501,284
Other	6,135	22,050
Total Expenditures	<u>5,746,164</u>	<u>6,756,823</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	16,501	(739,145)
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Debt	9,600,000	9,495,000
Transfers Out	-	(5,000,000)
Payment to Retire Debt Certificates	-	(5,103,982)
Bond Premium Financing	-	608,982
Total Other Financing Sources (Uses)	<u>9,600,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	9,616,501	(739,145)
Fund Balance (Deficit) - Beginning of Year	<u>(235,974)</u>	<u>503,171</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 9,380,527</u>	<u>\$ (235,974)</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (MODIFIED ACCRUAL) – CAPITAL PROJECTS FUND
OPERATIONS AND MAINTENANCE FUND – RESTRICTED
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 892,076	\$ 11,234,153
Investments	4,543,005	12,247,732
Taxes Receivable	2,788,823	2,712,231
Other Receivables	<u>87</u>	<u>-</u>
Total Assets	<u><u>\$ 8,223,991</u></u>	<u><u>\$ 26,194,116</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts and Retainage Payable	\$ 1,338,270	\$ 3,516,516
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	3,566,914	3,469,269
FUND BALANCE	<u>3,318,807</u>	<u>19,208,331</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 8,223,991</u></u>	<u><u>\$ 26,194,116</u></u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(MODIFIED ACCRUAL) – CAPITAL PROJECTS FUND
OPERATIONS AND MAINTENANCE FUND – RESTRICTED
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>2017</u>	<u>2016</u>
REVENUES		
Local Real Estate Taxes	\$ 3,476,863	\$ 3,377,219
Investment Income	52,398	63,895
Other	824,707	374,162
Total Revenues	<u>4,353,968</u>	<u>3,815,276</u>
EXPENDITURES		
Capital Outlay	<u>22,443,492</u>	<u>14,817,523</u>
Total Expenditures	<u>22,443,492</u>	<u>14,817,523</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(18,089,524)	(11,002,247)
OTHER FINANCING SOURCES		
Transfers In	<u>2,200,000</u>	<u>5,250,000</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(15,889,524)	(5,752,247)
Fund Balance - Beginning of Year	<u>19,208,331</u>	<u>24,960,578</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,318,807</u></u>	<u><u>\$ 19,208,331</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 470,963	\$ 57,048
Other Receivables	176,967	148,089
Inventories	639,971	699,572
Prepaid Items	<u>12,992</u>	<u>-</u>
Total Assets	<u><u>\$ 1,300,893</u></u>	<u><u>\$ 904,709</u></u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts Payable	\$ 120,096	\$ 61,165
Accrued Liabilities	51,291	53,375
Payable to Other Funds	1,600,000	1,200,000
Accrued Vacation Benefits	88,357	92,974
Unearned Revenue:		
Tuition and Fees	43,036	38,701
Other	<u>-</u>	<u>18,140</u>
Total Liabilities	<u>1,902,780</u>	<u>1,464,355</u>
NET POSITION	<u>(601,887)</u>	<u>(559,646)</u>
Total Liabilities and Net Position	<u><u>\$ 1,300,893</u></u>	<u><u>\$ 904,709</u></u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Bookstore	\$ 4,457,353	\$ 4,449,010
Food Services	858,118	1,019,065
Other	<u>1,269,528</u>	<u>1,388,852</u>
Total Operating Revenues	6,584,999	6,856,927
OPERATING EXPENSES		
Salaries	2,193,669	2,251,222
Employee Benefits	302,041	368,106
Contractual Services	319,366	331,989
General Material and Supplies	3,742,942	3,783,843
Fixed Charges	154,316	154,636
Utilities	2,019	1,890
Conferences and Meetings	241,361	257,633
Other	<u>71,526</u>	<u>117,351</u>
Total Operating Expenses	<u>7,027,240</u>	<u>7,266,670</u>
NET LOSS RELATED TO OPERATING ACTIVITIES	(442,241)	(409,743)
TRANSFERS IN	<u>400,000</u>	<u>400,000</u>
CHANGE IN NET POSITION	(42,241)	(9,743)
Net Position - Beginning of Year	<u>(559,646)</u>	<u>(549,903)</u>
NET POSITION - END OF YEAR	<u><u>\$ (601,887)</u></u>	<u><u>\$ (559,646)</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (MODIFIED ACCRUAL)
AGENCY FUND
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 916,096	\$ 1,064,098
Other Receivables	<u>655</u>	<u>232</u>
Total Assets	<u><u>\$ 916,751</u></u>	<u><u>\$ 1,064,330</u></u>
LIABILITIES		
Unexpended Scholarship, Loan, and Student Activity Funds	<u><u>\$ 916,751</u></u>	<u><u>\$ 1,064,330</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
EQUALIZED ASSESSED VALUATIONS AND TAXES EXTENDED
LEVY YEARS 2016 AND 2015**

	<u>2016 Levy</u>	<u>2015 Levy</u>
EQUALIZED ASSESSED VALUATION		
Bureau County	\$ 19,298,504	\$ 18,690,828
Livingston County	40,892,510	41,435,510
Logan County	8,496,210	7,903,220
Marshall County	184,319,494	184,253,750
Mason County	50,238,867	48,867,616
McLean County	9,087,269	8,727,977
Peoria County	3,485,430,759	3,366,822,841
Stark County	28,897,127	28,245,247
Tazewell County	2,519,157,221	2,467,878,966
Woodford County	885,956,772	860,053,726
Total	<u><u>\$ 7,231,774,733</u></u>	<u><u>\$ 7,032,879,681</u></u>
TAX RATES (PER \$100 OF EQUALIZED ASSESSED VALUATION)		
Educational Fund	0.24600	0.24280
Operations and Maintenance Fund	0.04930	0.04930
General Obligation Bond Fund	0.07790	0.08020
Operations and Maintenance Fund - Restricted	0.04930	0.04930
Audit Fund	0.00180	0.00180
Ancillary (Liability, Protection, and Settlement) Fund	0.06260	0.06680
Total	<u><u>0.48690</u></u>	<u><u>0.49020</u></u>
TAXES EXTENDED		
Educational Fund	\$ 17,791,850	\$ 17,074,110
Operations and Maintenance Fund	3,566,914	3,469,269
Bond and Interest Fund	5,633,619	5,640,180
Operations and Maintenance Fund - Restricted	3,566,914	3,469,269
Audit Fund	129,185	124,950
Ancillary (Liability, Protection, and Settlement) Fund	4,528,181	4,697,823
Total	<u><u>\$ 35,216,663</u></u>	<u><u>\$ 34,475,601</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS
YEAR ENDED JUNE 30, 2017**

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Combined Rate</u>	<u>Taxes Extended</u>	<u>Total Collected to June 30, 2016</u>	<u>Collected During Year Ended June 30, 2017</u>	<u>Total Collected to June 30, 2017</u>	<u>Percent Collected June 30, 2017</u>
2015	\$ 7,032,879,681	0.49020	\$ 34,475,601	\$ 7,523,160	\$ 26,991,009	\$ 34,514,169	100.11%
2016	7,231,774,733	0.48690	35,216,663	-	7,682,278	7,682,278	21.81%
Total				<u>\$ 7,523,160</u>	<u>\$ 34,673,287</u>	<u>\$ 42,196,447</u>	

UNIFORM FINANCIAL STATEMENTS

ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY
YEAR ENDED JUNE 30, 2017

	Educational Fund	Operations and Maintenance Fund	Ancillary Fund	Audit Fund	Current Restricted Fund	General Obligation Bond Fund	Operations and Maintenance Fund - Restricted	Auxiliary Fund	Working Cash Fund	Total
FUND BALANCE - JULY 1, 2016, AS PREVIOUSLY REPORTED	\$ 8,250,944	\$ 5,672,732	\$ 5,913,368	\$ 243,913	\$ 788,843	\$ (235,974)	\$ 19,208,331	\$ (559,646)	\$ 9,907,933	\$ 49,190,444
PRIOR PERIOD ADJUSTMENT	1,766,607	-	-	-	-	-	-	-	-	1,766,607
FUND BALANCE - JULY 1, 2016, AS RESTATED	10,017,551	5,672,732	5,913,368	243,913	788,843	(235,974)	19,208,331	(559,646)	9,907,933	50,957,051
REVENUES										
Local Tax	17,361,483	6,410,002	4,708,106	125,922	-	5,652,525	3,476,863	-	-	37,734,901
ICCB Grants	5,051,187	1,414,681	-	-	428,939	-	-	-	-	6,894,807
Other State Revenue	23,173,428	-	-	-	970,085	-	-	-	-	24,143,513
Federal	-	-	-	-	15,155,388	-	-	-	-	15,155,388
Student Tuition and Fees	23,926,121	-	-	-	-	-	-	-	-	23,926,121
Other	430,330	704,027	6,000	-	418,578	9,710,140	877,105	6,584,999	60,283	18,791,462
Total Revenues	69,942,549	8,528,710	4,714,106	125,922	16,972,990	15,362,665	4,353,968	6,584,999	60,283	126,646,192
EXPENDITURES										
Instruction	24,954,158	-	-	-	1,453,085	-	-	-	-	26,407,243
Academic Support	2,591,026	-	-	-	51,574	-	-	-	-	2,642,600
Student Services	2,607,800	-	59,092	-	945,548	-	-	-	-	3,612,440
Public Services	328,634	-	-	-	6,617	-	-	-	-	335,251
Auxiliary Services	-	-	-	-	-	-	-	7,027,240	-	7,027,240
Operations and Maintenance	1,592	7,327,305	1,533,144	-	-	-	22,443,492	-	-	31,305,533
Institutional Support	35,665,269	-	2,637,535	123,239	737,780	-	-	-	-	39,163,823
Scholarships, Student Grants, and Waivers	-	-	-	-	14,276,899	-	-	-	-	14,276,899
Debt Service	-	-	-	-	-	5,746,164	-	-	-	5,746,164
Total Expenditures	66,148,479	7,327,305	4,229,771	123,239	17,471,503	5,746,164	22,443,492	7,027,240	-	130,517,193
NET TRANSFERS	(1,663,850)	(2,200,000)	-	-	1,324,133	-	2,200,000	400,000	(60,283)	-
FUND BALANCE - JUNE 30, 2017	<u>\$ 12,147,771</u>	<u>\$ 4,674,137</u>	<u>\$ 6,397,703</u>	<u>\$ 246,596</u>	<u>\$ 1,614,463</u>	<u>\$ 9,380,527</u>	<u>\$ 3,318,807</u>	<u>\$ (601,887)</u>	<u>\$ 9,907,933</u>	<u>\$ 47,086,050</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 2
SUMMARY OF CAPITAL ASSETS AND DEBT
YEAR ENDED JUNE 30, 2017**

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2017</u>
CAPITAL ASSETS					
Land and Improvements	\$ 26,187,160	\$ 92,000	\$ -	\$ -	\$ 26,279,160
Buildings, Additions, and Improvements	176,565,732	1,477,235	(75,000)	33,804,818	211,772,785
Equipment	53,196,811	630,446	(30,244)	-	53,797,013
Construction in Progress	13,672,083	20,837,271	-	(33,804,818)	704,536
Accumulated Depreciation	<u>(116,406,687)</u>	<u>(5,703,414)</u>	<u>42,964</u>	<u>-</u>	<u>(122,067,137)</u>
Net Capital Assets	<u>\$ 153,215,099</u>	<u>\$ 17,333,538</u>	<u>\$ (62,280)</u>	<u>\$ -</u>	<u>\$ 170,486,357</u>
FIXED DEBT					
Bonds Payable	\$ 37,935,000	\$ -	\$ (3,965,000)	\$ -	\$ 33,970,000
Debt Certificates	<u>-</u>	<u>9,600,000</u>	<u>-</u>	<u>-</u>	<u>9,600,000</u>
Total Fixed Debt	<u>\$ 37,970,000</u>	<u>\$ 9,600,000</u>	<u>\$ (3,965,000)</u>	<u>\$ -</u>	<u>\$ 43,570,000</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2017**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	\$ 17,111,483	\$ 3,476,863	\$ 20,588,346
Corporate Personal Property Tax	250,000	2,933,139	3,183,139
Total Local Government	<u>17,361,483</u>	<u>6,410,002</u>	<u>23,771,485</u>
State Government:			
ICCB Credit Hour Grants	3,826,397	1,275,466	5,101,863
ICCB Equalization Grants	417,645	139,215	556,860
ICCB Career and Technical	807,145	-	807,145
Other State Sources	<u>23,173,428</u>	<u>-</u>	<u>23,173,428</u>
Total State Government	<u>28,224,615</u>	<u>1,414,681</u>	<u>29,639,296</u>
Student Tuition and Fees:			
Tuition	23,021,187	-	23,021,187
Fees	<u>904,934</u>	<u>-</u>	<u>904,934</u>
Total Tuition and Fees	<u>23,926,121</u>	<u>-</u>	<u>23,926,121</u>
Other Sources:			
Sales and Service Fees	215,564	-	215,564
Investment Income	103,765	41,667	145,432
Other	<u>111,001</u>	<u>662,360</u>	<u>773,361</u>
Total Other Sources	<u>430,330</u>	<u>704,027</u>	<u>1,134,357</u>
Total Revenue	69,942,549	8,528,710	78,471,259
Less Nonoperating Items:*			
Tuition Chargeback Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Revenue	<u>\$ 69,942,549</u>	<u>\$ 8,528,710</u>	<u>\$ 78,471,259</u>

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 ADDITIONAL INFORMATION
 UNIFORM FINANCIAL STATEMENT NO. 3 (CONTINUED)
 OPERATING FUNDS REVENUES AND EXPENDITURES
 YEAR ENDED JUNE 30, 2017**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	\$ 24,954,158	\$ -	\$ 24,954,158
Academic Support	2,591,026	-	2,591,026
Student Services	2,607,800	-	2,607,800
Public Services	328,634	-	328,634
Operations and Maintenance	1,592	7,327,305	7,328,897
Institutional Support	35,665,269	-	35,665,269
Total Expenditures	<u>66,148,479</u>	<u>7,327,305</u>	<u>73,475,784</u>
Less Nonoperating Items:*			
Tuition Chargeback	<u>7,684</u>	<u>-</u>	<u>7,684</u>
Adjusted Expenditures	<u><u>\$ 66,140,795</u></u>	<u><u>\$ 7,327,305</u></u>	<u><u>\$ 73,468,100</u></u>
By Object:			
Salaries	\$ 30,243,419	\$ 3,602,208	\$ 33,845,627
Employee Benefits	30,214,808	871,980	31,086,788
Contractual Services	1,281,087	277,854	1,558,941
General Materials and Supplies	1,805,455	501,443	2,306,898
Conference and Meeting	164,699	572	165,271
Fixed Charges	883,806	303,570	1,187,376
Utilities	27,948	1,769,910	1,797,858
Capital Outlay	258,274	13,332	271,606
Other	1,268,983	(13,564)	1,255,419
Total Expenditures	<u>66,148,479</u>	<u>7,327,305</u>	<u>73,475,784</u>
Less Nonoperating Items:			
Tuition Chargeback	<u>7,684</u>	<u>-</u>	<u>7,684</u>
Adjusted Expenditures	<u><u>\$ 66,140,795</u></u>	<u><u>\$ 7,327,305</u></u>	<u><u>\$ 73,468,100</u></u>

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 4
CURRENT RESTRICTED FUNDS – REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2017**

	Restricted Purposes Fund
REVENUE BY SOURCE	
State Government:	
State Adult Ed - State Basic	\$ 172,311
State Adult Ed - Performance	214,718
ICCB Program Improvement	41,910
Other	970,085
Total State Government	<u>1,399,024</u>
Federal Government:	
Department of Education	10,283,720
Department of Labor	42,546
Other	4,829,122
Total Federal Government	<u>15,155,388</u>
Other Sources	<u>418,578</u>
Total Restricted Purposes Fund Revenue	<u><u>\$ 16,972,990</u></u>
EXPENDITURES BY PROGRAM	
Instruction	\$ 1,453,085
Academic Support	51,574
Scholarships, Student Grants, and Waivers	14,276,899
Student Services	945,548
Public Services	6,617
Institutional Support	<u>737,780</u>
Total Restricted Purposes Fund Expenditures	<u><u>\$ 17,471,503</u></u>
EXPENDITURES BY OBJECT	
Salaries	\$ 1,340,988
Employee Benefits	378,477
Contractual Services	492,480
Financial Aid	14,280,418
General Materials and Supplies	381,871
Conference and Meeting Expenses	137,350
Fixed Charges	227,032
Utilities	2,789
Capital Outlay	128,749
Other	<u>101,349</u>
Total Restricted Purposes Fund Expenditures	<u><u>\$ 17,471,503</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2017**

INSTRUCTION

Instructional Programs	\$ 25,625,714
Instructional Support	781,529
Total Instruction	<u>26,407,243</u>

ACADEMIC SUPPORT

Library Center	1,081,775
Instructional Materials Center	50,376
Academic Computing Support	272,573
Academic Administration and Plan	576,329
Other	661,547
Total Academic Support	<u>2,642,600</u>

STUDENT SERVICES SUPPORT

Admissions and Records	1,196,714
Counseling and Career Services	774,421
Financial Aid Administration	549,116
Other Student Services Support	1,092,189
Total Student Services Support	<u>3,612,440</u>

PUBLIC SERVICES

Community Education	328,634
Other	6,617
Total Public Services	<u>335,251</u>

AUXILIARY SERVICES

7,027,240

OPERATIONS AND MAINTENANCE

Maintenance	2,255,218
Custodial Services	2,010,739
Grounds Maintenance	540,023
Campus Security	1,497,127
Transportation	92,758
Administration	2,146,237
Other	319,939
Total Operations and Maintenance	<u>8,862,041</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5 (CONTINUED)
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2017**

INSTITUTIONAL SUPPORT

Executive Management	\$ 779,583
Fiscal Operations	1,143,394
Community Relations	1,099,402
Administrative Support Services	2,203,858
Board Of Trustees	60,141
General Institutional	28,822,078
Institutional Research	262,291
Administrative Data Processing	4,156,496
Other	<u>636,580</u>
Total Institutional Support	39,163,823

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS

14,276,899

Total Current Funds Expenditures

\$ 102,327,537

Note: Current funds include the Educational; Operations and Maintenance;
Ancillary; Audit; Current Restricted, and Auxiliary Funds.

**ILLINOIS COMMUNITY COLLEGE BOARD (ICCB)
STATE GRANTS SECTION**

**INDEPENDENT AUDITORS' REPORT ON THE ADULT EDUCATION AND FAMILY LITERACY
GRANTS PROGRAM AND CAREER AND TECHNICAL EDUCATION – PROGRAM
IMPROVEMENT GRANTS**

Board of Trustees
Illinois Central College District 514
East Peoria, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants Program and Career and Technical Education – Program Improvement Grants of Illinois Central College District 514 (the District) which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenditures and changes in net position for the year then ended, and the related note 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. 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.

Basis for Qualified Opinion

The District has elected to recognize the 2017 state funding of \$4,068,204 as a receivable and revenue as of June 30, 2017. In our opinion, accounting principles generally accepted in the United States of America require that an appropriation for such funding occur prior to the recognition of the receivable and revenue. The appropriation did not occur until July 6, 2017.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants Program and the Career Technical and Education – Program Improvement Grants of Illinois Central College District 514 as of June 30, 2017, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

The financial statements of the Adult Education and Family Literacy Grants Program and the Career and Technical Education – Program Improvement Grants are intended to present the net position and changes in net position of only that portion of the business-type activities of Illinois Central College District 514 that is attributable to the Adult Education and Family Literacy Grants Program, respectively. These financial statements do not purport to, and do not, present fairly the statement of net position of Illinois Central College District 514 as of June 30, 2017, or the revenues, expenses, and changes in net position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Adult Education and Family Literacy Grants Program’s basic financial statements. The supplementary schedule on page 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements.



CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

Board of Trustees
Illinois Central College District 514
East Peoria, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Adult Education and Family Literacy Grants Program and Career and Technical Education – Program Improvement Grants of Illinois Central College District 514 (the District), which comprise the statement of net position as of June 30, 2017, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related note to the financial statements, and have issued our report thereon dated October 13, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that Illinois Central College District 514 failed to comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of trustees and management of Illinois Central College District 514 and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
ASSETS			
Accounts Receivable	\$ 12,406	\$ 97,477	\$ 109,883
Cash	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>12,406</u>	<u>97,477</u>	<u>109,883</u>
LIABILITIES			
LIABILITIES			
Bank Overdraft	11,445	97,477	108,922
Accrued Salaries	<u>961</u>	<u>-</u>	<u>961</u>
Total Liabilities	<u>12,406</u>	<u>97,477</u>	<u>109,883</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
JUNE 30, 2017**

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
REVENUES			
Illinois Community College Board Grant	172,311	\$ 214,718	\$ 387,029
EXPENDITURES BY PROGRAM			
Instructional and Student Services:			
Instruction	76,611	19,431	96,042
Guidance Services	5,139	1,700	6,839
Assessment and Testing	9,974	3,075	13,049
Student Transportation Services	-	1,000	1,000
Subtotal Instructional and Student Services	91,724	25,206	116,930
Program Support:			
Improvement of Instructional Services	1,384	1,640	3,024
General Administration	10,734	6,662	17,396
Operations and Maintenance of Plant Services	47,241	161,267	208,508
Instructional Equipment	-	-	-
Data and Information Services	21,228	19,943	41,171
Subtotal Program Support	80,587	189,512	270,099
Total Expenditures	172,311	214,718	387,029
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
PROGRAM IMPROVEMENT GRANT
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2017**

ASSETS

Cash	\$ -
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LIABILITIES AND NET POSITION

LIABILITIES

Accounts Payable	<u>-</u>
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Net Position	<u><u>\$ -</u></u>
--------------	--------------------

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
PROGRAM IMPROVEMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2017**

REVENUES

Illinois Community College Board grant	\$	41,910
--	----	--------

EXPENDITURES

Instruction		4,595
Instructional Equipment		37,315
Total Expenditures		41,910

EXCESS OF REVENUE OVER EXPENDITURES

-

Net Position - Beginning of Year

-

NET POSITION - END OF YEAR

\$ -

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2017**

ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAMS

State Basic Grant. Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school, for the purpose of providing adults in the community 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 childcare facilities or provision.

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

CAREER AND TECHNICAL EDUCATION – PROGRAM IMPROVEMENT GRANTS

Grant dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTE TO FINANCIAL STATEMENTS
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying statements include only those transactions resulting from the ICCB Adult Education and Family Literacy Grants, and Career and Technical Education – Program Improvement Grants of the District. These transactions have been accounted for in the Restricted Purposes Fund.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, with the exception of the District electing to recognize the 2017 state funding as a receivable and revenue as of June 30, 2017.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SUPPLEMENTARY SCHEDULE
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
YEAR ENDED JUNE 30, 2017**

	Audited Expenditure Amount	Actual Expenditure Percentage
STATE BASIC		
Instruction (45% Minimum Required)	\$ 76,611	44.46%*
General Administration (15% Maximum Allowed)	\$ 10,734	6.23%

*The District received a waiver to the policy from ICCB for the grant not meeting the 45% Instruction threshold.

SUPPLEMENTARY ICCB SCHEDULES



CliftonLarsonAllen LLP
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Peoria, IL 61602
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**INDEPENDENT ACCOUNTANTS' REPORT ON ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED**

Board of Trustees
Illinois Central College District 514
East Peoria, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours (the Schedules) of Illinois Central College District 514 for the year ended June 30, 2017. Management is responsible for the preparation and presentation of the Schedules in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedules are in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedules referred to above presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and reconciliation of semester credit hours of Illinois Central College District 514 for the year ended June 30, 2017, in accordance with the provisions of the aforementioned guidelines.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2017

CATEGORIES	Total Reimbursable Semester Credit Hours by Term*							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	12,334.5	-	51,454.0	-	49,064.0	-	112,852.5	-
Business Occupational	325.0	-	2,708.0	-	2,379.0	-	5,412.0	-
Technical Occupational	1,544.0	-	6,859.0	-	6,957.0	-	15,360.0	-
Health Occupational	1,498.0	-	6,312.0	-	6,235.5	-	14,045.5	-
Remedial Developmental	790.0	-	4,756.0	-	3,056.0	-	8,602.0	-
Adult Basic Education/Adult Secondary Education	-	41.0	203.0	918.0	178.0	962.0	381.0	1,921.0
Total Credit Hours Certified	16,491.5	41.0	72,292.0	918.0	67,869.5	962.0	156,653.0	1,921.0
				Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement		Total	
Reimbursable Semester Credit Hours				141,896.5	329.0		142,225.5	
				Dual Credit	Dual Enrollment			
Reimbursable Semester Credit Hours				13,110.0	1,998.0			
District Prior Year Equalized Assessed Valuation								7,032,879,681

Signatures

Chief Executive Officer

Chief Financial Officer

* Unrestricted credit hours are supported with 50 percent 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 percent of restricted sources of funding.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED (CONTINUED)
YEAR ENDED JUNE 30, 2017

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

CATEGORIES	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	112,852.5	112,852.5	-	-	-	-
Business Occupational	5,412.0	5,412.0	-	-	-	-
Technical Occupational	15,360.0	15,360.0	-	-	-	-
Health Occupational	14,045.5	14,045.5	-	-	-	-
Remedial Developmental	8,602.0	8,602.0	-	-	-	-
Adult Basic Education/Adult Secondary Education	381.0	381.0	-	1,921.0	1,921.0	-
	<u>156,653.0</u>	<u>156,653.0</u>	<u>-</u>	<u>1,921.0</u>	<u>1,921.0</u>	<u>-</u>
Total						

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

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Residents	141,896.5	141,896.5	-
Out-of-District on Chargeback or Contractual Agreement	329.0	329.0	-
Total	<u>142,225.5</u>	<u>142,225.5</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual Credit	13,110.0	13,110.0	-
Dual Enrollment	1,998.0	1,998.0	-
Total	<u>15,108.0</u>	<u>15,108.0</u>	<u>-</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED (CONTINUED)
YEAR ENDED JUNE 30, 2017

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/
CONTRACTUAL AGREEMENT CREDIT HOURS (CONTINUED)**

CATEGORIES	Total Correctional Credit Hours	Correctional Credit Hours Certified to The ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2017
(UNAUDITED)

THE DISTRICT'S RESIDENCY REQUIREMENTS AND PROCEDURES

Illinois Community College Board rules specify that each district shall adopt a process for verifying the residency status of its students. Following is a brief outline of Illinois Central College's processes and procedures for verifying residency.

- 1) New enrollments are not allowed until the new student completes the ICC application for enrollment.
 - At this time, the identification of the new student is checked against the information disclosed on the application.
- 2) Residency status is first determined by the high school from which the student graduated as stated on the student application.
 - If stated high school is outside the district and the student would like to appeal for the in-district tuition rate, the student must complete an internal residency questionnaire and submit any of the following documents for evaluation (items in 3 thru 6 below).
 - If the student declares the sole purpose of relocation is to attend ICC, the out-of-district rate will apply and the appeal for the in-district tuition rate will be denied.
- 3) Copy of student's driver's license to prove residency greater than thirty (30) days.
 - Issue date inspected by ICC staff member to determine if license was issued prior to 30-day requirement.
 - If issue date of license is less than 30 days, student must provide a copy of property tax statement, copy of lease, or a letter from employer to prove residency of greater than 30 days.
- 4) Copy of tax returns.
 - For students under age of 24 claiming independence, ICC requires copies of the student's most recent tax return and that of his/her parents.
- 5) Copy of property tax statement.
 - If the student resides within close proximity to ICC and another community college, ICC must determine to which community college the property taxes are paid by requiring a copy of the property tax statement from the student.
- 6) Copy of Social Security card or Permanent Residency card.
 - Applicable for those students that attended high school outside the United States.
- 7) Returned Mail Procedures.
 - If the piece of returned mail includes a forwarding address from the U.S. Postal Service, ICC will forward the piece of mail on to the student.
 - A note will be placed on the student accounts for which mail was returned with no forwarding address.

Illinois Central College District 514

**Certification of Chargeback Reimbursement (Unaudited)
For Use in the Year Ending June 30, 2018**

Noncapital fund expenditures (including mandatory transfers):		
Education Fund	\$ 65,890,204	
Operations and Maintenance Fund	7,313,973	
Public Building Commission Operations and Maintenance Fund	-	
General Obligation Bond Fund	5,746,164	
Public Building Commission Rental Fund	-	
Current Restricted Fund	17,367,253	
Audit Fund	123,239	
Ancillary Fund	4,197,447	
Total noncapital expenditures		<u>100,638,281</u>
Add - depreciation allowance:		
Land Improvements (\$11,985,389 @ 5%)	599,269	
Buildings and Building Improvements (\$136,604,277 @ 2%)	2,732,086	
Equipment (\$6,799,564 @ 12.5%)	849,946	4,181,300
Total costs included		<u>104,819,580</u>
Total certified semester credit hours for FY 2017		
	158,574	
Per capita cost		
		661.01
Federal and state operating grants for noncapital expenditures, except ICCB grants		
	\$ 39,333,602	
Less Deductions:		
FY 2017 federal and state grants per semester credit hour		248.05
District's average ICCB grant rate (excluding equalization grants) for FY 2018		27.02
District's student tuition and fee rate per semester credit hour for FY 2018		143.00
Chargeback reimbursement per semester credit hour		<u>\$ 242.94</u>

Approved:

Chief Fiscal Officer

Date

Chief Executive Officer

Date

10-9-2017

Oct 9, 2017

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

Board of Trustees
Illinois Central College District 514
East Peoria, 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 activities of Illinois Central College District 514 and its discretely presented component unit, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Illinois Central College District 514's basic financial statements, and have issued our report thereon dated October 13, 2017. The financial statements of the District's discretely presented component unit 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 Illinois Central College District 514'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Illinois Central College District 514's internal control. Accordingly, we do not express an opinion on the effectiveness of Illinois Central College District 514's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Illinois Central College District 514's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Illinois Central College District 514
East Peoria, Illinois

Report on Compliance for Each Major Federal Program

We have audited Illinois Central College District 514's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

Illinois Central College District 514's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Illinois Central College District 514's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District 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 District'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Illinois Central College District 514's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Illinois Central College District 514's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Trustees
Illinois Central College District 514

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Peoria, Illinois
October 13, 2017

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>			
Direct:			
Student Financial Aid Cluster:			
PELL Grant Program	84.063 *	N/A	\$ 8,766,890
Supplemental Educational Opportunity Grant	84.007 *	N/A	204,300
College Work Study	84.033 *	N/A	180,831
Direct Loan Program	84.268 *	N/A	4,828,550
Total Student Financial Aid Cluster			<u>13,980,571</u>
Trio Cluster:			
Student Support Services FY 17 07/01/16 - 08/31/16	84.042A	P042A100737-14	45,363
Student Support Services FY 17 09/01/16 - 06/30/17	84.042A	P042A150518-16	292,248
Student Support Services FY 14 09/01/13 - 06/30/14	84.044A	P044A160951	196,041
Total TRIO Cluster			<u>533,652</u>
Passed through Illinois Community College Board:			
Adult Education - State Grant Program	84.002	F5140117	214,130
Vocational Education - Basic Grants to State PERKINS	84.048	CTE51517	321,090
Vocational Education - Basic Grants to State PERKINS LEADERSHIP	84.048	CTE51517	18,882
Career & Technical Ed - Pathways to Results - Implementation Continues	84.048	PTR51416	1,296
Career & Technical Ed - Bridging the Gap	84.367A	BTG51417	2,870
Career & Technical Ed - Dual Credit Enhancement	84.048	DCE-51417	10,000
Career & Technical Ed - Career Pathways Enhancement	84.048	CPE-51417	5,000
Total U.S. Department of Education			<u>15,087,491</u>
<u>U.S. Department of Agriculture</u>			
Passed through Illinois State Board of Education:			
Child and Adult Care Food Program	10.558	11-4226-00-53-090-5140-51	9,087
Total U.S. Department of Agriculture			<u>9,087</u>
<u>U.S. Department of Labor</u>			
Illinois Department of Commerce & Economic Opportunity (Direct)			
Passed through the United Workforce Development Board:			
WIA-Youth Activities	17.259	Y70 2016-2	39,520
Drop-out Recovery	17.259	OOSY 2015-5	3,026
Total U.S. Department of Labor			<u>42,546</u>
SAL Quality Improvement	93.596	N/A	132
SAL NAEYC Report Fee Grant	93.596	N/A	440
Total Federal Awards			<u>\$ 15,139,696</u>

* Major Program

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Illinois Central College District 514. Direct federal awards and federal awards passed through other government agencies are included on the schedule. The College has elected not to use its 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

Relationship to Basic Financial Statements

The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with amounts reported in the related federal financial reports.

NOTE 2 DIRECT LOANS

During the fiscal year ended June 30, 2017, students and their parents were awarded \$4,828,550 of federally guaranteed loans under the Federal Direct Student Loan Program (programs include Stafford Loans, Parents' Loans for Undergraduate Students, and Unsubsidized Stafford Loans).

The District is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances relating to these loan programs are not included in the District's basic financial statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)?

_____ yes

 X none reported

Noncompliance material to financial
statements noted?

_____ yes

 X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)?

 X yes

_____ none reported

Type of auditors' report issued on compliance for
for major programs?

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with GAS and 2 CFR
Part 200 *Uniform Administrative Requirements,
Cost Principles, and Audit Requirements for
Federal Awards*?

 X yes

_____ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.063, 84.007, 84.033, 84.268

Student Financial Aid Cluster

Dollar threshold used to distinguish
between type A and type B programs:

 \$750,000

Auditee qualified as low-risk auditee?

 X yes

_____ no

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

2017-001

Federal Agency:	Department of Education
Federal Program Title:	Student Financial Aid Cluster
CFDA Number:	Supplemental Educational Opportunity Grant – 84.007 College Work Study Program – 84.033 Pell Grant Program – 84.063 Direct Loan Program – 84.268
Pass-Through Agency:	N/A
Award Period:	July 1, 2016 through June 30, 2017
Type of Finding:	Significant Deficiency in Internal Control Over Compliance Other Noncompliance

Criteria or specific requirement: Per page 2-52 of the SFA handbook, "If the roster file that you are returning contains records that don't pass the NSLDS enrollment reporting edits, you will receive a response file with the records that didn't pass. Within 10 days you'll need to make the necessary corrections to these records and resubmit them." (34 CFR 685.309)

Condition: The District contracts with the National Student Clearinghouse (NSLDS) as an intermediary to transfer student information to the NSLDS. Errors were reported to the District by National Student Clearinghouse (NSC) and the District implemented processes during the year to ensure that corrections were made timely, based on the NSC reports. The District also reviewed the SCHER1 report provided by NSLDS after submitting data feeds. When reviewing the SCHER1 the District noted feed dates listed that were outside of their feed schedule and assumed the information was in error. The District was unaware that the intermediary was sending data feeds to the NSLDS periodically without notifying the District and that the errors did need to be resolved. Had the District reconciled the reports from the two entities, the additional errors would have been identified.

Questioned Costs: None.

Context: The District reported 74,181 records, 3,373 of which contained errors. 1,744 were not resolved within the 10-day window.

Cause: Error reports from NSC and NSLDS did not contain the same information. The District did not reconcile error reports from the two entities to ensure all errors were identified and resolved within the timeframe required.

Effect: Failure to comply with the requirement to have error response files filed and accepted within the 10-day time frame.

Repeat Finding: Yes. Prior year finding number 2016-001.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Section III - Federal Award Findings and Questioned Costs (Continued)

Recommendation: It is recommended that the District utilize the reports provided by the clearinghouse as well as from NSLDS to ensure timely detection of feeds and errors, and continue efforts to resolve the errors timely.

Views of responsible officials: There is no disagreement with the audit finding.

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