

ILLINOIS CENTRAL COLLEGE DISTRICT 514

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018



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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 discretely presented component unit of Illinois Central College District 514 (the District), as of and for the years ended June 30, 2019 and 2018, 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 discretely presented component unit of the District as of June 30, 2019 and 2018, 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 through XIII, the schedule of the District's proportionate share of the net OPEB liability on page 42, the schedule of the District's contributions on page 43, the schedule of changes in the District's net OPEB liability and related ratios on page 44, and the defined benefit pension plan information on page 45 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 (GASB) 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 fund financial statements on pages 47 through 61, the equalized assessed valuations and taxes extended on page 62, the summary of taxes receivable and tax collections on page 63, the consolidated year-end financial report on page 64, the uniform financial statements on pages 65 through 71, and the certificate of chargeback reimbursement form on page 85 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 on 90, 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.

The combining and individual fund financial statements, the equalized assessed valuations and taxes extended, the summary of taxes receivable and tax collections, the consolidated year-end financial report, the uniform financial statements, the certificate of chargeback reimbursement form, 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, 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 84 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 November 5, 2019, 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
November 5, 2019

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018**

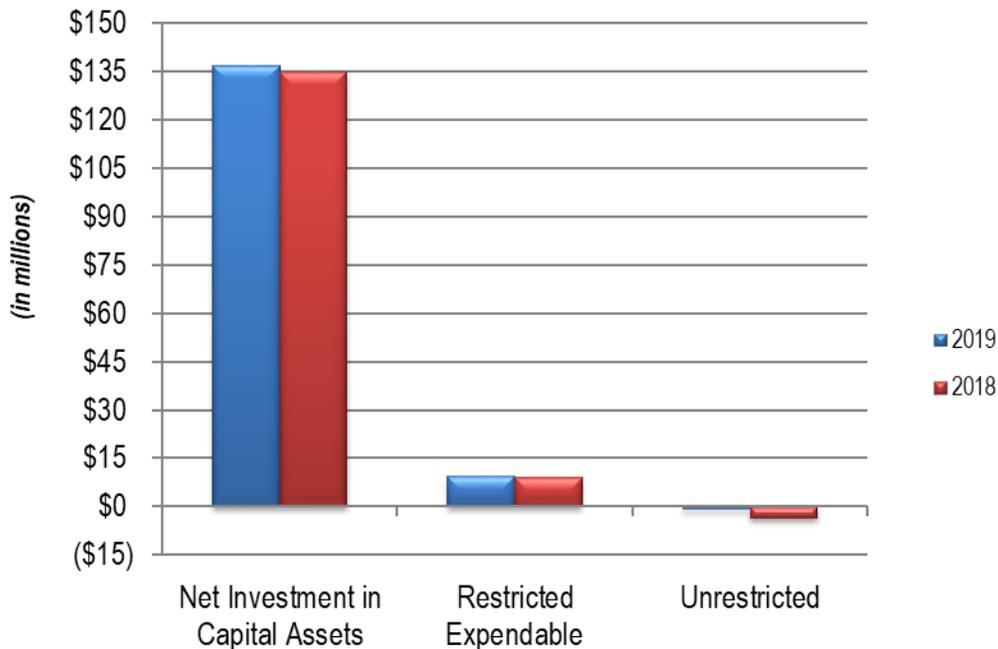
This section of Illinois Central College District 514's (the College) Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2019 and 2018. Since this management's discussion and analysis is designed to focus on 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 41). 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 41) 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 *Government 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 2019 and 2018



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Financial Analysis of the Total Reporting Entity

| | Net Position As of June 30, (in millions) | | | | | | |
|---|---|-----------------|---------------|-------------------|------------------------|------------------|-------------------|
| | Increase (Decrease) | | | | Increase (Decrease) | | |
| | 2019 | 2018 | 2019-2018 | Percent Change | 2017 | 2018-2017 | Percent Change |
| Current Assets | \$ 84.3 | \$ 83.7 | \$ 0.6 | 0.7% | \$ 78.9 | \$ 4.8 | 6.1% |
| Non-Current Assets | | | | | | | |
| Other | 10.0 | 8.4 | 1.6 | 19.0% | 7.7 | 0.7 | 9.1% |
| Capital Assets, Net of Depreciation | 169.8 | 170.9 | (1.1) | -0.6% | 170.5 | 0.4 | 0.2% |
| Deferred outflows of resources | 2.0 | 1.8 | 0.2 | 11.1% | 0.2 | 1.6 | 800.0% |
| Total Assets plus Deferred outflows of resources | 266.1 | 264.8 | 1.3 | 0.5% | 257.3 | 7.5 | 2.9% |
| Current Liabilities | 13.2 | 12.7 | 0.5 | 3.9% | 12.7 | - | 0.0% |
| Non-Current Liabilities | 67.4 | 73.1 | (5.7) | -7.8% | 44.6 | 28.5 | 63.9% |
| Total Liabilities | 80.6 | 85.8 | (5.2) | -6.1% | 57.3 | 28.5 | 49.7% |
| Deferred inflows of resources | 40.1 | 38.6 | 1.5 | 3.9% | 35.2 | 3.4 | 9.7% |
| Net Position | | | | | | | |
| Net Investment in Capital Assets | 136.8 | 134.8 | 2.0 | 1.5% | 132.7 | 2.1 | 1.6% |
| Restricted Expendable | 9.4 | 9.2 | 0.2 | 2.2% | 12.7 | (3.5) | -27.6% |
| Unrestricted | (0.8) | (3.6) | 2.8 | -77.8% | 19.4 | (23.0) | -118.6% |
| Total Net Position | \$ 145.4 | \$ 140.4 | \$ 5.0 | 3.6% | \$ 164.8 | \$ (24.4) | -14.8% |

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 2019 Compared to 2018

The \$1.3 million increase in total assets is primarily attributed to an increase in investments. The College's investment position is higher than the prior year due to favorable operating results.

Total liabilities are \$5.2 million lower as compared to the prior year as a result of the decrease in noncurrent liabilities, specifically net bonds payable. The College issued no new debt during FY 2019 and made principal payments totaling over \$4.5 million.

The overall change in the College's net position is attributed primarily to an increase in investment earnings and additional grants and contracts. The increase is further enhanced by a reduction in operating expenses of \$1.6 million.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Fiscal Year 2018 Compared to 2017

The \$7.5 million increase in total assets is primarily attributed to an increase in cash and investments. The College's cash position is higher than the prior year as a result of higher appropriations from the state of Illinois for fiscal year 2018.

Total liabilities are higher as compared to the prior year as a result of the increase in noncurrent liabilities, specifically net OPEB liability. The district implemented GASB Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. This pronouncement requires recognition of a proportionate share of the liability for health insurance provided to retirees. College and employee contributions are limited to 0.5% of payroll and there is no adverse cash flow impact of the recorded liability. The College's exposure is limited to matching contributions noted.

The overall change in the College's net position is attributed primarily to the implementation of GASB Statement No. 75 partially offset by the increase in other state of Illinois funding of \$4.5 million.

Operating Results for the Years Ended
June 30,
(in millions)

| | 2019 | 2018 | Increase (Decrease) 2019-2018 | Percent Change | 2017 | Increase (Decrease) 2018-2017 | Percent Change |
|--|-----------------|-----------------|-------------------------------------|-------------------|-----------------|-------------------------------------|-------------------|
| Operating Revenue | | | | | | | |
| Tuition and Fees | \$ 22.1 | \$ 22.5 | \$ (0.4) | -1.8% | \$ 24.0 | \$ (1.5) | -6.3% |
| Auxiliary | 6.4 | 6.8 | (0.4) | -5.9% | 6.6 | 0.2 | 3.0% |
| Funded Grants & Contracts | 45.3 | 50.0 | (4.7) | -9.4% | 39.6 | 10.4 | 26.3% |
| Other | 0.6 | 0.9 | (0.3) | -33.3% | 1.0 | (0.1) | -10.0% |
| Total | <u>74.4</u> | <u>80.2</u> | <u>(5.8)</u> | <u>-7.2%</u> | <u>71.2</u> | <u>9.0</u> | <u>12.6%</u> |
| Less Operating Expenses | 114.9 | 116.5 | (1.6) | -1.4% | 107.9 | 8.6 | 8.0% |
| Net Operating Loss | <u>(40.5)</u> | <u>(36.3)</u> | <u>(4.2)</u> | <u>-7.9%</u> | <u>(36.7)</u> | <u>0.4</u> | <u>-8.6%</u> |
| Non-Operating Revenue | | | | | | | |
| State Grants & Contracts | 4.2 | 2.9 | 1.3 | 44.8% | 1.3 | 1.6 | 123.1% |
| Federal & Local Grants & Contracts | 1.5 | 1.2 | 0.3 | 25.0% | 1.2 | - | 0.0% |
| Property Taxes | 35.9 | 35.3 | 0.6 | 1.7% | 34.6 | 0.7 | 2.0% |
| Corporate Personal Property Tax | 2.9 | 2.6 | 0.3 | 11.5% | 3.2 | (0.6) | -18.8% |
| Other | 1.0 | 1.0 | - | 0.0% | 0.6 | 0.4 | 66.7% |
| Total | <u>45.5</u> | <u>43.0</u> | <u>2.5</u> | <u>5.8%</u> | <u>40.9</u> | <u>2.1</u> | <u>5.1%</u> |
| Increase (Decrease) in Net Position | 5.0 | 6.7 | (1.7) | -25.4% | 4.2 | 2.5 | 59.5% |
| Net Position, Beginning of Year | 140.4 | 164.8 | (24.4) | -14.8% | 160.6 | 4.2 | 2.6% |
| Prior Period Adjustment | - | (31.1) | (31.1) | -100.0% | - | - | 0.0% |
| Net Position - Beginning of Year as Restated | 140.4 | 133.7 | (26.9) | -20.1% | 160.6 | (1.4) | -0.9% |
| Net Position, End of Year | <u>\$ 145.4</u> | <u>\$ 140.4</u> | <u>\$ 5.0</u> | <u>3.6%</u> | <u>\$ 164.8</u> | <u>\$ (24.4)</u> | <u>-14.8%</u> |
| Total Revenues | <u>\$ 121.1</u> | <u>\$ 124.3</u> | <u>\$ (3.2)</u> | <u>-2.6%</u> | <u>\$ 113.0</u> | <u>\$ 11.3</u> | <u>10.0%</u> |
| Total Expenses | <u>\$ 116.1</u> | <u>\$ 117.6</u> | <u>\$ (1.5)</u> | <u>-1.3%</u> | <u>\$ 108.8</u> | <u>\$ 8.8</u> | <u>8.1%</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Fiscal Year 2019 Compared to 2018

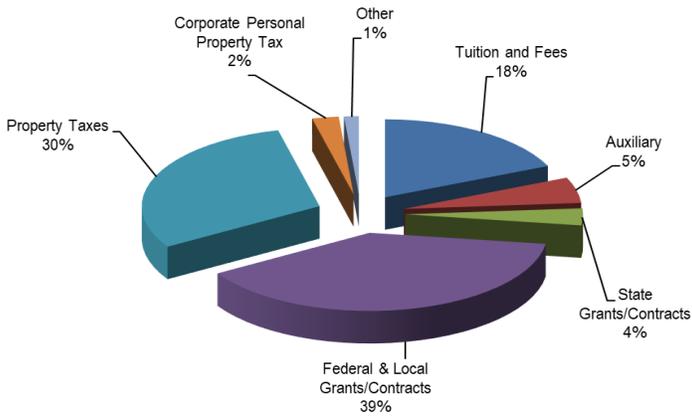
Operating revenue was \$5.8 million lower during 2019 as grant revenue decreased by \$4.7 million. The net operating loss was positively influenced by decreased operating expenses resulting from decreased grant expenditures primarily MAP and PELL grant payments. Lower financial assistance amounts impact both operating revenue and expenses. Nonoperating revenue increased \$2.5 million due to an increase in state grants and contracts.

Fiscal Year 2018 Compared to 2017

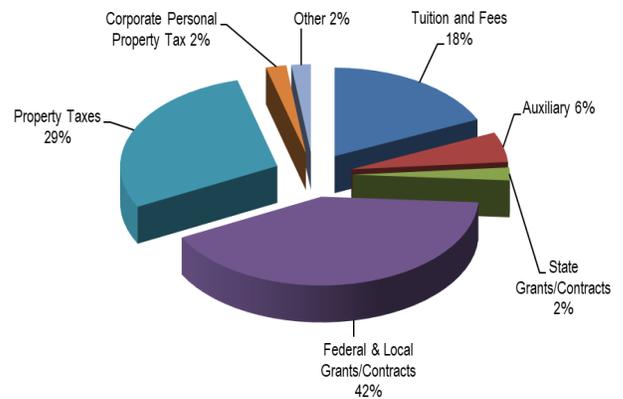
Operating revenue was higher during 2018 as grant revenue increased by \$10.4 million. This increase was offset by a 5.4% decline in enrollment during the year. The net operating loss was negatively influenced by increased operating expenses resulting from increased grant expenditures primarily MAP grant payments.

Nonoperating revenue increased \$2.1 million due to an increase in state grants and contracts reflecting improved state funding as a result of a budget passed by the state of Illinois.

Revenue by Source 2019

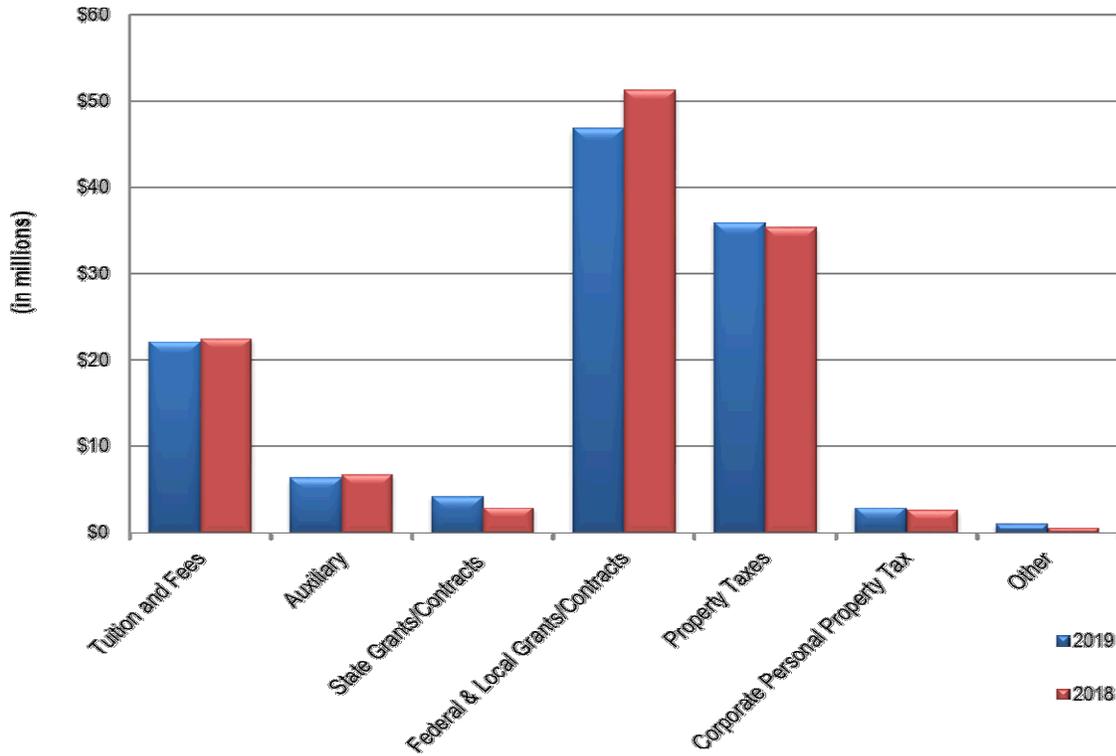


Revenue by Source 2018



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Comparison of Revenues – Fiscal Years 2019 and 2018



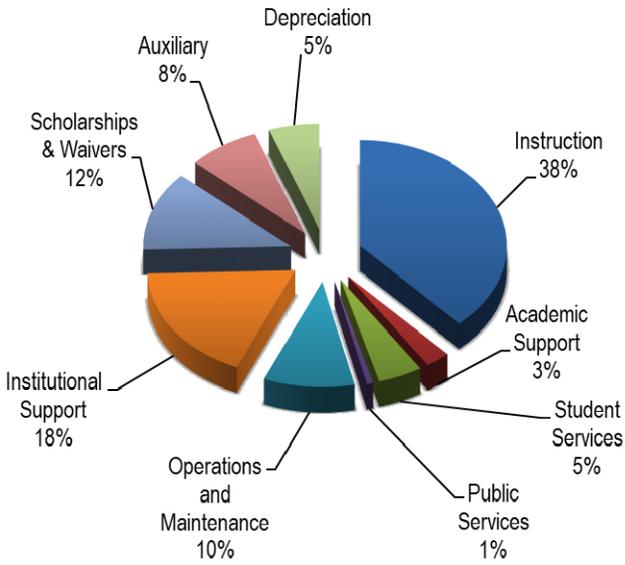
Operating Expenses
For the Years ended June 30,
(in millions)

| | 2019 | 2018 | Increase | | 2017 | Increase | |
|----------------------------|-----------------|-----------------|-------------------------|-------------------|-----------------|-------------------------|-------------------|
| | | | (Decrease) 2019-2018 | Percent Change | | (Decrease) 2018-2017 | Percent Change |
| Operating Expense | | | | | | | |
| Instruction | \$ 43.9 | \$ 42.4 | \$ 1.5 | 3.5% | \$ 39.4 | \$ 3.0 | 7.6% |
| Academic Support | 3.1 | 3.3 | (0.2) | -6.1% | 3.5 | (0.2) | -5.7% |
| Student Services | 5.7 | 5.6 | 0.1 | 1.8% | 5.0 | 0.6 | 12.0% |
| Public Services | 0.8 | 0.3 | 0.5 | 142.4% | 0.6 | (0.3) | -45.0% |
| Operations and Maintenance | 11.4 | 12.1 | (0.7) | -5.8% | 11.3 | 0.8 | 7.1% |
| Institutional Support | 20.8 | 21.3 | (0.5) | -2.3% | 19.9 | 1.4 | 7.0% |
| Scholarships & Waivers | 14.0 | 16.3 | (2.3) | -14.1% | 14.3 | 2.0 | 14.0% |
| Auxiliary | 9.0 | 9.1 | (0.1) | -1.1% | 8.2 | 0.9 | 11.0% |
| Depreciation | 6.2 | 6.1 | 0.1 | 1.6% | 5.7 | 0.4 | 7.0% |
| Total | \$ 114.9 | \$ 116.5 | \$ (1.6) | -1.4% | \$ 107.9 | \$ 8.6 | 8.0% |

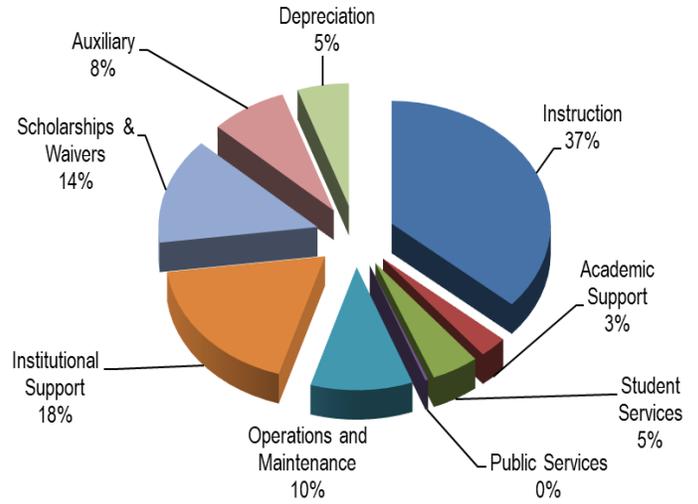
**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

The following is a graphic illustration of operating expenses for Fiscal Year 2019 and 2018.

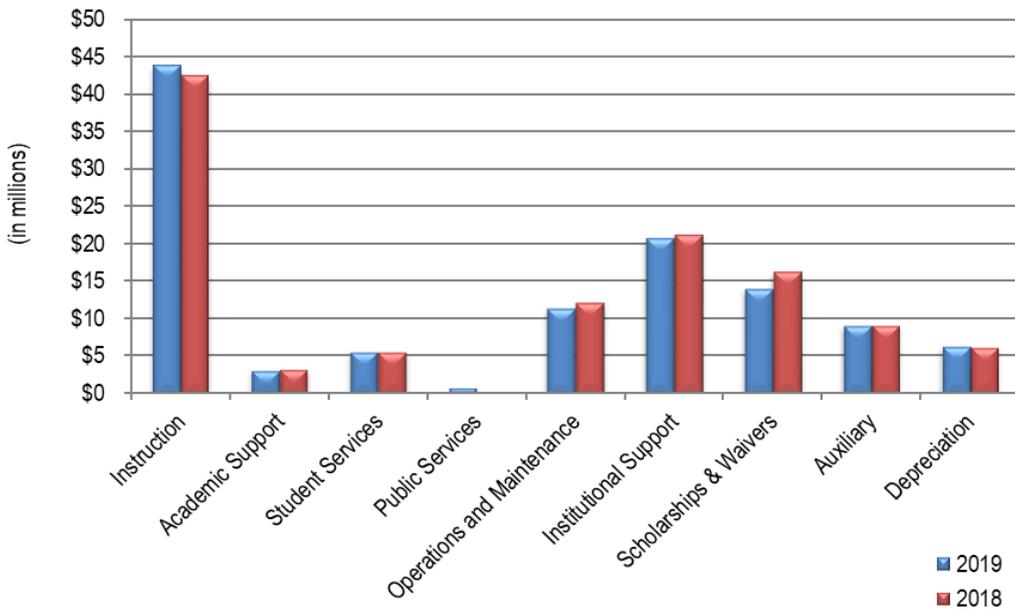
Operating Expenses – 2019



Operating Expenses – 2018



Comparison of Operating Expenses – Fiscal Years 2019 and 2018



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Fiscal Year 2019 Compared to 2018

Operating expenses decreased \$1.6 million or 1.4% from the prior year. Operating expenses were effectively controlled but were negatively influenced by higher instruction costs and the implementation of workforce development initiatives. Medical benefit costs that are attributable to all areas of the College finished the year \$1 million dollars favorable. Moreover, scholarships and waivers decreased by 14% as a result of a decrease in federal financial assistance funding and MAP awards.

Fiscal Year 2018 Compared to 2017

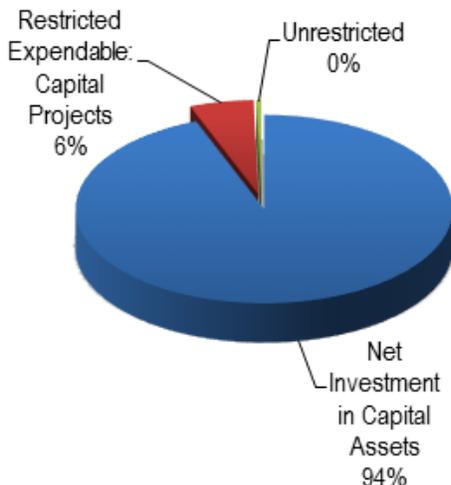
Operating expenses increased \$8.6 million or 8.0% from the prior year. Operating expenses were effectively controlled but were negatively influenced by higher than expected employee benefit costs. Moreover, scholarships and waivers increased by 14% as a result of increase MAP funding.

The following is a graphic illustration of net position for fiscal year 2019 and 2018:

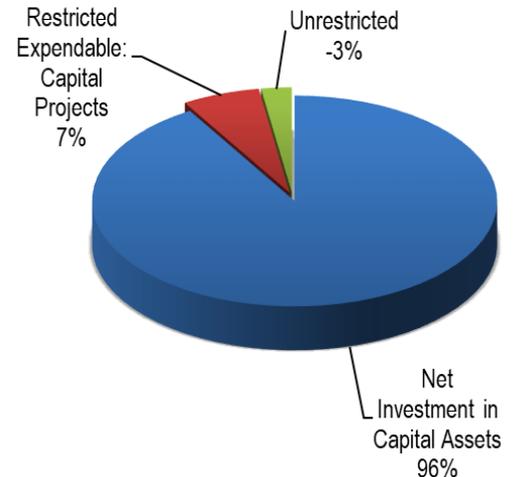
Analysis of Net Position
June 30,
(in millions)

| | 2019 | 2018 | Increase (Decrease) 2019-2018 | Percent Change | 2017 | Increase (Decrease) 2018-2017 | Percent Change |
|----------------------------------|----------|----------|-------------------------------------|-------------------|----------|-------------------------------------|-------------------|
| Net Position | | | | | | | |
| Net Investment in Capital Assets | \$ 136.8 | \$ 134.8 | \$ 2.0 | 1.5% | \$ 132.7 | \$ 2.1 | 1.6% |
| Restricted Expendable | | | | | | | |
| Capital Projects | 9.4 | 9.2 | 0.2 | 2.2% | 12.7 | (3.5) | (27.6%) |
| Unrestricted | (0.8) | (3.6) | 2.8 | (77.8%) | 19.4 | (23.0) | (118.6%) |
| Total | \$ 145.4 | \$ 140.4 | \$ 5.0 | 3.6% | \$ 164.8 | \$ (24.4) | (14.8%) |

Analysis of Net Position 2019



Analysis of Net Position 2018



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Fiscal Year 2019 Compared to 2018

Total net position of \$145.4 million increased \$5.0 million or 3.6% from the prior year. The overall change in the College's net position is attributed primarily to lower operating expenditures and an increase in investment income and grants and contracts.

Fiscal Year 2018 Compared to 2017

Total net position of \$140.4 million decreased \$24.4 million or 14.8% from the prior year. The overall change in the College's net position is attributed primarily to the implementation of GASB Statement No. 75. Please refer back to the discussion on page VI for additional explanation. As noted, the impact of the implementation will not impact the ongoing operations of the College, as the expense is limited to contributions made by employees and matched by the College.

Capital Asset and Debt Administration

Capital Assets

The District's capital assets as of June 30, 2019 and 2018 amounted to \$169.8 million and \$170.9 million, respectively (net of accumulated depreciation). The capital assets include land, construction-in-progress, land improvements, buildings and improvements, and equipment. The total decrease in capital assets of \$1.1 million for the year ended June 30, 2019 resulted from annual depreciation offsetting the \$3.7 million of capital projects for the year.

Major capital asset events during the year ended June 30, 2018 included a number of Life Safety projects 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>2019</u> | <u>2018</u> | <u>2017</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Land | \$ 3,352,154 | \$ 3,352,154 | \$ 3,352,154 |
| Construction In Progress | 939,251 | 1,248,188 | 704,536 |
| Land Improvements | 25,006,484 | 24,527,287 | 22,927,006 |
| Building and Improvements | 217,983,842 | 215,132,109 | 211,772,785 |
| Equipment | 56,893,085 | 54,821,755 | 53,797,013 |
| Accumulated Depreciation | <u>(134,419,531)</u> | <u>(128,181,477)</u> | <u>(122,067,137)</u> |
| Total | <u>\$ 169,755,285</u> | <u>\$ 170,900,016</u> | <u>\$ 170,486,357</u> |

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Debt

As of June 30, 2019, the District, Illinois had general obligation bonds outstanding totaling \$35,190,000 compared to \$39,655,000 of general obligation bonds as of June 30, 2018. For the year ended June 30, 2019, the District paid \$4,465,000 in principal and \$1,759,458 in interest on outstanding debt. No new debt was issued in 2019.

During fiscal year 2018, the College issued \$9.6 million in new bonds to pay off the 2017 debt certificates. For the year ended June 30, 2017, the District paid \$4,200,000 in principal and \$1,540,833 in interest on outstanding debt.

Illinois Central College's General Obligation Bonds
As of June 30,

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---------------------|----------------------|----------------------|----------------------|
| Beginning Balance | \$ 39,655,000 | \$ 43,570,000 | \$ 37,935,000 |
| Additions | - | 9,885,000 | 9,600,000 |
| Deletions | (4,465,000) | (13,800,000) | (3,965,000) |
| Ending Balance | <u>\$ 35,190,000</u> | <u>\$ 39,655,000</u> | <u>\$ 43,570,000</u> |
| | | | |
| Due Within One Year | <u>\$ 4,740,000</u> | <u>\$ 4,465,000</u> | <u>\$ 4,200,000</u> |

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

Cash Flows

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

| | 2019 | 2018 | Increase (Decrease) 2019-2018 | Percent Change | 2017 | Increase (Decrease) 2018-2017 | Percent Change |
|---|-------------|-------------|-------------------------------------|-------------------|-------------|-------------------------------------|-------------------|
| Net Cash provided by (used in) operating activities | (32.9) | (26.5) | (6.4) | 24.2% | (32.3) | 5.8 | -18.0% |
| Net Cash provided by (used in) noncapital financing activities | 44.2 | 42.9 | 1.3 | 3.0% | 41.8 | 1.1 | 2.6% |
| Net Cash provided by (used in) capital and related financing activities | (11.3) | (12.5) | 1.2 | -9.6% | (19.2) | 6.7 | -34.9% |
| Net Cash provided by (used in) investing activities | (2.8) | (9.1) | 6.3 | -69.2% | 2.3 | (11.4) | -495.7% |
| Net increase/(decrease) in cash and equivalents | (2.8) | (5.2) | 2.4 | -46.2% | (7.4) | 2.2 | -29.7% |
| Cash and equivalents, beginning of the year | 16.9 | 22.1 | (5.2) | -23.5% | 29.5 | (7.4) | -25.1% |
| Cash and equivalents, end of year | <u>14.1</u> | <u>16.9</u> | <u>(2.8)</u> | <u>-16.6%</u> | <u>22.1</u> | <u>(5.2)</u> | <u>-23.5%</u> |

Fiscal Year 2019 Compared to 2018

The statement of cash flows shows a decrease in cash of \$2.8 million in fiscal year 2019. The decrease was due to a higher invested cash position which offset the increases from higher property taxes and a lower investment in capital assets for the year.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019 AND 2018**

Fiscal Year 2018 Compared to 2017

The statement of cash flows shows a decrease in cash of \$5.2 million in fiscal year 2018. The decrease was due to a higher invested cash position which offset the increases from higher property taxes and a lower investment in capital assets for the year.

Other

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, 2019 AND 2018

| | 2019 | | | 2018 | | |
|--|-----------------------------|---------------------------|-----------------------|-----------------------------|---------------------------|-----------------------|
| | Primary Government | Component Unit | Total | Primary Government | Component Unit | Total |
| | Business-type Activities | Educational Foundation | Reporting Entity | Business-type Activities | Educational Foundation | Reporting Entity |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 9,495,764 | \$ 517,938 | \$ 10,013,702 | \$ 10,499,656 | \$ 345,280 | \$ 10,844,936 |
| Restricted Cash | 4,599,142 | 2,703,673 | 7,302,815 | 6,387,419 | 2,693,051 | 9,080,470 |
| Investments | 37,419,931 | 24,150,650 | 61,570,581 | 34,903,823 | 22,298,685 | 57,202,508 |
| Taxes Receivable | 27,503,502 | - | 27,503,502 | 27,741,921 | - | 27,741,921 |
| Student Accounts Receivable, Less Allowance for Doubtful Accounts of \$500,000 for both 2019 and 2018 | 1,339,455 | - | 1,339,455 | 1,110,395 | - | 1,110,395 |
| Accrued Interest Receivable | 348,736 | - | 348,736 | 180,243 | - | 180,243 |
| Contributions Receivable | - | 20,450 | 20,450 | - | 40,450 | 40,450 |
| Other Receivables | 3,010,663 | 227,120 | 3,237,783 | 2,270,530 | 154,652 | 2,425,182 |
| Due from Component Unit | - | - | - | 16,157 | - | 16,157 |
| Inventories | 479,432 | - | 479,432 | 531,717 | - | 531,717 |
| Prepaid Items | 137,636 | 4,092 | 141,728 | 76,999 | 4,261 | 81,260 |
| Total Current Assets | <u>84,334,261</u> | <u>27,623,923</u> | <u>111,958,184</u> | <u>83,718,860</u> | <u>25,536,379</u> | <u>109,255,239</u> |
| NONCURRENT ASSETS | | | | | | |
| Investments | 10,029,301 | - | 10,029,301 | 8,344,675 | - | 8,344,675 |
| Other Receivables | - | 200 | 200 | - | 10,300 | 10,300 |
| Capital Assets not Being Depreciated | 4,291,405 | - | 4,291,405 | 4,600,342 | - | 4,600,342 |
| Capital Assets, Net of Accumulated Depreciation | <u>165,463,880</u> | <u>6,338,732</u> | <u>171,802,612</u> | <u>166,299,674</u> | <u>6,796,551</u> | <u>173,096,225</u> |
| Total Noncurrent Assets | <u>179,784,586</u> | <u>6,338,932</u> | <u>186,123,518</u> | <u>179,244,691</u> | <u>6,806,851</u> | <u>186,051,542</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year | 117,342 | - | 117,342 | 87,945 | - | 87,945 |
| Deferred Outflows Related to OPEB | 1,915,421 | - | 1,915,421 | 1,732,553 | - | 1,732,553 |
| Total Deferred Outflows of Resources | <u>2,032,763</u> | <u>-</u> | <u>2,032,763</u> | <u>1,820,498</u> | <u>-</u> | <u>1,820,498</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 266,151,610</u> | <u>\$ 33,962,855</u> | <u>\$ 300,114,465</u> | <u>\$ 264,784,049</u> | <u>\$ 32,343,230</u> | <u>\$ 297,127,279</u> |

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2019 AND 2018**

| | 2019 | | | 2018 | | |
|---|-----------------------------|---------------------------|-----------------------|-----------------------------|---------------------------|-----------------------|
| | Primary Government | Component Unit | Total | Primary Government | Component Unit | Total |
| | Business-type Activities | Educational Foundation | Reporting Entity | Business-type Activities | Educational Foundation | Reporting Entity |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts and Retainage Payable | \$ 1,863,165 | \$ 78,007 | \$ 1,941,172 | \$ 1,618,259 | \$ 49,183 | \$ 1,667,442 |
| Accrued Liabilities | 2,177,129 | 78,384 | 2,255,513 | 2,463,326 | 96,248 | 2,559,574 |
| Accrued Interest Payable | 120,944 | 63,399 | 184,343 | 172,299 | 64,735 | 237,034 |
| Unearned Revenue: | | | | | | |
| Tuition and Fees | 2,157,640 | - | 2,157,640 | 2,074,557 | - | 2,074,557 |
| Other | 51,085 | 11,384 | 62,469 | 51,551 | 11,768 | 63,319 |
| Due to Primary Government | - | - | - | - | 16,157 | 16,157 |
| Compensated Absences | 1,012,108 | - | 1,012,108 | 955,068 | - | 955,068 |
| Unexpended Scholarship, Loan and Student Activity Funds | 948,703 | - | 948,703 | 894,514 | - | 894,514 |
| Capital Lease - Current Portion | 93,950 | - | 93,950 | 45,685 | - | 45,685 |
| Bonds Payable - Current Portion | 4,740,000 | 385,000 | 5,125,000 | 4,465,000 | 345,000 | 4,810,000 |
| Total Current Liabilities | <u>13,164,724</u> | <u>616,174</u> | <u>13,780,898</u> | <u>12,740,259</u> | <u>583,091</u> | <u>13,323,350</u> |
| NONCURRENT LIABILITIES | | | | | | |
| Net OPEB Liability | 34,746,531 | - | 34,746,531 | 35,184,091 | - | 35,184,091 |
| Capital Lease | 167,462 | - | 167,462 | 130,626 | - | 130,626 |
| Bonds Payable, Net | 32,484,352 | 15,730,000 | 48,214,352 | 37,742,720 | 16,115,000 | 53,857,720 |
| Total Noncurrent Liabilities | <u>67,398,345</u> | <u>15,730,000</u> | <u>83,128,345</u> | <u>73,057,437</u> | <u>16,115,000</u> | <u>89,172,437</u> |
| Total Liabilities | 80,563,069 | 16,346,174 | 96,909,243 | 85,797,696 | 16,698,091 | 102,495,787 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred Amount Related to Refunding | - | 103,414 | 103,414 | - | 112,707 | 112,707 |
| Deferred Inflows Related to OPEB Subsequent Year's Property Taxes | 5,010,573 | - | 5,010,573 | 2,870,316 | - | 2,870,316 |
| Total Deferred Inflows of Resources | <u>35,137,141</u> | <u>-</u> | <u>35,137,141</u> | <u>35,693,252</u> | <u>-</u> | <u>35,693,252</u> |
| Total Deferred Inflows of Resources | <u>40,147,714</u> | <u>103,414</u> | <u>40,251,128</u> | <u>38,563,568</u> | <u>112,707</u> | <u>38,676,275</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 136,804,764 | (8,812,275) | 127,992,489 | 134,799,785 | (8,685,432) | 126,114,353 |
| Restricted for: | | | | | | |
| Capital Projects | 9,480,013 | - | 9,480,013 | 9,218,321 | - | 9,218,321 |
| Scholarships | - | 25,058,404 | 25,058,404 | - | 23,283,205 | 23,283,205 |
| Unrestricted (Deficiency) | (843,950) | 1,267,138 | 423,188 | (3,595,321) | 934,659 | (2,660,662) |
| Total Net Position | <u>\$ 145,440,827</u> | <u>\$ 17,513,267</u> | <u>\$ 162,954,094</u> | <u>\$ 140,422,785</u> | <u>\$ 15,532,432</u> | <u>\$ 155,955,217</u> |

See accompanying Notes to Basic Financial Statements.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

| | 2019 | | | 2018 | | |
|---|-----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | Primary | Component | Total | Primary | Component | Total |
| | Government | Unit | | Government | Unit | |
| Business-type | Educational | Reporting | Business-type | Educational | Reporting | |
| | Activities | Foundation | Entity | Activities | Foundation | Entity |
| OPERATING REVENUE | | | | | | |
| Student Tuition and Fees (Net of Scholarship Allowances of \$881,526 for 2019 and \$922,892 for 2018) | \$ 22,129,596 | \$ - | \$ 22,129,596 | \$ 22,519,023 | \$ - | \$ 22,519,023 |
| Auxiliary Enterprises Revenues | 6,395,208 | - | 6,395,208 | 6,781,199 | - | 6,781,199 |
| State and Federal Grants and Contracts | 18,819,199 | - | 18,819,199 | 24,433,892 | - | 24,433,892 |
| Contributions | - | 1,063,965 | 1,063,965 | - | 847,665 | 847,665 |
| Student Housing Revenues | - | 1,922,192 | 1,922,192 | - | 1,790,177 | 1,790,177 |
| State of Illinois On Behalf Payments | 26,490,347 | - | 26,490,347 | 25,531,768 | - | 25,531,768 |
| Other Operating Revenues | 564,519 | 374,929 | 939,448 | 937,391 | 336,964 | 1,274,355 |
| Total Operating Revenue | 74,398,869 | 3,361,086 | 77,759,955 | 80,203,273 | 2,974,806 | 83,178,079 |
| OPERATING EXPENSES | | | | | | |
| Instruction | 43,948,327 | - | 43,948,327 | 42,421,004 | - | 42,421,004 |
| Academic Support | 3,088,048 | 107,760 | 3,195,808 | 3,322,378 | 215,166 | 3,537,544 |
| Student Services | 5,652,606 | - | 5,652,606 | 5,585,216 | - | 5,585,216 |
| Public Services | 759,243 | - | 759,243 | 361,412 | - | 361,412 |
| Operations and Maintenance | 11,444,947 | - | 11,444,947 | 12,091,637 | - | 12,091,637 |
| Institutional Support | 20,832,844 | 386,114 | 21,218,958 | 21,267,962 | 350,002 | 21,617,964 |
| Scholarships, Student Grants, and Waivers | 14,005,898 | 622,114 | 14,628,012 | 16,268,077 | 625,120 | 16,893,197 |
| Auxiliary Enterprises | 8,961,750 | 936,805 | 9,898,555 | 9,112,606 | 944,854 | 10,057,460 |
| Depreciation | 6,238,054 | 488,051 | 6,726,105 | 6,114,340 | 484,106 | 6,598,446 |
| Total Operating Expenses | 114,931,717 | 2,540,844 | 117,472,561 | 116,544,632 | 2,619,248 | 119,163,880 |
| OPERATING INCOME (LOSS) | (40,532,848) | 820,242 | (39,712,606) | (36,341,359) | 355,558 | (35,985,801) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| State Grants and Contracts | 4,226,003 | - | 4,226,003 | 2,885,724 | - | 2,885,724 |
| Federal Grants and Contracts | 1,547,677 | - | 1,547,677 | 1,201,425 | - | 1,201,425 |
| Local Real Estate Taxes | 35,910,854 | - | 35,910,854 | 35,270,448 | - | 35,270,448 |
| Corporate Personal Property Replacement Tax | 2,915,894 | - | 2,915,894 | 2,620,324 | - | 2,620,324 |
| Investment Earnings | 1,541,388 | 1,925,537 | 3,466,925 | 527,628 | 1,563,101 | 2,090,729 |
| Interest Expense and Related Fees | (1,189,735) | (764,944) | (1,954,679) | (1,139,213) | (777,876) | (1,917,089) |
| Other Nonoperating Revenue | 598,809 | - | 598,809 | 1,744,984 | 26,636 | 1,771,620 |
| Total Nonoperating Revenues (Expenses) | 45,550,890 | 1,160,593 | 46,711,483 | 43,111,320 | 811,861 | 43,923,181 |
| INCREASE IN NET POSITION | 5,018,042 | 1,980,835 | 6,998,877 | 6,769,961 | 1,167,419 | 7,937,380 |
| Net Position - Beginning of Year | 140,422,785 | 15,532,432 | 155,955,217 | 133,652,824 | 14,365,013 | 148,017,837 |
| NET POSITION - END OF YEAR | <u>\$ 145,440,827</u> | <u>\$ 17,513,267</u> | <u>\$ 162,954,094</u> | <u>\$ 140,422,785</u> | <u>\$ 15,532,432</u> | <u>\$ 155,955,217</u> |

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

| | 2019 | | | 2018 | | |
|---|-----------------------------|---------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| | Primary Government | Component Unit | Total Reporting Entity | Primary Government | Component Unit | Total Reporting Entity |
| | Business-type Activities | Educational Foundation | | Business-type Activities | Educational Foundation | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Student Tuition and Fees | \$ 21,983,619 | \$ - | \$ 21,983,619 | \$ 22,838,591 | \$ - | \$ 22,838,591 |
| Auxiliary Enterprise Charges | 6,395,208 | - | 6,395,208 | 6,781,199 | - | 6,781,199 |
| Federal and State Grants and Contracts | 18,819,199 | - | 18,819,199 | 24,433,892 | - | 24,433,892 |
| Contributions Received | - | 1,094,065 | 1,094,065 | - | 984,354 | 984,354 |
| Student Housing Rents Received | - | 1,849,340 | 1,849,340 | - | 1,727,463 | 1,727,463 |
| Payments to Employees | (39,445,143) | - | (39,445,143) | (38,076,721) | - | (38,076,721) |
| Payments to Suppliers | (27,214,724) | (1,042,914) | (28,257,638) | (27,116,689) | (1,230,429) | (28,347,118) |
| Aid and Scholarships | (14,005,898) | (622,114) | (14,628,012) | (16,268,077) | (625,120) | (16,893,197) |
| Other | 580,676 | - | 580,676 | 937,950 | - | 937,950 |
| Net Cash Provided (Used) by Operating Activities | (32,887,063) | 1,278,377 | (31,608,686) | (26,469,855) | 856,268 | (25,613,587) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Taxes | 38,509,056 | - | 38,509,056 | 38,159,825 | - | 38,159,825 |
| State, Federal, and Local Grants and Contracts | 5,631,890 | - | 5,631,890 | 4,751,825 | - | 4,751,825 |
| Payment of Annuity Obligations | - | (22,207) | (22,207) | - | (23,771) | (23,771) |
| Net Increase (Decrease) in Unexpended Scholarship, Loan, and Student Activity Funds | 54,189 | - | 54,189 | (22,237) | - | (22,237) |
| Direct Lending Receipts | 4,224,951 | - | 4,224,951 | 5,058,645 | - | 5,058,645 |
| Direct Lending Payments | (4,224,951) | - | (4,224,951) | (5,058,645) | - | (5,058,645) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 44,195,135 | (22,207) | 44,172,928 | 42,889,413 | (23,771) | 42,865,642 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and Construction of Capital Assets | (4,987,395) | (30,232) | (5,017,627) | (6,962,656) | - | (6,962,656) |
| Principal Payments on Capital Lease | (60,549) | - | (60,549) | (14,848) | - | (14,848) |
| Proceeds from Issuance of Debt | - | - | - | 9,885,000 | - | 9,885,000 |
| Principal Payments on Bonds | (4,465,000) | (345,000) | (4,810,000) | (13,800,000) | (305,000) | (14,105,000) |
| Interest and Fees Paid on Bonds | (1,759,458) | (775,573) | (2,535,031) | (1,643,137) | (761,784) | (2,404,921) |
| Net Cash Used by Capital and Related Financing Activities | (11,272,402) | (1,150,805) | (12,423,207) | (12,535,641) | (1,066,784) | (13,602,425) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest Received | 1,372,895 | 218,532 | 1,591,427 | 448,264 | 148,394 | 596,658 |
| Purchase of Investments | (49,649,766) | (1,104,407) | (50,754,173) | (61,823,205) | (623,470) | (62,446,675) |
| Proceeds from Sale of Annuity Investments | - | 941,583 | 941,583 | - | 23,771 | 23,771 |
| Proceeds from Sale and Maturities of Investment | 45,449,032 | 22,207 | 45,471,239 | 52,278,275 | 500,148 | 52,778,423 |
| Net Cash Provided (Used) By Investing Activities | (2,827,839) | 77,915 | (2,749,924) | (9,096,666) | 48,843 | (9,047,823) |

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2019 AND 2018**

| | 2019 | | | 2018 | | |
|--|-----------------------------|---------------------------|------------------------|-----------------------------|---------------------------|------------------------|
| | Primary Government | Component Unit | Total | Primary Government | Component Unit | Total |
| | Business-type Activities | Educational Foundation | Reporting Entity | Business-type Activities | Educational Foundation | Reporting Entity |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ (2,792,169) | \$ 183,280 | \$ (2,608,889) | \$ (5,212,749) | \$ (185,444) | \$ (5,398,193) |
| Cash and Cash Equivalents - Beginning of Year | 16,887,075 | 3,038,331 | 19,925,406 | 22,099,824 | 3,223,775 | 25,323,599 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 14,094,906</u> | <u>\$ 3,221,611</u> | <u>\$ 17,316,517</u> | <u>\$ 16,887,075</u> | <u>\$ 3,038,331</u> | <u>\$ 19,925,406</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | |
| Operating Income (Loss) | \$ (40,532,848) | \$ 820,242 | \$ (39,712,606) | \$ (36,341,359) | \$ 355,558 | \$ (35,985,801) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation | 6,238,054 | 488,051 | 6,726,105 | 6,114,340 | 484,106 | 6,598,446 |
| Changes in Deferred Outflows of Resources | (212,265) | - | (212,265) | (1,582,330) | - | (1,582,330) |
| Change in Deferred Inflows of Resources | 2,140,257 | - | 2,140,257 | 2,870,316 | - | 2,870,316 |
| Effects of Changes in Assets and Liabilities: | | | | | | |
| Accounts Receivable | (229,060) | (42,368) | (271,428) | 48,117 | 94,793 | 142,910 |
| Due from Component Unit | 16,157 | - | 16,157 | 559 | - | 559 |
| Inventories | 52,285 | - | 52,285 | 108,254 | - | 108,254 |
| Prepaid Items and Other Assets | (60,637) | 169 | (60,468) | (19,339) | (1,217) | (20,556) |
| Accounts Payable | 284,628 | 28,824 | 313,452 | 163,209 | (58,870) | 104,339 |
| Due to Primary Government | - | (16,157) | (16,157) | - | (559) | (559) |
| Accrued Liabilities | (286,197) | - | (286,197) | 47,573 | - | 47,573 |
| OPEB Obligation | - | - | - | (2,033,401) | - | (2,033,401) |
| OPEB Liability | (437,560) | - | (437,560) | 3,922,649 | - | 3,922,649 |
| Unearned Revenue - Tuition, Fees, and Other | 83,083 | (384) | 82,699 | 271,451 | (17,543) | 253,908 |
| Compensated Absences | 57,040 | - | 57,040 | (39,894) | - | (39,894) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (32,887,063)</u> | <u>\$ 1,278,377</u> | <u>\$ (31,608,686)</u> | <u>\$ (26,469,855)</u> | <u>\$ 856,268</u> | <u>\$ (25,613,587)</u> |
| SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING ACTIVITIES | | | | | | |
| State of Illinois Contributions Provided | <u>\$ 26,490,347</u> | <u>\$ -</u> | <u>\$ 26,490,347</u> | <u>\$ 25,531,768</u> | <u>\$ -</u> | <u>\$ 25,531,768</u> |
| State of Illinois Contributions Made | <u>\$ 26,490,347</u> | <u>\$ -</u> | <u>\$ 26,490,347</u> | <u>\$ 25,531,768</u> | <u>\$ -</u> | <u>\$ 25,531,768</u> |
| NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Borrowing Under a Capital Lease Purchase | <u>\$ 145,650</u> | <u>\$ -</u> | <u>\$ 145,650</u> | <u>\$ 191,159</u> | <u>\$ -</u> | <u>\$ 191,159</u> |
| Retainage and Capital Asset Acquisitions Included in Accounts Payable | <u>\$ 63,899</u> | <u>\$ -</u> | <u>\$ 63,899</u> | <u>\$ 103,621</u> | <u>\$ -</u> | <u>\$ 103,621</u> |

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Illinois Central College District 514 (the District or College) 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 significant policies.

Financial Reporting Entity

For financial reporting purposes, in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, 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, 2019 AND 2018**

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 (the 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, 2019 AND 2018**

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 2018 levy payable in 2019 as property taxes receivable, less any amounts collected prior to June 30, 2019, and a deferred inflow of resources, as this levy is intended to finance the District's 2019-2020 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 accounting principles generally accepted in the United States of America 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 acquisition 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.

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, 2019 AND 2018**

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.

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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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: pension expense for employer paid federal, trust, or grant contributions that were made subsequent to the pension liability measurement date and deferred outflows related to other postemployment benefit (OPEB) expense to be recognized in future periods and for contributions made after the measurement dates.

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 three 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 amounts related to refunding are recorded in the current year, but the revenue will be recorded as they are amortized. The District also has deferred inflows related to OPEB expense to be recognized in future periods.

Compensated Absences

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

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 nonemployer 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 nonemployer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan. The state of Illinois is considered a nonemployer contributing entity. Participating employers are considered contributing entities.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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.

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.

Reclassification

Prior year amounts have been reclassified, where appropriate, to conform to the current year method of presentation. These changes had no impact to the change in net position.

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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Investments in certificates of deposit are included in deposits discussed above. The maturities of certificates of deposit held at June 30, 2019 and 2018 were all one year or less.

The money market funds as of June 30, 2019 and 2018 (Illinois School District Liquid Asset Fund of \$5,165,338 and \$5,055,938, respectively; Illinois Funds of \$3,092,588 and \$2,635,014, respectively) are considered to be cash equivalents in the financial statements. The District also had money market funds of \$41,092 and \$487,008 as of June 30, 2019 and 2018, respectively that were considered to be cash equivalents in the financial statements.

At June 30, 2019 and 2018, the carrying amount of the District's deposits, which includes demand deposits and certificates of deposit, was \$42,245,434 and \$41,815,496, respectively, (excludes \$103,459 and \$55,576 in cash on hand, and undeposited receipts, respectively) and the bank balance was \$48,597,042 and \$49,244,483, respectively. Of the bank balance, \$37,270,368 and \$38,448,747, respectively, was covered by federal or private depository insurance. An additional amount of \$11,576,674 and \$10,795,736, respectively, was covered by collateral held by the pledging financial institution's trust department or agent in the District's name. At June 30, 2019 and 2018, the remaining uncollateralized amount exposed to credit risk was \$-0-.

Investments

As of June 30, 2019 and 2018, the District had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>2019</u> | | | |
|--------------------------|---------------------|---|---------------------|-------------------|---------------------|
| | | <u>Investment Maturities (in Years)</u> | | | |
| | | <u>Less than 1</u> | <u>1 - 5</u> | <u>6 - 10</u> | <u>More than 10</u> |
| U.S. Government Agencies | <u>\$ 9,253,332</u> | <u>\$ 1,224,031</u> | <u>\$ 7,734,182</u> | <u>\$ 295,119</u> | <u>\$ -</u> |

| <u>Investment Type</u> | <u>Fair Value</u> | <u>2018</u> | | | |
|--------------------------|---------------------|---|---------------------|---------------------|---------------------|
| | | <u>Investment Maturities (in Years)</u> | | | |
| | | <u>Less than 1</u> | <u>1 - 5</u> | <u>6 - 10</u> | <u>More than 10</u> |
| U.S. Government Agencies | <u>\$ 8,594,647</u> | <u>\$ 249,972</u> | <u>\$ 7,305,699</u> | <u>\$ 1,038,976</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 issued 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, 2019 AND 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

As a means to limiting the College's exposure to credit risk, the District's investment policy stipulates that investments will be made to ensure preservation of capital and minimize overall risk through the diversification of investments and maturities. The applicable rating for the District's investments at June 30, 2019 and 2018, according to *Standard & Poor's*, is as follows:

| | 2019 | |
|------------------------------|--------------|-----------|
| | Fair Value | Rating |
| U.S. Government Agencies | \$ 9,253,332 | AAA |
| Mutual Funds - Fixed Income: | | |
| Commerce Bond Fund | 1,642,895 | Not Rated |

| | 2018 | |
|------------------------------|--------------|-----------|
| | Fair Value | Rating |
| U.S. Government Agencies | \$ 8,594,647 | AAA |
| Mutual Funds - Fixed Income: | | |
| Commerce Bond Fund | 1,491,895 | Not Rated |

Below is a reconciliation of the District's deposits and investments as reported in the June 30, 2019 and 2018 financial statements:

| | 2019 |
|-----------------------------|------------------------------|
| | Statement of Net Position |
| Cash and Cash Equivalents | \$ 9,495,764 |
| Restricted Cash | 4,599,142 |
| Investments - Current | 37,419,931 |
| Investments - Noncurrent | 10,029,301 |
| Total | \$ 61,544,138 |
| Deposits | \$ 42,245,434 |
| Cash on Hand | 103,459 |
| Money Market Funds | 8,299,018 |
| U.S. Government Agencies | 9,253,332 |
| Mutual Funds - Fixed Income | 1,642,895 |
| Total | \$ 61,544,138 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

| | 2018 |
|-----------------------------|------------------------------|
| | Statement of Net Position |
| Cash and Cash Equivalents | \$ 10,499,656 |
| Restricted Cash | 6,387,419 |
| Investments - Current | 34,903,823 |
| Investments - Noncurrent | 8,344,675 |
| Total | \$ 60,135,573 |
| Deposits | \$ 41,815,496 |
| Cash on Hand | 55,576 |
| Money Market Funds | 8,177,959 |
| U.S. Government Agencies | 8,594,647 |
| Mutual Funds - Fixed Income | 1,491,895 |
| Total | \$ 60,135,573 |

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's investment policy 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, 2019 AND 2018

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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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, 2019 and 2018:

| | 2019 | | | |
|------------------------------|--------------|--------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | \$ 1,642,895 | \$ - | \$ - | \$ 1,642,895 |
| U.S. Government Agency Bonds | - | 9,253,332 | - | 9,253,332 |
| Total | \$ 1,642,895 | \$ 9,253,332 | \$ - | \$ 10,896,227 |

| | 2018 | | | |
|------------------------------|--------------|--------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | \$ 1,491,895 | \$ - | \$ - | \$ 1,491,895 |
| U.S. Government Agency Bonds | - | 8,594,647 | - | 8,594,647 |
| Total | \$ 1,491,895 | \$ 8,594,647 | \$ - | \$ 10,086,542 |

NOTE 3 TAXES RECEIVABLE

An analysis of the 2018 and 2017 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, 2019 and 2018, is as follows:

| | 2019 | 2018 |
|---|---------------|---------------|
| Tax Levy (Deferred Inflow of Resources) | \$ 35,137,141 | \$ 35,693,252 |
| Less Distributions Received by the District Through June 30 | 7,633,639 | 7,951,331 |
| Taxes Receivable | \$ 27,503,502 | \$ 27,741,921 |

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, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS

A summary of the changes in capital assets for the years ended June 30, 2019 and 2018 is as follows:

Capital Assets – Fiscal Year 2019

| | Balance June 30, 2018 | Additions | Deletions | Transfers | Balance June 30, 2019 |
|--|-----------------------------|-----------------------|-------------|-------------|-----------------------------|
| Capital Assets not Being Depreciated: | | | | | |
| Land | \$ 3,352,154 | \$ - | \$ - | \$ - | \$ 3,352,154 |
| Construction in Progress | 1,248,188 | 1,975,547 | - | (2,284,484) | 939,251 |
| Total Capital Assets not Being Depreciated | 4,600,342 | 1,975,547 | - | (2,284,484) | 4,291,405 |
| Capital Assets Being Depreciated: | | | | | |
| Land Improvements | 24,527,287 | 479,197 | - | - | 25,006,484 |
| Buildings and Improvements | 215,132,109 | 567,249 | - | 2,284,484 | 217,983,842 |
| Equipment | 54,821,755 | 2,071,330 | - | - | 56,893,085 |
| Total Capital Assets Being Depreciated | 294,481,151 | 3,117,776 | - | 2,284,484 | 299,883,411 |
| Less Accumulated Depreciation for: | | | | | |
| Land Improvements | (14,768,536) | (865,506) | - | - | (15,634,042) |
| Buildings and Improvements | (62,141,246) | (4,331,447) | - | - | (66,472,693) |
| Equipment | (51,271,695) | (1,041,101) | - | - | (52,312,796) |
| Total Accumulated Depreciation | (128,181,477) | (6,238,054) | - | - | (134,419,531) |
| Capital Assets Being Depreciated, Net | 166,299,674 | (3,120,278) | - | 2,284,484 | 165,463,880 |
| Capital Assets, Net | <u>\$ 170,900,016</u> | <u>\$ (1,144,731)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 169,755,285</u> |

The construction-in-progress pertains to the college developmental projects. The estimated outstanding commitment to contracts is \$1,929,678. The projects are estimated at a total cost of \$2,504,769.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital Assets – Fiscal Year 2018

| | Balance June 30, 2017 | Additions | Deletions | Transfers | Balance June 30, 2018 |
|--|-----------------------------|-------------------|-------------|-------------|-----------------------------|
| Capital Assets not Being Depreciated: | | | | | |
| Land | \$ 3,352,154 | \$ - | \$ - | \$ - | \$ 3,352,154 |
| Construction in Progress | 704,536 | 2,650,869 | - | (2,107,217) | 1,248,188 |
| Total Capital Assets not Being Depreciated | 4,056,690 | 2,650,869 | - | (2,107,217) | 4,600,342 |
| Capital Assets Being Depreciated: | | | | | |
| Land Improvements | 22,927,006 | 450,582 | - | 1,149,699 | 24,527,287 |
| Buildings and Improvements | 211,772,785 | 2,401,806 | - | 957,518 | 215,132,109 |
| Equipment | 53,797,013 | 1,024,742 | - | - | 54,821,755 |
| Total Capital Assets Being Depreciated | 288,496,804 | 3,877,130 | - | 2,107,217 | 294,481,151 |
| Less Accumulated Depreciation for: | | | | | |
| Land Improvements | (13,954,315) | (814,221) | - | - | (14,768,536) |
| Buildings and Improvements | (57,819,494) | (4,321,752) | - | - | (62,141,246) |
| Equipment | (50,293,328) | (978,367) | - | - | (51,271,695) |
| Total Accumulated Depreciation | (122,067,137) | (6,114,340) | - | - | (128,181,477) |
| Capital Assets Being Depreciated, Net | 166,429,667 | (2,237,210) | - | 2,107,217 | 166,299,674 |
| Capital Assets, Net | <u>\$ 170,486,357</u> | <u>\$ 413,659</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 170,900,016</u> |

NOTE 5 OTHER RECEIVABLES

Other receivables at June 30, 2019 and 2018 consist of the following:

| | 2019 | 2018 |
|--------------------------------------|---------------------|---------------------|
| Restricted Grant Funds | \$ 2,014,339 | \$ 1,147,604 |
| Students - Bookstore | 244 | 929 |
| Replacement Taxes | 466,527 | 446,467 |
| Other - Miscellaneous | 442,205 | 644,970 |
| Auxiliary - Professional Development | 87,348 | 30,560 |
| Total | <u>\$ 3,010,663</u> | <u>\$ 2,270,530</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities during the year ended June 30, 2019:

| | Balance July 1, 2018 | Additions | Deletions | Balance June 30, 2019 | Balance Due Within One Year |
|----------------------|----------------------------|---------------------|-----------------------|-----------------------------|-----------------------------------|
| General Obligation | | | | | |
| Community College | | | | | |
| Bonds: | | | | | |
| 2009 Issue | \$ 2,300,000 | \$ - | \$ (2,300,000) | \$ - | \$ - |
| 2014A Issue | 21,605,000 | - | (2,165,000) | 19,440,000 | 4,740,000 |
| 2014B Issue | 1,370,000 | - | - | 1,370,000 | - |
| 2016 Issue | 4,495,000 | - | - | 4,495,000 | - |
| 2017C Issue | 9,885,000 | - | - | 9,885,000 | - |
| Debt Certificates | - | - | - | - | - |
| Bond Premium | 2,552,720 | - | (518,368) | 2,034,352 | - |
| Capital Lease | 176,311 | 145,650 | (60,549) | 261,412 | 93,950 |
| Compensated Absences | 955,068 | 1,012,108 | (955,068) | 1,012,108 | 1,012,108 |
| Total | <u>\$ 43,339,099</u> | <u>\$ 1,157,758</u> | <u>\$ (5,998,985)</u> | <u>\$ 38,497,872</u> | <u>\$ 5,846,058</u> |

The following is a summary of changes in long-term liabilities during the year ended June 30, 2018:

| | Balance July 1, 2017 | Additions | Deletions | Balance June 30, 2018 | Balance Due Within One Year |
|----------------------|----------------------------|----------------------|------------------------|-----------------------------|-----------------------------------|
| General Obligation | | | | | |
| Community College | | | | | |
| Bonds: | | | | | |
| 2009 Issue | \$ 6,500,000 | \$ - | \$ (4,200,000) | \$ 2,300,000 | \$ 2,300,000 |
| 2014A Issue | 21,605,000 | - | - | 21,605,000 | 2,165,000 |
| 2014B Issue | 1,370,000 | - | - | 1,370,000 | - |
| 2016 Issue | 4,495,000 | - | - | 4,495,000 | - |
| 2017C Issue | - | 9,885,000 | - | 9,885,000 | - |
| Debt Certificates | 9,600,000 | - | (9,600,000) | - | - |
| Bond Premium | 3,165,067 | - | (612,347) | 2,552,720 | - |
| Capital Lease | - | 191,159 | (14,848) | 176,311 | 45,685 |
| Compensated Absences | 994,962 | 955,068 | (994,962) | 955,068 | 955,068 |
| Total | <u>\$ 47,730,029</u> | <u>\$ 11,031,227</u> | <u>\$ (15,422,157)</u> | <u>\$ 43,339,099</u> | <u>\$ 5,465,753</u> |

Bonds payable are composed of the following issues:

\$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. The bonds were paid off during fiscal year 2019.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

\$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.

\$9,885,000 General Obligation Community College Bonds, Series 2017C, dated August 10, 2017, fully registered and without coupons, issued in \$5,000 denominations. Interest ranging from 2.4% to 2.7% payable each June 1 and December 1, commencing December 1, 2018, and maturing on December 1, 2025. The proceeds of the bonds were used to current refund the Series 2017A and 2017B Debt Certificates. The refunding resulted in future cash flow savings of \$1,181,286 and an economic gain of \$722,626.

Annual debt service requirements to maturity for bonds payable at June 30, 2019 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 4,740,000 | \$ 1,332,830 | \$ 6,072,830 |
| 2021 | 5,045,000 | 1,088,205 | 6,133,205 |
| 2022 | 5,360,000 | 828,080 | 6,188,080 |
| 2023 | 5,715,000 | 561,445 | 6,276,445 |
| 2024 | 5,930,000 | 321,690 | 6,251,690 |
| 2025-2027 | 8,400,000 | 168,981 | 8,568,981 |
| Total | <u>\$ 35,190,000</u> | <u>\$ 4,301,231</u> | <u>\$ 39,491,231</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Legal Debt Margin

The legal debt margin of the District at June 30, 2019 and 2018 is as follows:

| | |
|---|------------------|
| Assessed Valuation 2019 | \$ 7,292,320,897 |
| Statutory Debt Limit (2.875% of Equalized Assessed Valuation) | \$ 209,654,226 |
| Less Bonded Debt | 35,190,000 |
| Legal Debt Margin | \$ 174,464,226 |
| | |
| Assessed Valuation 2018 | \$ 7,312,220,703 |
| Statutory Debt Limit (2.875% of Equalized Assessed Valuation) | \$ 210,226,345 |
| Less Bonded Debt | 39,655,000 |
| Legal Debt Margin | \$ 170,571,345 |

\$4,599,142 of the Series 2017C bond proceeds was unspent as of June 30, 2019. 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 (SURS), a cost-sharing multiemployer 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 Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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 2018 and 2019, respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and firefighters who contribute 9.5% of their earnings. 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 \$27,494,556,682 at June 30, 2018 and \$25,481,105,995 at June 30, 2017. The net pension liabilities were measured as of June 30, 2018 and June 30, 2017, respectively.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$-0- for both fiscal years ended June 30, 2018 and June 30, 2017. The proportionate share of the State’s net pension liability associated with the District at June 30, 2018 and June 30, 2017 was \$249,458,113 or .9073% and \$238,936,331 or .9377%, respectively. This liability is not recognized in these financial statements. The net pension liability and total pension liability as of June 30, 2018 and June 30, 2017 was determined based on the June 30, 2017 and June 30, 2016 actuarial valuations rolled forward, respectively. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal years 2018 and 2017.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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, 2018 and June 30, 2017, SURS reported a collective net pension expense of \$2,685,322,700 and \$2,412,918,129, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018 and 2017, respectively. As a result, the District recognized on-behalf revenue and pension expense of \$24,363,933 and \$22,625,933 for the fiscal years ended June 30, 2019 and June 30, 2018, 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, 2018 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between Expected and Actual Experience | \$ 65,521,614 | \$ 181,032,053 |
| Changes in Assumption | 1,286,257,095 | 123,218,306 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | <u>26,810,634</u> | <u>-</u> |
| Total | <u>\$ 1,378,589,343</u> | <u>\$ 304,250,359</u> |
| | | |
| Fiscal Year Ended June 30, 2017 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference between Expected and Actual Experience | \$ 139,193,227 | \$ 1,170,771 |
| Changes in Assumption | 205,004,315 | 259,657,577 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | <u>94,620,827</u> | <u>-</u> |
| Total | <u>\$ 438,818,369</u> | <u>\$ 260,828,348</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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> |
|-----------------------------|---|
| 2019 | \$ 763,171,084 |
| 2020 | 540,443,042 |
| 2021 | (192,612,398) |
| 2022 | (36,662,744) |
| 2023 | - |
| Thereafter | - |
| Total | <u>\$ 1,074,338,984</u> |

Employer Deferral of Pension Expense

The employer paid \$117,342 and \$87,945 in federal, trust, or grant contributions for the fiscal years ended June 30, 2019 and June 30, 2018, respectively. These contributions were made subsequent to the pension measurement date of June 30, 2018 and June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2019 and June 30, 2018.

Assumptions and Other Inputs

Actuarial Assumptions

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

| | |
|---------------------------|--|
| Inflation | 2.25% |
| Salary Increases | 3.25 to 12.25%, including inflation |
| Investment Rate of Return | 6.25% beginning with actuarial valuation as of June 30, 2018 |

Mortality rates were based on the RP-2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

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 actuar(ies). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

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

Discount Rate

A single discount rate of 6.65% and 7.09% at June 30, 2018 and June 30, 2017, 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 6.75% and 7.25% at June 30, 2018 and June 30, 2017, respectively, and a municipal bond rate of 3.62% and 3.56% at June 30, 2018 and June 30, 2017 (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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 6.65% and 7.09% at June 30, 2018 and June 30, 2017, 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, 2018 | | |
|----------------------|---|----------------------|
| 1% Decrease 5.65% | Current Single Discount Rate Rate Assumption 6.65% | 1% Increase 7.65% |
| \$ 33,352,188,584 | \$ 27,494,556,682 | \$ 22,650,651,520 |
| June 30, 2017 | | |
| 1% Decrease 6.09% | Current Single Discount Rate Rate Assumption 7.09% | 1% Increase 8.09% |
| \$ 30,885,146,279 | \$ 25,481,105,995 | \$ 20,997,457,586 |

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, 2018 or 2017.

Changes of Assumptions

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

- **Salary Increase:** Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- **Investment Return:** Decrease the investment return assumption to 6.75%. This reflects maintaining an assumed real rate of return of 4.50% and decreasing the underlying assumed price inflation to 2.25%.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Changes of Assumptions (Continued)

- Effective Rate of Interest: Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (effective July 2, 2019).
- Normal Retirement Rates: A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of service and is younger than age 80.
- Early Retirement Rates: Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover Rates: Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality Rates: Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability Rates: Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Illinois Community College Health Insurance Security Fund – General Information

Plan Administration

The District participates in the Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP"). CIP is a nonappropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiemployer defined benefit postemployment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the state of Illinois, excluding the City Colleges of Chicago. The Department of Central Management Services (Department) administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. Separate financial statements, including required supplementary information, may be obtained from the Department at 715 Stratton Office Building, Springfield, Illinois, 62706.

Plan Membership

All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

**Illinois Community College Health Insurance Security Fund – General Information
(Continued)**

Benefits Provided

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

Contributions

The Act requires every contributor (employee) of SURS to contribute .5% of covered payroll and every community college district to contribute .5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires a special funding situation whereby the state of Illinois is to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the District to CIP and the College's contributions for the years ended June 30, 2019 and 2018 were \$159,863 and \$155,718, respectively.

**Illinois Community College Health Insurance Security Fund – OPEB Liabilities,
Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB**

The District reported a liability of \$33,616,923 and \$33,321,554 as of June 30, 2019 and June 30, 2018, respectively. This amount is the District's proportional share of the net OPEB liability. The state of Illinois is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Illinois' proportionate share of the net pension liability associated with the District totaled \$33,616,923 and \$32,882,316, respectively. The net OPEB liability was measured as of June 30, 2018 and June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and June 30, 2016, respectively, with procedures performed to roll forward the total OPEB liability to the June 30, 2018 and June 30, 2017 measurement dates. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2018 and June 30, 2017, the District's proportion was 1.783153% and 1.827203%, respectively.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the years ended June 30, 2019 and June 30, 2018, the District recognized total OPEB expense of \$2,403,248 and \$3,411,499, respectively, from the CIP plan. In addition, the District recognized an additional \$2,126,414 and \$2,905,835, respectively, as OPEB expense (and revenue) for its proportionate share of the state of Illinois' contribution to the plan for the years ended June 30, 2019 and June 30, 2018.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <u>Deferred Amounts Related to OPEB</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| <i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i> | | |
| Differences between Expected and Actual Experience | \$ 494,087 | \$ 73,627 |
| Changes of Assumptions | - | 4,207,847 |
| Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments | - | 1,098 |
| Changes in Proportion and Differences Between Employer Contributions and Share of Contributions | <u>1,261,471</u> | <u>728,001</u> |
| Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods | 1,755,558 | 5,010,573 |
| <i>OPEB Contributions Made Subsequent to the Measurement Date</i> | <u>159,863</u> | <u>-</u> |
| Total Deferred Amounts Related to OPEB | <u>\$ 1,915,421</u> | <u>\$ 5,010,573</u> |

The OPEB contributions made subsequent to the measurement date will be amortized to expense in the next fiscal year.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <u>Deferred Amounts Related to OPEB</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| <i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i> | | |
| Differences between Expected and Actual Experience | \$ - | \$ 94,307 |
| Changes of Assumptions | - | 2,775,658 |
| Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments | - | 351 |
| Changes in Proportion and Differences Between Employer Contributions and Share of Contributions | <u>1,576,835</u> | <u>-</u> |
| Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods | 1,576,835 | 2,870,316 |
| <i>OPEB Contributions Made Subsequent to the Measurement Date</i> | <u>155,718</u> | <u>-</u> |
| Total Deferred Amounts Related to OPEB | <u>\$ 1,732,553</u> | <u>\$ 2,870,316</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

| <u>Year Ended June 30,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> |
|----------------------------|---|
| 2019 | \$ (700,923) |
| 2020 | (700,923) |
| 2021 | (700,921) |
| 2022 | (700,834) |
| 2023 | <u>(451,414)</u> |
| | <u>\$ (3,255,015)</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions and Other Inputs

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

- Inflation – 2.75%
- Salary increases – depends on service and ranges from 10.00% at less than one year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75 wage inflation assumption
- Investment rate of return – 0%, net of OPEB plan investment expense, including inflation
- Healthcare cost trend rates – actual trend used for fiscal year 2018. For fiscal years on or after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2020 to account for the Excise tax.

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

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

Discount Rate

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District’s Proportionate Share of CIP’s Net OPEB Liability to Changes in the Single Discount Rate

The following presents the District’s proportionate share of the CIP plan’s net OPEB liability, calculated using a single discount rate of 3.62%, as well as what the District’s proportionate share of the CIP’s plan’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

| Sensitivity of Net OPEB Liability as of June 30, 2018 to the Single Discount Rate Assumption | | | |
|---|----------------------|---|----------------------|
| | 1% Decrease 2.62% | Current Single Discount Rate Assumption 3.62% | 1% Increase 4.62% |
| Net OPEB Liability | \$ 38,961,140 | \$ 33,616,923 | \$ 29,168,944 |

Sensitivity of the District’s Proportionate Share of CIP’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District’s proportionate share of the CIP’s plan net OPEB liability, calculated using the healthcare cost trend rates, as well as what the District’s proportionate share of the CIP’s plan’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026 for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

| Sensitivity of Net OPEB Liability as of June 30, 2018 to the Healthcare Cost Trend Rate Assumption | | | |
|---|---------------|--|---------------|
| | 1% Decrease | Healthcare Cost Trend Rate Assumption | 1% Increase |
| Net OPEB Liability | \$ 27,868,208 | \$ 33,616,923 | \$ 41,183,104 |

- One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.
- One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026 for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan

Plan Description and Benefits Provided

The District 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. The plan is closed to new participants.

Employees Covered by Benefit Terms

The membership as of July 1, 2018 included 0 active participants, 8 retirees and surviving spouses, and 2 spouses of current retirees.

Total OPEB Liability

The District's total OPEB liability of \$1,129,608 and \$1,862,537 at June 30, 2019 and 2018, respectively, were determined by an actuarial valuation dated July 1, 2018 and 2017, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB Statement No. 75.

Discount Rate:

| | <u>6/30/2018</u> | <u>6/30/2019</u> |
|---|------------------|------------------|
| Discount Rate | 3.58% | 3.50% |
| 20 Year Tax-Exempt Municipal Bond Yield | 3.58% | 3.50% |

The discount rate was based on the 20-year Bond GO Index at the June 30, 2019 and June 30, 2018 reporting dates.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan (Continued)

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

| | <u>6/30/2018</u> | <u>6/30/2019</u> |
|--------------------------------------|--|--|
| Valuation date | July 1, 2017 | July 1, 2018 |
| Measurement date | June 30, 2018 | June 30, 2019 |
| Inflation | 2.30% | 2.30% |
| Salary increases including inflation | 2.30% | 2.30% |
| Mortality | RP-2014 Mortality setforward 1 year for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2016. | RP-2014 adjusted to 2006 White Collar Employee Mortality Table generationally projected using Scale MP-2018. Separate rates for men and women as appropriate. |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |

Changes in the Total OPEB Liability

| | |
|--|---------------------|
| Balance as of June 30, 2018 | \$ 1,862,537 |
| Changes for the Year: | |
| Interest on Total OPEB Liability | 65,213 |
| Effect of Economic/Demographic Gains or Losses | (724,885) |
| Effect of Assumptions Changes or Inputs | 9,371 |
| Benefit Payments | <u>(82,628)</u> |
| Balance as of June 30, 2019 | <u>\$ 1,129,608</u> |

Sensitivity Analysis

The following presents the total OPEB liability, calculated using the discount rate of 3.58%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate.

| | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------|--------------------|
| | <u>2.50%</u> | <u>3.50%</u> | <u>4.50%</u> |
| Total OPEB Liability | \$ 1,261,609 | \$ 1,129,608 | \$ 1,022,884 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan (Continued)

Sensitivity Analysis (Continued)

The following presents the total OPEB liability, calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates.

| | 1% Decrease (Varies) | Current Trend Rate (Varies) | 1% Increase (Varies) |
|----------------------|-------------------------|-----------------------------------|-------------------------|
| Total OPEB Liability | \$ 1,029,251 | \$ 1,129,608 | \$ 1,251,408 |

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

For the years ended June 30, 2019 and 2018, the District recognized OPEB expense of (\$650,301) and \$26,753, respectively. At June 30, 2019 and 2018 the District did not report deferred outflows of resources or deferred inflows of resources related to OPEB.

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, 2019 and 2018, the estimate of health claims payable and health claims incurred but not reported, based on estimates provided by the claims administrator, amounted to approximately \$985,000 and \$1,290,000, 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.

Changes in the claims liability for health benefits in fiscal years 2018 through 2019 were:

| | |
|--|--------------------------|
| Balance - June 30, 2017 | \$ 1,007,283 |
| Current Year Claims and Changes in Estimates | 9,738,123 |
| Claims Paid | <u>(9,455,066)</u> |
| Balance - June 30, 2018 | 1,290,340 |
| Current Year Claims and Changes in Estimates | 7,684,342 |
| Claims Paid | <u>(7,989,214)</u> |
| Balance - June 30, 2019 | <u><u>\$ 985,468</u></u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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.

Donated in-kind contributions are reflected as revenue and expense at the donors' determination of fair market values.

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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 COMPONENT UNIT – EDUCATIONAL FOUNDATION (CONTINUED)

Investments (Continued)

Investments as of June 30, 2019 and 2018 are as follows:

| | 2019 | | | |
|---|----------------------|----------------------|-------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bond Mutual Funds | \$ 4,389,660 | \$ 3,922,067 | \$ - | \$ 8,311,727 |
| Equity Mutual Funds | 3,925,331 | 7,557,921 | - | 11,483,252 |
| Money Market | 189,542 | - | - | 189,542 |
| Common Stocks | 4,064,255 | - | - | 4,064,255 |
| Beneficial Interest in Remainder Trust | - | - | 78,384 | 78,384 |
| Venture Capital | - | - | 23,490 | 23,490 |
| Total Investments | <u>\$ 12,568,788</u> | <u>\$ 11,479,988</u> | <u>\$ 101,874</u> | <u>\$ 24,150,650</u> |

| | 2018 | | | |
|---|----------------------|----------------------|-------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bond Mutual Funds | \$ 4,132,109 | \$ 3,655,260 | \$ - | \$ 7,787,369 |
| Equity Mutual Funds | 3,759,728 | 6,941,369 | - | 10,701,097 |
| Money Market | 238,086 | - | - | 238,086 |
| Common Stocks | 3,462,822 | - | - | 3,462,822 |
| Beneficial Interest in Remainder Trust | - | - | 96,248 | 96,248 |
| Venture Capital | - | - | 13,063 | 13,063 |
| Total Investments | <u>\$ 11,592,745</u> | <u>\$ 10,596,629</u> | <u>\$ 109,311</u> | <u>\$ 22,298,685</u> |

Concentration of Credit Risk

By policy, the Foundation may invest no more than 5% of total equity investments in any one issuer. As of June 30, 2019 and 2018, the Foundation held no equity investment with any one issuer that were greater than 5% of total investments.

Interest and dividend income is shown net of investment fees of \$91,903 and \$85,037 for the years ended June 30, 2019 and 2018, respectively.

The applicable rating for the Foundation's investments at June 30, 2019 and 2018, according to *Standard & Poor's* is as follows:

| | Credit Rating | Fair Value | |
|--|---------------|---------------------|---------------------|
| | | 2019 | 2018 |
| Money Market Funds: | | | |
| Schwab Govt Money Fund | Not Rated | <u>\$ 189,542</u> | <u>\$ 238,086</u> |
| Bond Mutual Funds: | | | |
| Metropolitan West Total Return Bond Fund I | AAA | \$ 2,310,740 | \$ 2,136,196 |
| Vanguard Short-Term Investment Grade Fund Admiral | A | 912,495 | 865,106 |
| Vanguard Short-Term Infl Prot Index Adm | AAA | 1,166,426 | 1,130,807 |
| Multi-Strategy Bond Fund | Not Rated | 3,922,066 | 3,655,260 |
| Total | | <u>\$ 8,311,727</u> | <u>\$ 7,787,369</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 COMPONENT UNIT – EDUCATIONAL FOUNDATION (CONTINUED)

Capital Assets

A summary of capital assets as of June 30, 2019 and 2018 is as follows:

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 |
|---------------------------------------|-----------------------------|---------------------|-------------|-----------------------------|
| Capital Assets: | | | | |
| Buildings | \$ 12,357,705 | \$ - | \$ - | \$ 12,357,705 |
| Land Improvements | 310,861 | - | - | 310,861 |
| Equipment | 769,607 | 30,232 | - | 799,839 |
| Total Capital Assets | <u>13,438,173</u> | <u>30,232</u> | <u>-</u> | <u>13,468,405</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 5,896,088 | 426,128 | - | 6,322,216 |
| Land Improvements | 170,263 | 14,370 | - | 184,633 |
| Equipment | 575,271 | 47,553 | - | 622,824 |
| Total Accumulated Depreciation | <u>6,641,622</u> | <u>488,051</u> | <u>-</u> | <u>7,129,673</u> |
| Capital Assets, Net | <u>\$ 6,796,551</u> | <u>\$ (457,819)</u> | <u>\$ -</u> | <u>\$ 6,338,732</u> |
| | Balance June 30, 2017 | Additions | Deletions | Balance June 30, 2018 |
| Capital Assets: | | | | |
| Buildings | \$ 12,357,705 | \$ - | \$ - | \$ 12,357,705 |
| Land Improvements | 310,861 | - | - | 310,861 |
| Equipment | 769,607 | - | - | 769,607 |
| Total Capital Assets | <u>13,438,173</u> | <u>-</u> | <u>-</u> | <u>13,438,173</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 5,469,960 | 426,128 | - | 5,896,088 |
| Land Improvements | 155,893 | 14,370 | - | 170,263 |
| Equipment | 531,663 | 43,608 | - | 575,271 |
| Total Accumulated Depreciation | <u>6,157,516</u> | <u>484,106</u> | <u>-</u> | <u>6,641,622</u> |
| Capital Assets, Net | <u>\$ 7,280,657</u> | <u>\$ (484,106)</u> | <u>\$ -</u> | <u>\$ 6,796,551</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 COMPONENT UNIT – EDUCATIONAL FOUNDATION (CONTINUED)

Long-Term Debt

In March of 2007, the City of East Peoria, Illinois (the 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, 2019 and 2018, the Foundation contributed \$175,000 and \$250,001, respectively, to the LLC under this guaranty. At June 30, 2019 and 2018, the Foundation guaranty funding to-date was \$2,641,620 and \$2,466,620, respectively. 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 that began in June 2010 and end 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. At June 30, 2019 and 2018, the LLC was not in compliance with the cash reserve requirements. The remedy for the violation requires management to submit a plan within sixty days of the receipt of the audit report to achieve future compliance with the required ratio.

At June 30, 2019 and 2018, long-term debt consisted of the following:

| | 2019 | 2018 |
|---|---------------|---------------|
| Bonds Payable, Interest Payments due Semiannually and Annual Principal Payments Beginning in June 2010, Maturing in June 2036 | \$ 16,115,000 | \$ 16,460,000 |
| Deferred Amount Related to Refunding | 103,414 | 112,707 |
| Total Long-Term Debt | \$ 16,218,414 | \$ 16,572,707 |

Future maturities of long-term debt at June 30, 2019 are as follows:

| Year Ending June 30, | Amount |
|----------------------|---------------|
| 2020 | \$ 385,000 |
| 2021 | 430,000 |
| 2022 | 480,000 |
| 2023 | 535,000 |
| 2024 | 585,000 |
| Thereafter | 13,700,000 |
| Total | \$ 16,115,000 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 COMPONENT UNIT – EDUCATIONAL FOUNDATION (CONTINUED)

Changes in Long-Term Debt

| | Balance June 30, 2017 | Additions | Reductions | Balance June 30, 2018 | Additions | Reductions | Balance June 30, 2019 |
|----------------------------|-----------------------------|-----------|------------|-----------------------------|-----------|------------|-----------------------------|
| Long-Term Notes Payable | \$ 16,765,000 | \$ - | \$ 305,000 | \$ 16,460,000 | \$ - | \$ 345,000 | \$ 16,115,000 |

Restricted Net Position

Restricted net position at June 30, 2019 and 2018 are available for the following purposes or period:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|----------------------|----------------------|
| Scholarships | \$ 18,077,003 | \$ 16,761,918 |
| Student Assistance | 76,943 | 62,254 |
| Equipment | 3,205,169 | 2,976,989 |
| Faculty and Staff Development | 152,534 | 141,820 |
| Restricted Cash: | | |
| Debt Service Fund | 1,650,894 | 1,652,935 |
| Repair and Replacement Fund | 680,470 | 682,325 |
| Revenue Fund | 2,389 | 320,249 |
| Operating Reserve Fund | 274,437 | 36,787 |
| Bond Funds | 95,483 | 755 |
| Miscellaneous | 843,082 | 647,173 |
| Total | <u>\$ 25,058,404</u> | <u>\$ 23,283,205</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, 2019 and 2018 as it is not possible to determine with any degree of probability the level of future expenditures for these matters.

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 12 TAX ABATEMENTS

Tax abatements, as defined by GASB Statement No. 77, Tax Abatement Disclosures (GASB 77), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Illinois' Tax Increment Financing Act enables cities to finance certain redevelopment costs with the revenue generated from (I) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (II) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing (TIF) plan is adopted, real estate taxes in the redevelopment are frozen at their current level. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced. The District's estimated net reduced tax revenue resulting from the TIFs adopted in these cities within the District is \$917,119 and \$849,190 for fiscal years 2019 and 2018, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
JUNE 30, 2019**

| | Measurement Date | |
|--|------------------|---------------|
| | 6/30/2017 | 6/30/2018 |
| District's Proportion of the Net OPEB Liability | 1.827203% | 1.783153% |
| Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Employer | \$ 32,882,316 | \$ 33,616,923 |
| District's Proportionate Share of the Net OPEB Liability | 33,321,554 | 33,616,923 |
| District's Covered-Employee Payroll | 31,704,192 | 30,857,076 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll | 105.10% | 108.94% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -2.87% | -3.54% |

Note: Information is not available prior to 2017. Additional years will be added to future reports as schedules are intended to show 10 years of historical data.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
YEAR ENDED JUNE 30, 2019**

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 158,523 | \$ 155,718 | \$ 159,863 |
| Contributions in Relation to the Contractually Required Contribution | <u>158,523</u> | <u>155,718</u> | <u>159,863</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered-Employee Payroll | \$ 31,704,192 | \$ 30,857,076 | \$ 31,972,340 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.50% | 0.50% | 0.50% |

Note: Information is not available prior to 2017. Additional years will be added to future reports, as schedules are intended to show 10 years of historical data.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019**

| Total OPEB Liability | <u>2018</u> | <u>2019</u> |
|---|--------------------------------|--------------------------------|
| Interest on Total OPEB Liability | \$ 56,540 | \$ 65,213 |
| Effect of Economic/Demographic Gains or (Losses) | 76,339 | (724,885) |
| Effect of Assumption Changes or Inputs | (106,126) | 9,371 |
| Benefit Payments | <u>(97,000)</u> | <u>(82,628)</u> |
| Net Change in Total OPEB Liability | (70,247) | (732,929) |
| Total OPEB Liability - Beginning | <u>1,932,784</u> | <u>1,862,537</u> |
| Total OPEB Liability - Ending | <u><u>\$ 1,862,537</u></u> | <u><u>\$ 1,129,608</u></u> |
| Covered Payroll | N/A | N/A |
| Total OPEB Liability as a Percentage of Covered Payroll | N/A | N/A |

The District implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS CENTRAL COLLEGE – SURS COVERED PAYROLL
YEAR ENDED JUNE 30, 2019**

| | Measurement Period June 30, | | | | |
|---|-----------------------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| (a) Proportion Percentage of the Collective Net Pension Liability | 0% | 0% | 0% | 0% | 0% |
| (b) Proportion Amount of the Collective Net Pension Liability | \$ - | \$ - | \$ - | \$ - | \$ - |
| (c) Portion of Nonemployer Contributing Entities' Total Proportion Collective Net Pension Liability Associated with Employer | 198,536,476 | 219,538,254 | 234,476,110 | 238,936,331 | 249,458,113 |
| Total (b) + (c) | 198,536,476 | 219,538,254 | 234,476,110 | 238,936,331 | 249,458,113 |
| Employer Covered-Employee Payroll | 33,077,933 | 33,152,768 | 32,587,851 | 33,085,983 | 32,399,819 |
| Proportion of Collective Net Pension Liability Associated with Employer as a Percentage of Covered-Employee Payroll | 600.21% | 662.20% | 719.52% | 722.17% | 769.94% |
| SURS Plan Net Position as a Percentage of Total Pension Liability | 44.39% | 42.37% | 39.57% | 42.04% | 41.27% |
| Federal, Trust, Grant, and Other Contribution | \$ 102,440 | \$ 88,314 | \$ 79,645 | \$ 87,945 | \$ 117,342 |
| Contribution in Relation to Required Contribution | 102,440 | 88,314 | 79,645 | 87,945 | 117,342 |
| Contribution Deficiency (Excess) | - | - | - | - | - |
| Employer Covered-Employee Payroll | 33,077,933 | 33,152,768 | 32,587,851 | 33,085,983 | 32,399,819 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.31% | 0.27% | 0.24% | 0.27% | 0.36% |

*Note: The System implemented GASB Statement 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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
JUNE 30, 2019**

NOTE 1 CHANGES IN BENEFIT TERMS

In the June 30, 2018 and 2017, actuarial valuations, there were no changes in benefit terms.

NOTE 2 CHANGES OF ASSUMPTIONS

In the June 30, 2018 actuarial valuation, the following OPEB-related assumption changes were made:

- The discount rate was changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year-end June 30, 2018, premium changes through plan year-end 2018, and expectation of future trend increases after June 30, 2018.
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2018.
- Per capita claim costs for plan year-end June 30, 2018 were updated based on projected claims and enrollment experience through June 30, 2018 and updated premium rates through plan year-end 2019.
- Healthcare plan participation rates by plan were updated based on observed experience.

In the June 30, 2017, actual valuation, there were no changes of assumptions.

SUPPLEMENTARY FINANCIAL INFORMATION

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL) – ALL FUNDS
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

| | Operating Funds | Special Revenue Funds | Debt Service Funds | Capital Projects Fund | Proprietary Fund | Agency Fund | Memorandum Totals | |
|---|----------------------|-----------------------------|--------------------------|-----------------------------|---------------------|-------------------|----------------------|----------------------|
| | | | | | | | 2019 | 2018 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| ASSETS | | | | | | | | |
| Cash | \$ 9,321,425 | \$ 1,575,055 | \$ 199,759 | \$ 1,954,570 | \$ 95,772 | \$ 948,325 | \$ 14,094,906 | \$ 16,887,075 |
| Investments | 25,102,714 | 12,795,534 | 1,000,000 | 8,550,984 | - | - | 47,449,232 | 43,248,498 |
| Taxes Receivable | 19,855,528 | 101,343 | 4,744,097 | 2,802,534 | - | - | 27,503,502 | 27,741,921 |
| Receivable from Other Funds | 475,000 | - | - | - | - | - | 475,000 | 1,375,000 |
| Student Accounts Receivable, Less Allowance for Doubtful Accounts | 1,339,455 | - | - | - | - | - | 1,339,455 | 1,110,395 |
| Accrued Interest Receivable | 295,826 | 52,910 | - | - | - | - | 348,736 | 180,243 |
| Other Receivables | 495,470 | 2,017,534 | 21,750 | 73,982 | 401,549 | 378 | 3,010,663 | 2,286,687 |
| Inventories | - | - | - | - | 479,432 | - | 479,432 | 531,717 |
| Prepaid Items | 1,232,805 | 32,865 | - | - | 17,081 | - | 1,282,751 | 1,164,100 |
| Total Assets | 58,118,223 | 16,575,241 | 5,965,606 | 13,382,070 | 993,834 | 948,703 | 95,983,677 | 94,525,636 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year | - | 117,342 | - | - | - | - | 117,342 | 87,945 |
| Total Assets and Deferred Outflows of Resources | \$ 58,118,223 | \$ 16,692,583 | \$ 5,965,606 | \$ 13,382,070 | \$ 993,834 | \$ 948,703 | \$ 96,101,019 | \$ 94,613,581 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts and Retainage Payable | \$ 1,049,489 | \$ 471,160 | \$ - | \$ 238,944 | \$ 103,572 | \$ - | \$ 1,863,165 | \$ 1,618,259 |
| Accrued Liabilities | 2,022,564 | 81,849 | - | - | 72,716 | - | 2,177,129 | 2,463,326 |
| Payable to Other Funds | - | - | - | - | 475,000 | - | 475,000 | 1,375,000 |
| Unexpended Scholarship, Loan, and Student Activity Funds | - | - | - | - | - | 948,703 | 948,703 | 894,514 |
| Accrued Vacation Benefits | 866,078 | 65,401 | - | - | 80,629 | - | 1,012,108 | 955,068 |
| Unearned Revenue: | | | | | | | | |
| Tuition and Fees | 3,172,038 | - | - | - | 165,765 | - | 3,337,803 | 3,253,878 |
| Other | - | 51,085 | - | - | - | - | 51,085 | 51,551 |
| Total Liabilities | 7,110,169 | 669,495 | - | 238,944 | 897,682 | 948,703 | 9,864,993 | 10,611,596 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Subsequent Year's Property Taxes | 25,378,887 | 129,535 | 6,046,583 | 3,582,136 | - | - | 35,137,141 | 35,693,252 |
| FUND BALANCE (DEFICIT) | 25,629,167 | 15,893,553 | (80,977) | 9,560,990 | 96,152 | - | 51,098,885 | 48,308,733 |
| Total Liabilities Deferred Inflows of Resources, and Fund Balance (Deficit) | \$ 58,118,223 | \$ 16,692,583 | \$ 5,965,606 | \$ 13,382,070 | \$ 993,834 | \$ 948,703 | \$ 96,101,019 | \$ 94,613,581 |

**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, 2019 AND 2018**

| | 2019 | 2018 |
|--|-----------------------|-----------------------|
| Total Fund Balance - All Funds | \$ 51,098,885 | \$ 48,308,733 |
| <p>Amounts reported in the statements of net position are 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 | 304,174,816 | 299,081,493 |
| Accumulated Depreciation | (134,419,531) | (128,181,477) |
| <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> | | |
| Prepaid Items | (1,145,115) | (1,087,101) |
| Unearned Tuition Revenue | 1,180,163 | 1,179,321 |
| <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> | | |
| Capital Lease | (261,412) | (176,311) |
| Bonds Payable | (35,190,000) | (39,655,000) |
| Bond Premium | (2,034,352) | (2,552,720) |
| Accrued Interest Payable | (120,944) | (172,299) |
| Net OPEB Liability | (34,746,531) | (35,184,091) |
| Deferred Outflows of Resources Related to OPEB | 1,915,421 | 1,732,553 |
| Deferred Inflows of Resources Related to OPEB | (5,010,573) | (2,870,316) |
| Total Net Position | \$ 145,440,827 | \$ 140,422,785 |

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(MODIFIED ACCRUAL) – ALL FUNDS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

| | Operating Funds | Special Revenue Funds | Debt Service Funds | Capital Projects Fund | Proprietary Fund | Memorandum Totals | |
|---|----------------------|-----------------------------|--------------------------|-----------------------------|---------------------|----------------------|----------------------|
| | | | | | | 2019 | 2018 |
| REVENUES | | | | | | | |
| Local Real Estate Taxes | \$ 26,130,226 | \$ 131,088 | \$ 6,008,204 | \$ 3,641,336 | \$ - | \$ 35,910,854 | \$ 35,270,448 |
| Corporate Personal Property Replacement Tax | 2,915,894 | - | - | - | - | 2,915,894 | 2,620,324 |
| ICCB State Grants: | | | | | | | |
| Credit Hour Grant | 4,728,503 | - | - | - | - | 4,728,503 | 4,545,660 |
| Equalization Grant | 50,000 | - | - | - | - | 50,000 | 50,000 |
| Other | 378,962 | 332,785 | - | - | - | 711,747 | 1,089,056 |
| Other State Government Sources | - | 28,931,873 | - | - | - | 28,931,873 | 25,678,849 |
| Federal Government Sources | 10 | 14,534,679 | - | - | - | 14,534,689 | 15,715,205 |
| Student Tuition and Fees, Net of Scholarship Allowances of \$881,526 and \$922,892, Respectively | 22,128,753 | - | - | - | - | 22,128,753 | 22,532,799 |
| Auxiliary Enterprises | - | - | - | - | 6,395,208 | 6,395,208 | 6,781,199 |
| Investment Income | 939,158 | 330,155 | 41,791 | 230,284 | - | 1,541,388 | 527,628 |
| Other | 570,428 | 534,287 | 43,518 | 20,695 | - | 1,168,928 | 2,687,779 |
| Total Revenues | <u>57,841,934</u> | <u>44,794,867</u> | <u>6,093,513</u> | <u>3,892,315</u> | <u>6,395,208</u> | <u>119,017,837</u> | <u>117,498,947</u> |
| EXPENDITURES | | | | | | | |
| Instruction | 24,499,669 | 17,333,069 | - | - | - | 41,832,738 | 39,039,258 |
| Academic Support | 2,116,981 | 850,376 | - | - | - | 2,967,357 | 3,101,871 |
| Student Services | 2,638,547 | 2,789,450 | - | - | - | 5,427,997 | 5,202,679 |
| Public Services | 215,711 | 485,558 | - | - | - | 701,269 | 291,970 |
| Operations and Maintenance | 9,471,766 | 2,933,418 | - | - | - | 12,405,184 | 12,137,204 |
| Institutional Support | 14,597,064 | 5,729,338 | - | - | - | 20,326,402 | 20,324,026 |
| Scholarships, Student Grants, and Waivers | - | 14,005,898 | - | - | - | 14,005,898 | 16,268,077 |
| Auxiliary Enterprises | - | 1,198,706 | - | - | 7,583,648 | 8,782,354 | 8,812,916 |
| Capital Outlay | - | - | - | 3,694,078 | - | 3,694,078 | 5,725,885 |
| Debt Service | - | - | 6,230,058 | - | - | 6,230,058 | 15,448,537 |
| Total Expenditures | <u>53,539,738</u> | <u>45,325,813</u> | <u>6,230,058</u> | <u>3,694,078</u> | <u>7,583,648</u> | <u>116,373,335</u> | <u>126,352,423</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,302,196 | (530,946) | (136,545) | 198,237 | (1,188,440) | 2,644,502 | (8,853,476) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from Issuance of Debt | 145,650 | - | - | - | - | 145,650 | 10,076,159 |
| Transfers In | 330,155 | 1,375,000 | - | 200,000 | 2,125,000 | 4,030,155 | 11,913,056 |
| Transfers Out | (3,700,000) | (330,155) | - | - | - | (4,030,155) | (11,913,056) |
| Total Other Financing Sources (Uses) | <u>(3,224,195)</u> | <u>1,044,845</u> | <u>-</u> | <u>200,000</u> | <u>2,125,000</u> | <u>145,650</u> | <u>10,076,159</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | 1,078,001 | 513,899 | (136,545) | 398,237 | 936,560 | 2,790,152 | 1,222,683 |
| Fund Balance (Deficit) - Beginning of Year | 24,551,166 | 15,379,654 | 55,568 | 9,162,753 | (840,408) | 48,308,733 | 47,086,050 |
| FUND BALANCE (DEFICIT) - END OF YEAR | <u>\$ 25,629,167</u> | <u>\$ 15,893,553</u> | <u>\$ (80,977)</u> | <u>\$ 9,560,990</u> | <u>\$ 96,152</u> | <u>\$ 51,098,885</u> | <u>\$ 48,308,733</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, 2019 AND 2018**

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Total Net Change in Fund Balance - All Funds | \$ 2,790,152 | \$ 1,222,683 |
| <p>Amounts reported in the statements of revenues, expenses, and changes in net position are different than amounts reported in the individual funds because:</p> <p>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:</p> | | |
| Capital Outlay | 5,093,323 | 6,527,999 |
| Depreciation Expense | (6,238,054) | (6,114,340) |
| <p>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. Following is detail of the net effect of these differences in the treatment of long-term debt and related items:</p> | | |
| Issuance of General Obligation Bonds | - | (9,885,000) |
| Repayment of Principal | 4,465,000 | 13,800,000 |
| Amortization of Premiums | 518,368 | 612,346 |
| Amortization of Deferred Charge on Refunding | - | (91,123) |
| Issuance of Capital Lease | (145,650) | (191,159) |
| Repayment of Principal | 60,549 | 14,848 |
| <p>Illinois Community College Board FY17 appropriations that were recognized as revenues by the College in the individual funds in FY17 should be reported as revenues in governmental activities in FY18 as the appropriation occurred after the College's 2017 fiscal year-end.</p> | | |
| | - | 4,068,204 |
| <p>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.</p> | | |
| | 51,355 | (17,299) |
| <p>OPEB benefit expenses and payments 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.</p> | | |
| Benefit Expenses | (1,752,947) | (3,438,252) |
| Benefit Contributions | 233,118 | 252,718 |
| <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 revenues, expenses, and changes in net position.</p> | | |
| | (57,172) | 8,336 |
| Change in Net Position | \$ 5,018,042 | \$ 6,769,961 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
GENERAL FUND – OPERATING FUNDS
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | Educational Fund | Ancillary Fund | Operations and Maintenance Fund | Memorandum Totals | |
|--|----------------------|----------------------|---------------------------------------|----------------------|----------------------|
| ASSETS | | | | 2019 | 2018 |
| Cash | \$ 4,558,367 | \$ 2,202,785 | \$ 2,560,273 | \$ 9,321,425 | \$ 8,478,521 |
| Investments | 15,428,956 | 6,060,000 | 3,613,758 | 25,102,714 | 24,140,049 |
| Taxes Receivable | 13,518,970 | 3,534,024 | 2,802,534 | 19,855,528 | 20,175,050 |
| Receivable from Other Funds | 475,000 | - | - | 475,000 | 1,375,000 |
| Student Accounts Receivable, Less Allowance for Doubtful Accounts | 1,339,455 | - | - | 1,339,455 | 1,110,395 |
| Accrued Interest Receivable | 295,826 | - | - | 295,826 | 135,802 |
| Other Receivables | 692 | - | 494,778 | 495,470 | 769,090 |
| Prepaid Items | 1,186,801 | 42,150 | 3,854 | 1,232,805 | 1,141,786 |
| Total Assets | \$ 36,804,067 | \$ 11,838,959 | \$ 9,475,197 | \$ 58,118,223 | \$ 57,325,693 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 585,222 | \$ 39,816 | \$ 424,451 | \$ 1,049,489 | \$ 519,697 |
| Accrued Liabilities | 1,857,792 | 45,325 | 119,447 | 2,022,564 | 2,329,911 |
| Accrued Vacation Benefits | 605,779 | 73,088 | 187,211 | 866,078 | 811,355 |
| Unearned Revenue - Tuition and Fees | 3,172,038 | - | - | 3,172,038 | 3,152,796 |
| Total Liabilities | 6,220,831 | 158,229 | 731,109 | 7,110,169 | 6,813,759 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Subsequent Year's Property Taxes | 17,279,642 | 4,517,109 | 3,582,136 | 25,378,887 | 25,960,768 |
| FUND BALANCE | 13,303,594 | 7,163,621 | 5,161,952 | 25,629,167 | 24,551,166 |
| Total Liabilities Deferred Inflows of Resources, and Fund Balance | \$ 36,804,067 | \$ 11,838,959 | \$ 9,475,197 | \$ 58,118,223 | \$ 57,325,693 |

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, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

| | Educational Fund | Ancillary Fund | Operations and Maintenance Fund | Memorandum Totals | |
|--|----------------------|---------------------|---------------------------------------|----------------------|----------------------|
| | | | | 2019 | 2018 |
| REVENUES | | | | | |
| Local Real Estate Taxes | \$ 17,929,937 | \$ 4,558,953 | \$ 3,641,336 | \$ 26,130,226 | \$ 25,926,330 |
| Corporate Personal Property Replacement Tax | - | - | 2,915,894 | 2,915,894 | 2,620,324 |
| ICCB State Grants: | | | | | |
| Credit Hour Grant | 3,546,377 | - | 1,182,126 | 4,728,503 | 4,545,660 |
| Equalization Grant | 41,667 | - | 8,333 | 50,000 | 50,000 |
| Other | 378,962 | - | - | 378,962 | 379,749 |
| Federal Government Sources | 10 | - | - | 10 | - |
| Student Tuition and Fees, Net of Scholarship Allowances of \$881,526 and \$922,892, Respectively | 22,128,753 | - | - | 22,128,753 | 22,532,799 |
| Investment Income | 748,008 | - | 191,150 | 939,158 | 302,056 |
| Other | 115,529 | 4,503 | 450,396 | 570,428 | 947,056 |
| Total Revenues | 44,889,243 | 4,563,456 | 8,389,235 | 57,841,934 | 57,303,974 |
| EXPENDITURES | | | | | |
| Instruction | 24,499,669 | - | - | 24,499,669 | 24,146,770 |
| Academic Support | 2,116,981 | - | - | 2,116,981 | 2,240,110 |
| Student Services | 2,638,547 | - | - | 2,638,547 | 2,687,156 |
| Public Services | 215,711 | - | - | 215,711 | 28,287 |
| Operations and Maintenance | - | 1,634,585 | 7,837,181 | 9,471,766 | 9,327,063 |
| Institutional Support | 11,991,456 | 2,605,608 | - | 14,597,064 | 15,899,618 |
| Total Expenditures | 41,462,364 | 4,240,193 | 7,837,181 | 53,539,738 | 54,329,004 |
| EXCESS OF REVENUES OVER EXPENDITURES | 3,426,879 | 323,263 | 552,054 | 4,302,196 | 2,974,970 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Capital Lease | 145,650 | - | - | 145,650 | 191,159 |
| Transfers In | 330,155 | - | - | 330,155 | 364,241 |
| Transfers Out | (3,500,000) | - | (200,000) | (3,700,000) | (2,198,815) |
| Total Other Financing Sources (Uses) | (3,024,195) | - | (200,000) | (3,224,195) | (1,643,415) |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 402,684 | 323,263 | 352,054 | 1,078,001 | 1,331,555 |
| Fund Balance - Beginning of Year | 12,900,910 | 6,840,358 | 4,809,898 | 24,551,166 | 23,219,611 |
| FUND BALANCE - END OF YEAR | \$ 13,303,594 | \$ 7,163,621 | \$ 5,161,952 | \$ 25,629,167 | \$ 24,551,166 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
SPECIAL REVENUE FUNDS
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | Audit | Current | Working | Memorandum Totals | |
|---|-------------------|---------------------|---------------------|----------------------|----------------------|
| | Fund | Restricted Fund | Cash Fund | 2019 | 2018 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| ASSETS | | | | | |
| Cash | \$ 78,442 | \$ 1,472,124 | \$ 24,489 | \$ 1,575,055 | \$ 2,782,015 |
| Investments | 215,000 | 2,750,000 | 9,830,534 | 12,795,534 | 11,730,440 |
| Taxes Receivable | 101,343 | - | - | 101,343 | 100,500 |
| Accrued Interest Receivable | - | - | 52,910 | 52,910 | 44,441 |
| Other Receivables | - | 2,017,534 | - | 2,017,534 | 1,196,551 |
| Prepaid Items | - | 32,865 | - | 32,865 | 595 |
| Total Assets | <u>394,785</u> | <u>6,272,523</u> | <u>9,907,933</u> | <u>16,575,241</u> | <u>15,854,542</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year | - | 117,342 | - | 117,342 | 87,945 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 394,785</u> | <u>\$ 6,389,865</u> | <u>\$ 9,907,933</u> | <u>\$ 16,692,583</u> | <u>\$ 15,942,487</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 6,500 | \$ 464,660 | \$ - | \$ 471,160 | \$ 284,011 |
| Accrued Liabilities | - | 81,849 | - | 81,849 | 54,374 |
| Accrued Vacation Benefits | - | 65,401 | - | 65,401 | 43,372 |
| Unearned Revenue | - | 51,085 | - | 51,085 | 51,551 |
| Total Liabilities | <u>6,500</u> | <u>662,995</u> | <u>-</u> | <u>669,495</u> | <u>433,308</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Subsequent Year's Property Taxes | 129,535 | - | - | 129,535 | 129,525 |
| FUND BALANCE | <u>258,750</u> | <u>5,726,870</u> | <u>9,907,933</u> | <u>15,893,553</u> | <u>15,379,654</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 394,785</u> | <u>\$ 6,389,865</u> | <u>\$ 9,907,933</u> | <u>\$ 16,692,583</u> | <u>\$ 15,942,487</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, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

| | Audit Fund | Current Restricted Fund | Working Cash Fund | Memorandum Totals | |
|--|-------------------|-------------------------------|-------------------------|----------------------|----------------------|
| | | | | 2019 | 2018 |
| REVENUES | | | | | |
| Local Real Estate Taxes | \$ 131,088 | \$ - | \$ - | \$ 131,088 | \$ 129,381 |
| ICCB State Grants: | | | | | |
| Other | - | 332,785 | - | 332,785 | 709,307 |
| Other State Government Sources | - | 28,931,873 | - | 28,931,873 | 25,678,849 |
| Federal Government Sources | - | 14,534,679 | - | 14,534,679 | 15,715,205 |
| Investment Income | - | - | 330,155 | 330,155 | 114,241 |
| Other | - | 534,287 | - | 534,287 | 1,458,382 |
| Total Revenues | 131,088 | 44,333,624 | 330,155 | 44,794,867 | 43,805,365 |
| EXPENDITURES | | | | | |
| Instruction | - | 17,333,069 | - | 17,333,069 | 14,892,488 |
| Academic Support | - | 850,376 | - | 850,376 | 861,761 |
| Student Services | - | 2,789,450 | - | 2,789,450 | 2,515,523 |
| Public Services | - | 485,558 | - | 485,558 | 263,683 |
| Auxiliary Services | - | 1,198,706 | - | 1,198,706 | 1,113,196 |
| Operations and Maintenance | - | 2,933,418 | - | 2,933,418 | 2,810,141 |
| Institutional Support | 104,657 | 5,624,681 | - | 5,729,338 | 4,424,408 |
| Scholarships, Student Grants, and Waivers | - | 14,005,898 | - | 14,005,898 | 16,268,077 |
| Total Expenditures | 104,657 | 45,221,156 | - | 45,325,813 | 43,149,277 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | |
| | 26,431 | (887,532) | 330,155 | (530,946) | 656,088 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | - | 1,375,000 | - | 1,375,000 | 3,068,815 |
| Transfers Out | - | - | (330,155) | (330,155) | (114,241) |
| Total Other Financing Sources (Uses) | - | 1,375,000 | (330,155) | 1,044,845 | 2,954,574 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | | | | | |
| | 26,431 | 487,468 | - | 513,899 | 3,610,662 |
| Fund Balance - Beginning of Year | 232,319 | 5,239,402 | 9,907,933 | 15,379,654 | 11,768,992 |
| FUND BALANCE - END OF YEAR | <u>\$ 258,750</u> | <u>\$ 5,726,870</u> | <u>\$ 9,907,933</u> | <u>\$ 15,893,553</u> | <u>\$ 15,379,654</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (MODIFIED ACCRUAL)
DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | 2019 | 2018 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 199,759 | \$ 10,896 |
| Investments | 1,000,000 | 1,375,000 |
| Taxes Receivable | 4,744,097 | 4,654,607 |
| Other Receivables | 21,750 | - |
| | <u>\$ 5,965,606</u> | <u>\$ 6,040,503</u> |
| DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Subsequent Year's Property Taxes | \$ 6,046,583 | \$ 5,984,935 |
| FUND BALANCE (DEFICIT) | <u>(80,977)</u> | <u>55,568</u> |
| Total Deferred Inflows of Resources and Fund Balance (Deficit) | <u>\$ 5,965,606</u> | <u>\$ 6,040,503</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (MODIFIED ACCRUAL)
DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)**

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|-------------------|
| REVENUES | | |
| Local Real Estate Taxes | \$ 6,008,204 | \$ 5,642,409 |
| Investment Income | 41,791 | 13,831 |
| Other | 43,518 | 182,338 |
| Total Revenues | <u>6,093,513</u> | <u>5,838,578</u> |
| EXPENDITURES | | |
| Debt Service: | | |
| Principal | 4,465,000 | 13,800,000 |
| Interest Expense | 1,759,458 | 1,540,883 |
| Debt Issuance Costs | - | 102,254 |
| Other | 5,600 | 5,400 |
| Total Expenditures | <u>6,230,058</u> | <u>15,448,537</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | (136,545) | (9,609,959) |
| OTHER FINANCING SOURCES (USES) | | |
| Proceeds from Issuance of Debt | - | 9,885,000 |
| Transfers Out | - | (9,600,000) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>285,000</u> |
| DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (136,545) | (9,324,959) |
| Fund Balance - Beginning of Year | <u>55,568</u> | <u>9,380,527</u> |
| FUND BALANCE (DEFICIT) - END OF YEAR | <u>\$ (80,977)</u> | <u>\$ 55,568</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (MODIFIED ACCRUAL) – CAPITAL PROJECTS FUND
OPERATIONS AND MAINTENANCE FUND – RESTRICTED
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | 2019 | 2018 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash | \$ 1,954,570 | \$ 4,683,157 |
| Investments | 8,550,984 | 6,003,009 |
| Taxes Receivable | 2,802,534 | 2,811,764 |
| Other Receivables | 73,982 | 169 |
| | <u>\$ 13,382,070</u> | <u>\$ 13,498,099</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts and Retainage Payable | \$ 238,944 | \$ 717,322 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Subsequent Year's Property Taxes | 3,582,136 | 3,618,024 |
| | <u>9,560,990</u> | <u>9,162,753</u> |
| | <u>\$ 13,382,070</u> | <u>\$ 13,498,099</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, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

| | 2019 | 2018 |
|---|--------------|--------------|
| REVENUES | | |
| Local Real Estate Taxes | \$ 3,641,336 | \$ 3,572,328 |
| Investment Income | 230,284 | 97,500 |
| Other | 20,695 | 100,003 |
| Total Revenues | 3,892,315 | 3,769,831 |
| EXPENDITURES | | |
| Capital Outlay | 3,694,078 | 5,725,885 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 198,237 | (1,956,054) |
| OTHER FINANCING SOURCES | | |
| Transfers In | 200,000 | 7,800,000 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | 398,237 | 5,843,946 |
| Fund Balance - Beginning of Year | 9,162,753 | 3,318,807 |
| FUND BALANCE - END OF YEAR | \$ 9,560,990 | \$ 9,162,753 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Cash | \$ 95,772 | \$ 40,031 |
| Other Receivables | 401,549 | 318,818 |
| Inventories | 479,432 | 531,717 |
| Prepaid Items | 17,081 | 21,719 |
| Total Assets | \$ 993,834 | \$ 912,285 |
| LIABILITIES AND NET POSITION | | |
| LIABILITIES | | |
| Accounts Payable | \$ 103,572 | \$ 97,229 |
| Accrued Liabilities | 72,716 | 79,041 |
| Payable to Other Funds | 475,000 | 1,375,000 |
| Accrued Vacation Benefits | 80,629 | 100,341 |
| Unearned Revenue: | | |
| Tuition and Fees | 165,765 | 101,082 |
| Total Liabilities | 897,682 | 1,752,693 |
| NET POSITION | 96,152 | (840,408) |
| Total Liabilities and Net Position | \$ 993,834 | \$ 912,285 |

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

| | <u>2019</u> | <u>2018</u> |
|---|------------------|---------------------|
| OPERATING REVENUES | | |
| Bookstore | \$ 3,780,197 | \$ 4,173,203 |
| Food Services | 877,880 | 889,654 |
| Other | <u>1,737,131</u> | <u>1,718,342</u> |
| Total Operating Revenues | 6,395,208 | 6,781,199 |
| OPERATING EXPENSES | | |
| Salaries | 2,719,923 | 2,646,854 |
| Employee Benefits | 419,513 | 402,152 |
| Contractual Services | 380,745 | 409,212 |
| General Material and Supplies | 3,510,265 | 3,707,352 |
| Fixed Charges | 194,922 | 155,912 |
| Utilities | 2,454 | 3,077 |
| Conferences and Meetings | 272,081 | 293,355 |
| Other | <u>83,745</u> | <u>81,806</u> |
| Total Operating Expenses | <u>7,583,648</u> | <u>7,699,720</u> |
| NET LOSS RELATED TO OPERATING ACTIVITIES | (1,188,440) | (918,521) |
| TRANSFERS IN | <u>2,125,000</u> | <u>680,000</u> |
| CHANGE IN NET POSITION | 936,560 | (238,521) |
| Net Position - Beginning of Year | <u>(840,408)</u> | <u>(601,887)</u> |
| NET POSITION - END OF YEAR | <u>\$ 96,152</u> | <u>\$ (840,408)</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 BALANCE SHEET (MODIFIED ACCRUAL)
 AGENCY FUND
 JUNE 30, 2019
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

| | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash | \$ 948,325 | \$ 892,455 |
| Other Receivables | <u>378</u> | <u>2,059</u> |
| Total Assets | <u><u>\$ 948,703</u></u> | <u><u>\$ 894,514</u></u> |
| LIABILITIES | | |
| Unexpended Scholarship, Loan, and Student Activity Funds | <u><u>\$ 948,703</u></u> | <u><u>\$ 894,514</u></u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
EQUALIZED ASSESSED VALUATIONS AND TAXES EXTENDED
LEVY YEARS 2018 AND 2017**

| | <u>2018 Levy</u> | <u>2017 Levy</u> |
|--|-------------------------|-------------------------|
| EQUALIZED ASSESSED VALUATION | | |
| Bureau County | \$ 20,314,754 | \$ 19,914,364 |
| Livingston County | 43,808,277 | 41,414,235 |
| Logan County | 8,887,256 | 8,548,770 |
| Marshall County | 182,820,239 | 182,227,652 |
| Mason County | 54,171,522 | 51,774,047 |
| McLean County | 10,366,559 | 10,014,728 |
| Peoria County | 3,442,703,243 | 3,502,746,486 |
| Stark County | 29,765,297 | 29,351,530 |
| Tazewell County | 2,571,892,109 | 2,559,303,318 |
| Woodford County | 927,591,641 | 906,925,573 |
| Total | <u>\$ 7,292,320,897</u> | <u>\$ 7,312,220,703</u> |
| TAX RATES (PER \$100 OF EQUALIZED ASSESSED VALUATION) | | |
| Educational Fund | 0.23700 | 0.24360 |
| Operations and Maintenance Fund | 0.04910 | 0.04950 |
| General Obligation Bond Fund | 0.08290 | 0.08180 |
| Operations and Maintenance Fund - Restricted | 0.04910 | 0.04950 |
| Audit Fund | 0.00180 | 0.00180 |
| Ancillary (Liability, Protection, and Settlement) Fund | 0.06190 | 0.06190 |
| Total | <u>0.48180</u> | <u>0.48810</u> |
| TAXES EXTENDED | | |
| Educational Fund | \$ 17,279,642 | \$ 17,815,149 |
| Operations and Maintenance Fund | 3,582,136 | 3,618,024 |
| Bond and Interest Fund | 6,046,583 | 5,984,935 |
| Operations and Maintenance Fund - Restricted | 3,582,136 | 3,618,024 |
| Audit Fund | 129,535 | 129,525 |
| Ancillary (Liability, Protection, and Settlement) Fund | 4,517,109 | 4,527,595 |
| Total | <u>\$ 35,137,141</u> | <u>\$ 35,693,252</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS
YEAR ENDED JUNE 30, 2019**

| Levy Year | Equalized Assessed Valuation | Combined Rate | Taxes Extended | Total Collected to June 30, 2018 | Collected During Year Ended June 30, 2019 | Total Collected to June 30, 2019 | Percent Collected June 30, 2019 |
|--------------|------------------------------------|------------------|-------------------|--|--|--|---------------------------------------|
| 2017 | \$ 7,312,220,703 | 0.48810 | \$ 35,693,252 | \$ 7,951,331 | \$ 27,849,858 | \$ 35,801,189 | 100.30 % |
| 2018 | 7,292,320,897 | 0.48180 | 35,137,141 | - | 7,633,639 | 7,633,639 | 21.73 |
| Total | | | | <u>\$ 7,951,331</u> | <u>\$ 35,483,497</u> | <u>\$ 43,434,828</u> | |

CONSOLIDATED YEAR-END FINANCIAL REPORT

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
CONSOLIDATED YEAR-END FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

| CSFA Number | Program Name | State | Federal | Other | Total |
|----------------|---|---------------------|----------------------|----------------------|-----------------------|
| 684-01-1625 | Adult Education - Basic Grants to State | \$ - | \$ 528,284 | \$ - | \$ 528,284 |
| 684-01-1625 | Adult Education - State Basic and State Performance | 332,785 | - | - | 332,785 |
| 684-00-0464 | Outdoor Advertising | - | 40,000 | - | 40,000 |
| 684-00-0465 | Career & Technical Education - Perkins Leadership | - | 3,500 | - | 3,500 |
| 420-30-0076 | WIA Formula Grants | - | 36,816 | - | 36,816 |
| 684-01-1670 | Innovative Bridge and Transition Program | 191,142 | - | - | 191,142 |
| 684-01-1738 | Apprentice Ready Pre-Apprentice Training Program | 93,350 | - | - | 93,350 |
| 494-10-1503 | Cycle Rider Safety Program | 1,732,702 | - | - | 1,732,702 |
| 691-00-1381 | Monetary Improvement Program (MAP) | 1,053,684 | - | - | 1,053,684 |
| | Other Grant Programs and Activities | 364,957 | 13,942,595 | 764,195 | 15,071,747 |
| | All Other Costs Not Allocated | - | - | 97,037,442 | 97,037,442 |
| | Total | <u>\$ 3,768,620</u> | <u>\$ 14,551,195</u> | <u>\$ 97,801,637</u> | <u>\$ 116,121,452</u> |

UNIFORM FINANCIAL STATEMENTS

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY
YEAR ENDED JUNE 30, 2019**

| | 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 - JUNE 30, 2018 | \$ 12,900,910 | \$ 4,809,898 | \$ 6,840,358 | \$ 232,319 | \$ 5,239,402 | \$ 55,568 | \$ 9,162,753 | \$ (840,408) | \$ 9,907,933 | \$ 48,308,733 |
| REVENUES | | | | | | | | | | |
| Local Tax | 17,929,937 | 6,557,230 | 4,558,953 | 131,088 | - | 6,008,204 | 3,641,336 | - | - | 38,826,748 |
| ICCB Grants | 3,967,006 | 1,190,459 | - | - | 332,785 | - | - | - | - | 5,490,250 |
| Other State Revenue | - | - | - | - | 28,931,873 | - | - | - | - | 28,931,873 |
| Federal | 10 | - | - | - | 14,534,679 | - | - | - | - | 14,534,689 |
| Student Tuition and Fees | 22,128,753 | - | - | - | - | - | - | - | - | 22,128,753 |
| Other | 1,009,187 | 641,546 | 4,503 | - | 534,287 | 85,309 | 250,979 | 6,395,208 | 330,155 | 9,251,174 |
| Total Revenues | 45,034,893 | 8,389,235 | 4,563,456 | 131,088 | 44,333,624 | 6,093,513 | 3,892,315 | 6,395,208 | 330,155 | 119,163,487 |
| EXPENDITURES | | | | | | | | | | |
| Instruction | 24,499,669 | - | - | - | 17,333,069 | - | - | - | - | 41,832,738 |
| Academic Support | 2,116,981 | - | - | - | 850,376 | - | - | - | - | 2,967,357 |
| Student Services | 2,638,547 | - | - | - | 2,789,450 | - | - | - | - | 5,427,997 |
| Public Services | 215,711 | - | - | - | 485,558 | - | - | - | - | 701,269 |
| Auxiliary Services | - | - | - | - | 1,198,706 | - | - | 7,583,648 | - | 8,782,354 |
| Operations and Maintenance | - | 7,837,181 | 1,634,585 | - | 2,933,418 | - | 3,694,078 | - | - | 16,099,262 |
| Institutional Support | 11,991,456 | - | 2,605,608 | 104,657 | 5,624,681 | - | - | - | - | 20,326,402 |
| Scholarships, Student Grants, and Waivers | - | - | - | - | 14,005,898 | - | - | - | - | 14,005,898 |
| Debt Service | - | - | - | - | - | 6,230,058 | - | - | - | 6,230,058 |
| Total Expenditures | 41,462,364 | 7,837,181 | 4,240,193 | 104,657 | 45,221,156 | 6,230,058 | 3,694,078 | 7,583,648 | - | 116,373,335 |
| NET TRANSFERS | <u>(3,169,845)</u> | <u>(200,000)</u> | <u>-</u> | <u>-</u> | <u>1,375,000</u> | <u>-</u> | <u>200,000</u> | <u>2,125,000</u> | <u>(330,155)</u> | <u>-</u> |
| FUND BALANCE - JUNE 30, 2019 | <u>\$ 13,303,594</u> | <u>\$ 5,161,952</u> | <u>\$ 7,163,621</u> | <u>\$ 258,750</u> | <u>\$ 5,726,870</u> | <u>\$ (80,977)</u> | <u>\$ 9,560,990</u> | <u>\$ 96,152</u> | <u>\$ 9,907,933</u> | <u>\$ 51,098,885</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 2
SUMMARY OF CAPITAL ASSETS AND DEBT
YEAR ENDED JUNE 30, 2019**

| | <u>July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>June 30, 2019</u> |
|--|-----------------------|-----------------------|-----------------------|------------------|-----------------------|
| CAPITAL ASSETS | | | | | |
| Land and Improvements | \$ 26,279,160 | \$ 479,197 | \$ - | \$ 1,600,281 | \$ 28,358,638 |
| Buildings, Additions, and Improvements | 216,732,390 | 567,249 | - | 684,203 | 217,983,842 |
| Equipment | 54,821,755 | 2,071,330 | - | - | 56,893,085 |
| Construction in Progress | 1,248,188 | 1,975,547 | - | (2,284,484) | 939,251 |
| Accumulated Depreciation | <u>(128,181,477)</u> | <u>(6,238,054)</u> | <u>-</u> | <u>-</u> | <u>(134,419,531)</u> |
| Net Capital Assets | <u>\$ 170,900,016</u> | <u>\$ (1,144,731)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 169,755,285</u> |
| FIXED DEBT | | | | | |
| Bonds Payable | \$ 39,655,000 | \$ - | \$ (4,465,000) | \$ - | \$ 35,190,000 |
| Capital Lease | 176,311 | 145,650 | (60,549) | - | 261,412 |
| OPEB Liability - CIP | <u>33,321,554</u> | <u>295,369</u> | <u>-</u> | <u>-</u> | <u>33,616,923</u> |
| Total Fixed Debt | <u>\$ 73,152,865</u> | <u>\$ 441,019</u> | <u>\$ (4,525,549)</u> | <u>\$ -</u> | <u>\$ 69,068,335</u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2019**

| | Educational Fund | Operations and Maintenance Fund | Total Operating Funds |
|-------------------------------------|---------------------|--|-----------------------------|
| OPERATING REVENUES BY SOURCE | | | |
| Local Government: | | | |
| Property Taxes | \$ 17,929,937 | \$ 3,641,336 | \$ 21,571,273 |
| Corporate Personal Property Tax | - | 2,915,894 | 2,915,894 |
| Total Local Government | 17,929,937 | 6,557,230 | 24,487,167 |
| State Government: | | | |
| ICCB Credit Hour Grants | 3,546,377 | 1,182,126 | 4,728,503 |
| ICCB Equalization Grants | 41,667 | 8,333 | 50,000 |
| ICCB Career and Technical | 378,962 | - | 378,962 |
| Other State Sources | - | - | - |
| Total State Government | 3,967,006 | 1,190,459 | 5,157,465 |
| Student Tuition and Fees: | | | |
| Tuition | 21,238,423 | - | 21,238,423 |
| Fees | 890,330 | - | 890,330 |
| Total Tuition and Fees | 22,128,753 | - | 22,128,753 |
| Other Sources: | | | |
| Sales and Service Fees | 21,290 | - | 21,290 |
| Investment Income | 748,008 | 191,150 | 939,158 |
| Other | 239,899 | 450,396 | 690,295 |
| Total Other Sources | 1,009,197 | 641,546 | 1,650,743 |
| Total Revenue | 45,034,893 | 8,389,235 | 53,424,128 |
| Less Nonoperating Items:* | | | |
| Tuition Chargeback Revenue | - | - | - |
| Adjusted Revenue | \$ 45,034,893 | \$ 8,389,235 | \$ 53,424,128 |

* 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. 3 (CONTINUED)
OPERATING FUNDS REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2019**

| | Educational Fund | Operations and Maintenance Fund | Total Operating Funds |
|--------------------------------|---------------------|--|-----------------------------|
| OPERATING EXPENDITURES | | | |
| By Program: | | | |
| Instruction | \$ 24,499,669 | \$ - | \$ 24,499,669 |
| Academic Support | 2,116,981 | - | 2,116,981 |
| Student Services | 2,638,547 | - | 2,638,547 |
| Public Services | 215,711 | - | 215,711 |
| Operations and Maintenance | - | 7,837,181 | 7,837,181 |
| Institutional Support | 11,991,456 | - | 11,991,456 |
| Total Expenditures | 41,462,364 | 7,837,181 | 49,299,545 |
| Less Nonoperating Items:* | | | |
| Tuition Chargeback | - | - | - |
| Adjusted Expenditures | \$ 41,462,364 | \$ 7,837,181 | \$ 49,299,545 |
| By Object: | | | |
| Salaries | \$ 28,891,592 | \$ 3,548,524 | \$ 32,440,116 |
| Employee Benefits | 5,273,058 | 922,851 | 6,195,909 |
| Contractual Services | 1,608,591 | 320,726 | 1,929,317 |
| General Materials and Supplies | 2,638,558 | 622,694 | 3,261,252 |
| Conference and Meeting | 255,025 | 2,753 | 257,778 |
| Fixed Charges | 1,152,938 | 366,577 | 1,519,515 |
| Utilities | 31,456 | 1,950,246 | 1,981,702 |
| Capital Outlay | 606,814 | 99,503 | 706,317 |
| Other | 1,004,332 | 3,307 | 1,007,639 |
| Total Expenditures | 41,462,364 | 7,837,181 | 49,299,545 |
| Less Nonoperating Items: | | | |
| Tuition Chargeback | - | - | - |
| Adjusted Expenditures | \$ 41,462,364 | \$ 7,837,181 | \$ 49,299,545 |

* 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, 2019**

| | <u>Restricted Purposes Fund</u> |
|---|---|
| REVENUE BY SOURCE | |
| State Government: | |
| State Adult Ed - State Basic | \$ 236,316 |
| State Adult Ed - Performance | 96,469 |
| SURS - On Behalf | 24,363,933 |
| Other | 4,567,940 |
| Total State Government | <u>29,264,658</u> |
| Federal Government: | |
| Department of Education | 10,267,735 |
| Department of Labor | 36,816 |
| Other | 4,230,128 |
| Total Federal Government | <u>14,534,679</u> |
| Other Sources | <u>534,287</u> |
| Total Restricted Purposes Fund Revenue | <u><u>\$ 44,333,624</u></u> |
| EXPENDITURES BY PROGRAM | |
| Instruction | \$ 17,333,069 |
| Academic Support | 850,376 |
| Scholarships, Student Grants, and Waivers | 14,005,898 |
| Student Services | 2,789,450 |
| Public Services | 485,558 |
| Auxiliary Services | 1,198,706 |
| Operations and Maintenance | 2,933,418 |
| Institutional Support | 5,624,681 |
| Total Restricted Purposes Fund Expenditures | <u><u>\$ 45,221,156</u></u> |
| EXPENDITURES BY OBJECT | |
| Salaries | \$ 2,465,037 |
| Employee Benefits (Includes SURS On-behalf) | 25,046,379 |
| Contractual Services | 1,035,347 |
| Financial Aid | 14,101,333 |
| General Materials and Supplies | 934,528 |
| Conference and Meeting Expenses | 233,859 |
| Fixed Charges | 177,810 |
| Utilities | 11,883 |
| Capital Outlay | 928,712 |
| Other | 286,268 |
| Total Restricted Purposes Fund Expenditures | <u><u>\$ 45,221,156</u></u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2019**

INSTRUCTION

| | |
|----------------------------------|---------------|
| Instructional Programs | \$ 25,036,195 |
| Other (Including SURS On-Behalf) | 16,796,543 |
| Total Instruction | 41,832,738 |

ACADEMIC SUPPORT

| | |
|----------------------------------|-----------|
| Library Center | 908,941 |
| Instructional Materials Center | 41,534 |
| Academic Computing Support | 322,547 |
| Academic Administration and Plan | 326,865 |
| Other (Including SURS On-Behalf) | 1,367,470 |
| Total Academic Support | 2,967,357 |

STUDENT SERVICES SUPPORT

| | |
|----------------------------------|-----------|
| Admissions and Records | 1,071,237 |
| Counseling and Career Services | 1,326,076 |
| Financial Aid Administration | 534,205 |
| Other (Including SURS On-Behalf) | 2,496,479 |
| Total Student Services Support | 5,427,997 |

PUBLIC SERVICES

| | |
|----------------------------------|---------|
| Other (Including SURS On-Behalf) | 701,269 |
|----------------------------------|---------|

AUXILIARY SERVICES

8,782,354

OPERATIONS AND MAINTENANCE

| | |
|----------------------------------|------------|
| Maintenance | 2,296,759 |
| Custodial Services | 2,036,947 |
| Grounds Maintenance | 676,894 |
| Campus Security | 1,591,436 |
| Transportation | 189,173 |
| Administration | 2,307,671 |
| Other (Including SURS On-Behalf) | 3,306,304 |
| Total Operations and Maintenance | 12,405,184 |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5 (CONTINUED)
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2019**

INSTITUTIONAL SUPPORT

| | |
|----------------------------------|--------------|
| Executive Management | \$ 1,493,580 |
| Fiscal Operations | 962,325 |
| Community Relations | 1,446,800 |
| Administrative Support Services | 1,935,874 |
| Board Of Trustees | 60,455 |
| General Institutional | 4,734,623 |
| Institutional Research | 290,964 |
| Administrative Data Processing | 4,587,343 |
| Other (Including SURS On-Behalf) | 4,814,438 |
| Total Institutional Support | 20,326,402 |

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS

14,005,898

Total Current Funds Expenditures

\$ 106,449,199

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

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

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants Program of Illinois Central College District 514 (the District), which comprise the combining statement of net position as of June 30, 2019, and the related combining statement 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants Program of Illinois Central College District 514 as of June 30, 2019, 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 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, 2019, 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 79 is presented for purposes of additional analysis and is not a required part of 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, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Peoria, Illinois
November 5, 2019



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 of Illinois Central College District 514 (the District), which comprise the combining statement of net position as of June 30, 2019, and the related combining 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 November 5, 2019.

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.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's compliance. This report is provided as part of our audit. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
November 5, 2019

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

| | <u>State Basic</u> | <u>Performance</u> | <u>Total</u> |
|--------------------|--------------------|--------------------|---------------|
| ASSETS | | | |
| Cash | \$ - | \$ 9,510 | \$ 9,510 |
| Other Receivables | 18,102 | - | 18,102 |
| Total Assets | <u>18,102</u> | <u>9,510</u> | <u>27,612</u> |
| LIABILITIES | | | |
| LIABILITIES | | | |
| Bank Overdraft | 18,102 | - | 18,102 |
| Accounts Payable | - | 9,510 | 9,510 |
| Total Liabilities | <u>18,102</u> | <u>9,510</u> | <u>27,612</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
YEAR ENDED JUNE 30, 2019**

| | <u>State Basic</u> | <u>Performance</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------------|
| REVENUES | | | |
| Illinois Community College Board Grant | \$ 236,316 | \$ 96,469 | \$ 332,785 |
| EXPENDITURES BY PROGRAM | | | |
| Instructional and Student Services: | | | |
| Instruction | 134,240 | 81,648 | 215,888 |
| Guidance Services | 43,873 | - | 43,873 |
| Assessment and Testing | 22,879 | - | 22,879 |
| Student Transportation Services | - | 867 | 867 |
| Subtotal Instructional and Student Services | <u>200,992</u> | <u>82,515</u> | <u>283,507</u> |
| Program Support: | | | |
| Improvement of Instructional Services | 4,189 | 2,030 | 6,219 |
| General Administration | 20,904 | 6,871 | 27,775 |
| Operations and Maintenance of Plant Services | - | 1,360 | 1,360 |
| Data and Information Services | 10,231 | 3,693 | 13,924 |
| Subtotal Program Support | <u>35,324</u> | <u>13,954</u> | <u>49,278</u> |
| Total Expenditures | <u>236,316</u> | <u>96,469</u> | <u>332,785</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | - | - | - |
| Net Position - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION - END OF YEAR | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2019**

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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTE TO FINANCIAL STATEMENTS
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS
JUNE 30, 2019**

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 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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 SUPPLEMENTARY SCHEDULE
 ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
 YEAR ENDED JUNE 30, 2019**

| | <u>Audited Expenditure Amount</u> | <u>Actual Expenditure Percentage</u> |
|--|---|--|
| STATE BASIC | | |
| Instruction (45% Minimum Required) | \$ 134,240 | 56.81 % |
| General Administration (15% Maximum Allowed) | 20,904 | 8.85 |

SUPPLEMENTARY ICCB SCHEDULES



**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, 2019. 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 on the Schedules 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 judgment, 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 for the year ended June 30, 2019 are presented, in all material respects, in accordance with the provisions of the aforementioned guidelines.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
November 5, 2019

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2019**

| CATEGORIES | Total Reimbursable Semester Credit Hours by Term* | | | | | | | |
|--|--|-------------|--------------------------|----------------|-----------------|--|------------------|----------------------|
| | Summer | | Fall | | Spring | | Total | |
| | Unrestricted | Restricted | Unrestricted | Restricted | Unrestricted | Restricted | Unrestricted | Restricted |
| Baccalaureate | 11,865.0 | - | 49,826.0 | - | 45,221.0 | - | 106,912.0 | - |
| Business Occupational | 289.0 | - | 2,223.0 | - | 2,099.0 | - | 4,611.0 | - |
| Technical Occupational | 1,196.0 | - | 5,991.0 | - | 5,798.0 | - | 12,985.0 | - |
| Health Occupational | 1,710.5 | - | 6,363.0 | - | 5,775.5 | - | 13,849.0 | - |
| Remedial Developmental | 459.0 | - | 3,381.0 | - | 1,852.0 | - | 5,692.0 | - |
| Adult Basic Education/Adult Secondary Education | 72.0 | 69.0 | 66.0 | 771.0 | 45.0 | 891.0 | 183.0 | 1,731.0 |
| Total Credit Hours Certified | 15,591.5 | 69.0 | 67,850.0 | 771.0 | 60,790.5 | 891.0 | 144,232.0 | 1,731.0 |
| | | | Attending In-District | | | Attending Out-of-District on Chargeback or Contractual Agreement | | Total |
| | | | Unrestricted | Restricted | | | | |
| Reimbursable Semester Credit Hours | | | <u>131,099.5</u> | <u>1,180.0</u> | | <u>361.0</u> | | <u>132,640.5</u> |
| | | | Dual Credit | | | Dual Enrollment | | |
| | | | Unrestricted | Restricted | | | | |
| Reimbursable Semester Credit Hours | | | <u>15,239.0</u> | <u>-</u> | | <u>1,960.5</u> | | |
| District Prior Year Equalized Assessed Valuation | | | | | | | | <u>7,312,220,703</u> |

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, 2019

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

| 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 | 106,912.0 | 106,912.0 | - | - | - | - |
| Business Occupational | 4,611.0 | 4,611.0 | - | - | - | - |
| Technical Occupational | 12,985.0 | 12,985.0 | - | - | - | - |
| Health Occupational | 13,849.0 | 13,849.0 | - | - | - | - |
| Remedial Developmental | 5,692.0 | 5,692.0 | - | - | - | - |
| Adult Basic Education/Adult Secondary Education | 183.0 | 183.0 | - | 1,731.0 | 1,731.0 | - |
| Total | 144,232.0 | 144,232.0 | - | 1,731.0 | 1,731.0 | - |

**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 | 132,279.5 | 132,279.5 | - |
| Out-of-District on Chargeback or Contractual Agreement | 361.0 | 361.0 | - |
| Total | 132,640.5 | 132,640.5 | - |

| | Total Reimbursable | Total Reimbursable Certified to the ICCB | Difference |
|-----------------|-----------------------|---|------------|
| Dual Credit | 15,239.0 | 15,239.0 | - |
| Dual Enrollment | 1,960.5 | 1,960.5 | - |
| Total | 17,199.5 | 17,199.5 | - |

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

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

| CATEGORIES | <u>Total Correctional Credit Hours</u> | <u>Correctional Credit Hours Certified to The ICCB</u> | <u>Difference</u> |
|---|--|--|-------------------|
| 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, 2019
(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
FOR FISCAL YEAR 2020**

| | | |
|--|-------------------|---------------------------|
| Noncapital Fund Expenditures (Including Mandatory Transfers): | | |
| Education Fund | \$ 40,855,051 | |
| Operations and Maintenance Fund | 7,737,678 | |
| General Obligation Bond Fund | 6,230,058 | |
| Current Restricted Fund | 44,642,755 | |
| Audit Fund | 104,657 | |
| Ancillary Fund | <u>4,187,428</u> | |
| Total Noncapital Expenditures | | \$ 103,757,627 |
| Add - Depreciation Allowance: | | |
| Land improvements (\$12,816,277 @ 5%) | 640,814 | |
| Buildings and Building improvements (\$137,338,617 @ 2%) | 2,746,772 | |
| Equipment (\$7,743,228 @ 12.5%) | <u>967,904</u> | <u>4,355,490</u> |
| Total Costs Included | | <u>\$ 108,113,117</u> |
| Total Certified Semester Credit Hours for FY 2018 | 145,963 | |
| Per Capita Cost | | \$ 740.69 |
| Federal and State Operating Grants for Noncapital Expenditures, Except ICCB Grants | \$ 43,304,760 | |
| FY 2019 Federal and State Grants per Semester Credit Hour | | 296.68 |
| District's Average ICCB Grant Rate (Excluding Equalization Grants) for FY 2020 | | 34.96 |
| District's Student Tuition and Fee Rate per Semester Credit Hour for FY 2020 | | <u>150.00</u> |
| Chargeback Reimbursement per Semester Credit Hour | | <u>\$ 259.05</u> |

Approved:



Chief Fiscal Officer

11/5/2019

Date



Chief Administrative Officer

11/5/2019

Date

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 (the District) and its discretely presented component unit, as of and for the year ended June 30, 2019, 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 November 5, 2019. The financial statements of the District's discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Illinois Central College Educational Foundation.

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.



CliftonLarsonAllen LLP

Peoria, Illinois
November 5, 2019



**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 (the 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, 2019. 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, 2019.

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, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Peoria, Illinois
November 5, 2019

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Pass-through Grantor's Number | Passed Through to Subrecipients | Expenditures |
|--|---------------------------|-------------------------------------|---------------------------------------|---------------|
| <u>U.S. Department of Education</u> | | | | |
| Direct: | | | | |
| Student Financial Aid Cluster: | | | | |
| PELL Grant Program | 84.063 * | N/A | \$ - | \$ 8,247,063 |
| Supplemental Educational Opportunity Grant | 84.007 * | N/A | - | 308,631 |
| College Work Study | 84.033 * | N/A | - | 169,101 |
| Direct Loan Program | 84.268 * | N/A | - | 4,224,951 |
| Total Student Financial Aid Cluster | | | - | 12,949,746 |
| Trio Cluster: | | | | |
| Student Support Services FY19 07/01/18 - 08/31/18 | 84.042 * | N/A | - | 8,937 |
| Student Support Services FY19 09/01/18 - 06/30/19 | 84.042 * | N/A | - | 288,272 |
| Talent Search FY19 07/01/18 - 08/31/18 | 84.044 * | N/A | - | 37,848 |
| Talent Search FY19 09/01/18 - 06/30/19 | 84.044 * | N/A | - | 207,347 |
| Upward Bound FY19 07/01/18 - 08/31/18 | 84.047 * | N/A | - | 81,338 |
| Upward Bound FY19 09/01/18 - 06/30/19 | 84.047 * | N/A | - | 268,023 |
| Total TRIO Cluster | | | - | 891,765 |
| Title III FY19 10/01/18 - 06/30/19 | 84.031 | N/A | - | 78,223 |
| Passed Through Illinois Community College Board: | | | | |
| Adult Education - State Grant Program | 84.002 | 5140119 | - | 168,687 |
| Outdoor Advertising | 84.002 | 5140A19 | - | 40,000 |
| Total | | | - | 208,687 |
| Vocational Education - Basic Grants to State PERKINS | 84.048 | CTE51419 | - | 359,597 |
| Career & Technical Ed - Dual Credit Enhancement | 84.048 | LEAD51419 | - | 3,500 |
| Total | | | - | 363,097 |
| Total U.S. Department of Education | | | - | 14,491,518 |
| <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 | - | 17,684 |
| <u>U.S. Department of Labor</u> | | | | |
| Passed Through the United Workforce Development Board: | | | | |
| WIA-Youth Activities | 17.259 | Y70 2016-2 | - | 34,269 |
| Drop-out Recovery | 17.259 | OSY 2018-3 | - | 2,547 |
| Total U.S. Department of Labor | | | - | 36,816 |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed Through Illinois Department of Human Services: | | | | |
| SAL Quality Improvement | 93.596 | N/A | - | 4,040 |
| SAL Professional Development | 93.596 | N/A | - | 912 |
| SAL CPR/First Aid Certification | 93.596 | N/A | - | 225 |
| Total U.S. Department of Health and Human Services | | | - | 5,177 |
| Total Federal Awards | | | \$ - | \$ 14,551,195 |

* Major Program

ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Illinois Central College District 514 (the District) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the net position, revenues, expenses, and changes in net position, or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

As of and during the year ended June 30, 2019, the District did not receive any noncash federal assistance, federal insurance, or loan guarantees.

NOTE 3 INDIRECT COST RATE

The College has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 DIRECT LOAN PROGRAMS

During the fiscal year ended June 30, 2019, students and their parents were awarded \$4,224,951 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
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 1 BACKGROUND INFORMATION ON GRANT ACTIVITY

Restricted Adult Education Grants/Federal CFDA #84.002

Federal Basic

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

Career and Technical Education – Basic Grants to State (Perkins)/Federal CFDA #84.048

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ 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)?

_____ yes X none reported

Type of auditors' report issued on compliance 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*?

_____ yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.063, 84.007, 84.033 and 84.268
84.042, 84.044, 84.047

Student Financial Aid Cluster
TRIO 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, 2019**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

