

ILLINOIS CENTRAL COLLEGE DISTRICT 514
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2018 AND 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
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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, 2018 and 2017, 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, 2018 and 2017, 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.

Emphasis of a Matter – Restatement

The District adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of Statement No. 75, the District reported a restatement for the change in accounting principle. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages IV-XIV, the schedule of the District's proportionate share of the net OPEB liability on page 44, the schedule of District's contributions on page 45, the schedule of changes in the District's net OPEB liability and related ratios on page 46, the OPEB schedule of funding progress on page 47, and the defined benefit pension plan information on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Basis for Qualification on Supplementary Information

The District elected to recognize the 2017 state funding of \$4,068,204 as a receivable and revenue as of June 30, 2017. In our opinion, accounting principles generally accepted in the United States of America require that an appropriation for such funding occur prior to the recognition of the receivable and revenue. The appropriation occurred on July 6, 2017, and the related appropriations should have been recognized during the District's fiscal year 2018.

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

The Documentation of Residency Verification Steps on page 86 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2018, 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.



CliftonLarsonAllen LLP

Peoria, Illinois
October 12, 2018

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

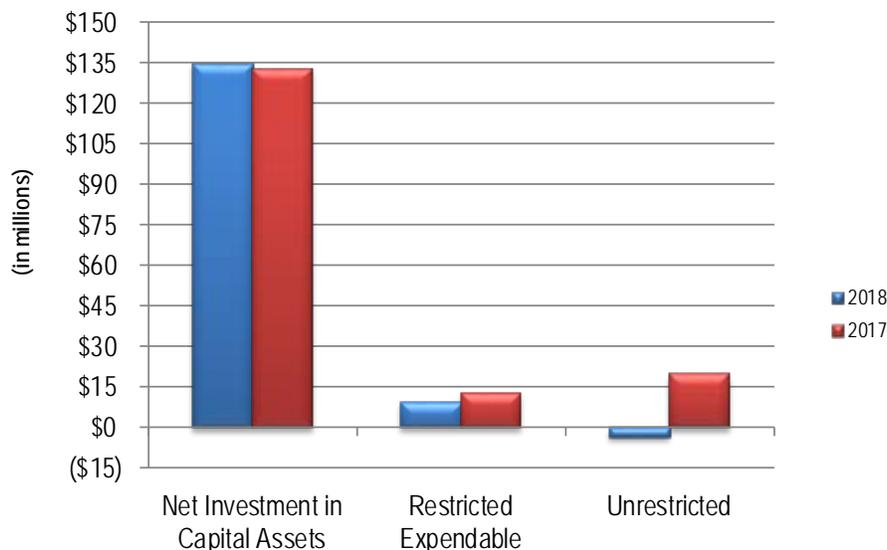
This section of Illinois Central College's Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2018, and June 30, 2017. Since this management's discussion and analysis is designed to focus on current activities, 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 39). 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 39) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities, which are supported mainly by property taxes, student tuition, and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of cost of various College services to students and the public. The College's Educational Foundation is included and presented as a component unit as required by Governmental Accounting Standards. Further information on the component unit can be found in the attached notes to the financial statements.

Financial Highlights

Comparison of Net Position – FY 2018 and 2017



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Financial Analysis of the Total Reporting Entity

	Net Position As of June 30, (in millions)						
	2018	2017	Increase (Decrease) 2018-2017	Percent Change	2016	Increase (Decrease) 2017-2016	Percent Change
Current Assets	\$ 83.7	\$ 78.9	\$ 4.8	6.1%	\$ 89.9	\$ (11.0)	-12.2%
Non-Current Assets							
Other	8.3	7.7	0.6	7.8%	5.8	1.9	32.8%
Capital Assets, Net of Depreciation	170.9	170.5	0.4	0.2%	153.2	17.3	11.3%
Deferred outflows of resources	1.8	0.2	1.6	800.0%	0.3	(0.1)	-33.3%
Total Assets plus Deferred outflows of resources	<u>264.7</u>	<u>257.3</u>	<u>7.4</u>	<u>2.9%</u>	<u>249.2</u>	<u>8.1</u>	<u>3.3%</u>
Current Liabilities	12.7	12.7	-	0.0%	14.6	(1.9)	-13.0%
Non-Current Liabilities	73.1	44.6	28.5	63.9%	35.7	8.9	24.9%
Total Liabilities	<u>85.8</u>	<u>57.3</u>	<u>28.5</u>	<u>49.7%</u>	<u>50.3</u>	<u>7.0</u>	<u>13.9%</u>
Deferred inflows of resources	38.6	35.2	3.4	9.7%	38.3	(3.1)	-8.1%
Net Position							
Net Investment in Capital Assets	134.8	132.7	2.1	1.6%	119.3	13.4	11.2%
Restricted Expendable	9.2	12.7	(3.5)	-27.6%	10.6	2.1	19.8%
Unrestricted	(3.6)	19.4	(23.0)	-118.6%	30.7	(11.3)	-36.8%
Total Net Position	<u>\$ 140.4</u>	<u>\$ 164.8</u>	<u>\$ (24.4)</u>	<u>-14.8%</u>	<u>\$ 160.6</u>	<u>\$ 4.2</u>	<u>2.6%</u>

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

Fiscal Year 2018 Compared to 2017

The \$7.4 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 2017 and 2018.

Total liabilities are higher as compared to the prior year as a result of the increase in Non-Current Liabilities, specifically Net OPEB Liability. The District implemented GASB 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 75 partially offset by the increase in other State of Illinois funding of \$4.5 million.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Fiscal Year 2017 Compared to 2016

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

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

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

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

	2018	2017	Increase (Decrease) 2018-2017	Percent Change	2016	Increase (Decrease) 2017-2016	Percent Change
Operating Revenue							
Tuition and Fees	\$ 22.5	\$ 24.0	\$ (1.5)	-6.3%	\$ 23.5	\$ 0.5	2.1%
Auxiliary	6.8	6.6	0.2	3.0%	6.9	(0.3)	-4.3%
Funded Grants & Contracts	43.5	39.6	3.9	9.8%	34.5	5.1	14.8%
Other	0.9	1.0	(0.1)	-6.0%	0.8	0.2	25.0%
Total	<u>73.7</u>	<u>71.2</u>	<u>2.5</u>	<u>3.6%</u>	<u>65.7</u>	<u>5.5</u>	<u>8.4%</u>
Less Operating Expenses	113.6	107.9	5.7	5.3%	103.0	4.9	4.8%
Net Operating Loss	<u>(39.9)</u>	<u>(36.7)</u>	<u>(3.2)</u>	<u>-7.9%</u>	<u>(37.3)</u>	<u>0.6</u>	<u>-8.6%</u>
Non-Operating Revenue							
State Grants & Contracts	6.4	1.3	5.1	392.3%	0.7	0.6	85.7%
Federal & Local Grants & Contracts	1.2	1.2	-	0.0%	1.4	(0.2)	-14.3%
Property Taxes	35.3	34.6	0.7	2.0%	31.6	3.0	9.5%
Corporate Personal Property Tax	2.6	3.2	(0.6)	-18.8%	2.9	0.3	10.3%
Other	1.1	0.6	0.5	83.3%	(0.7)	1.3	(185.7)%
Total	<u>46.6</u>	<u>40.9</u>	<u>5.7</u>	<u>13.9%</u>	<u>35.9</u>	<u>5.0</u>	<u>13.9%</u>
Increase (Decrease) in Net Position	6.7	4.2	2.5	60.5%	(1.4)	5.6	-400.0%
Net Position, Beginning of Year	164.8	160.6	4.2	2.6%	162.0	(1.4)	-0.9%
Prior Period Adjustment	(31.1)	-	(31.1)	-100.0%	-	-	0.0%
Net Position - Beginning of Year as Restated	133.7	160.6	(26.9)	-16.7%	162.0	(1.4)	-0.9%
Net Position, End of Year	<u>\$ 140.4</u>	<u>\$ 164.8</u>	<u>\$ (24.4)</u>	<u>-14.8%</u>	<u>\$ 160.6</u>	<u>\$ 4.2</u>	<u>2.6%</u>
Total Revenues	<u>\$ 121.5</u>	<u>\$ 113.0</u>	<u>\$ 8.5</u>	<u>7.5%</u>	<u>\$ 103.4</u>	<u>\$ 9.6</u>	<u>9.3%</u>
Total Expenses	<u>\$ 114.7</u>	<u>\$ 108.8</u>	<u>\$ 5.9</u>	<u>5.4%</u>	<u>\$ 104.7</u>	<u>\$ 4.1</u>	<u>3.9%</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Fiscal Year 2018 Compared to 2017

Operating revenue was higher during 2018 as grant revenue increased by \$3.9 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.

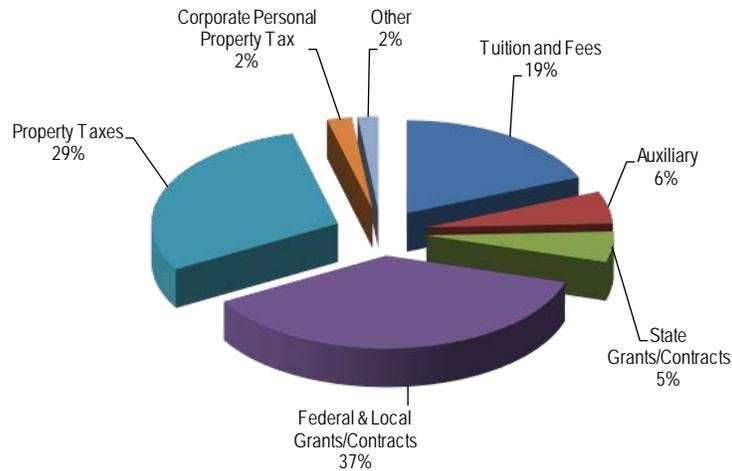
Non-Operating Revenue increased \$5.7 million due to an increase in State Grants & Contracts reflecting improved State funding as a result of a budget passed by the State of Illinois.

Fiscal Year 2017 Compared to 2016

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

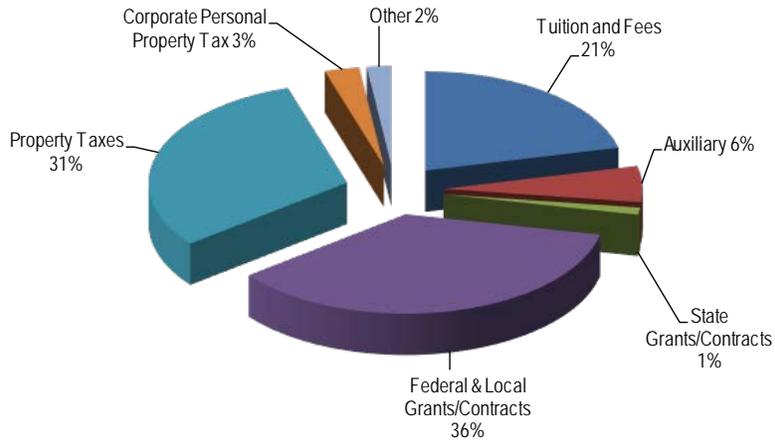
Non-Operating Revenue increased \$9.9 million due to an increase in State Grants & Contracts reflecting a higher annual adjustment for the SURS on-behalf-of pension payments made by the State as well as an increase in property taxes.

Revenue by Source 2018

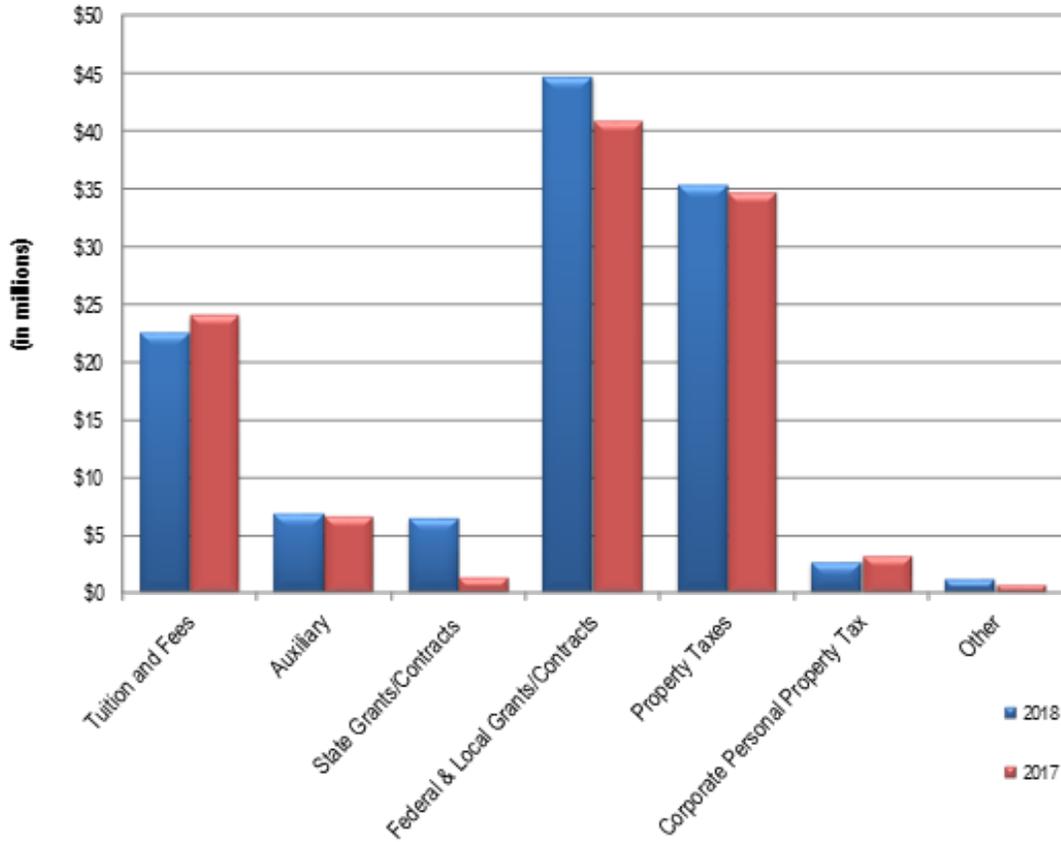


**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Revenue by Source 2017



Comparison of Revenues – Fiscal Years 2018 and 2017



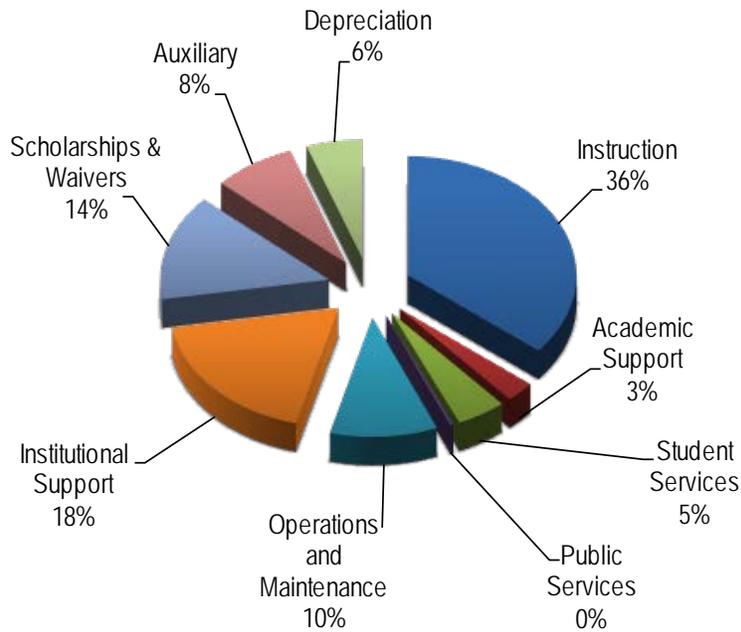
**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

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

Operating Expense	2018	2017	Increase		2016	Increase	
			(Decrease) 2018-2017	Percent Change		(Decrease) 2016-2017	Percent Change
Instruction	\$ 40.8	\$ 39.4	\$ 1.4	3.6%	\$ 26.5	\$ 12.9	48.7%
Academic Support	3.2	3.5	(0.3)	-8.6%	2.8	0.7	25.0%
Student Services	5.4	5.0	0.4	8.0%	3.5	1.5	42.9%
Public Services	0.3	0.6	(0.3)	-45.0%	0.5	0.1	20.0%
Operations and Maintenance	11.7	11.3	0.4	3.5%	8.8	2.5	28.4%
Institutional Support	20.8	19.9	0.9	4.5%	33.4	(13.5)	-40.4%
Scholarships & Waivers	16.3	14.3	2.0	14.0%	14.8	(0.5)	-3.4%
Auxiliary	9.0	8.2	0.8	9.8%	7.3	0.9	12.3%
Depreciation	6.1	5.7	0.4	7.0%	5.4	0.3	5.6%
Total	\$ 113.6	\$ 107.9	\$ 5.7	5.3%	\$ 103.0	\$ 4.9	4.8%

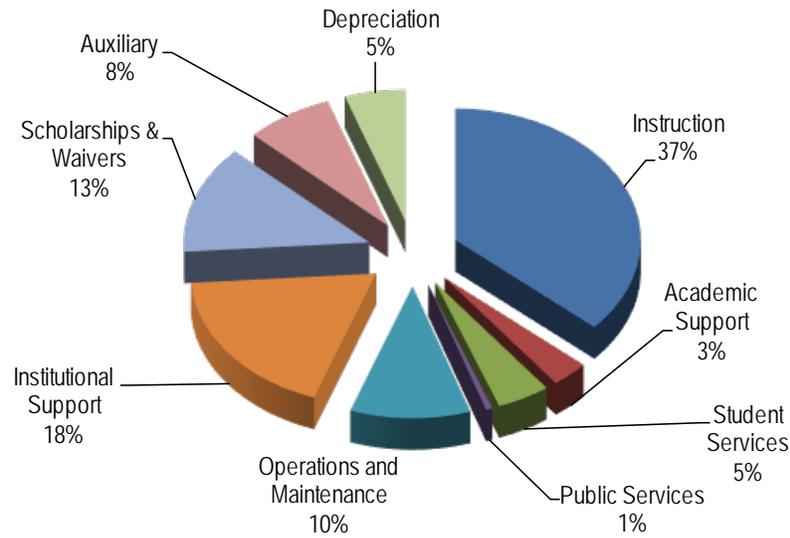
The following is a graphic illustration of operating expenses for Fiscal Year 2018 and 2017.

Operating Expenses – 2018

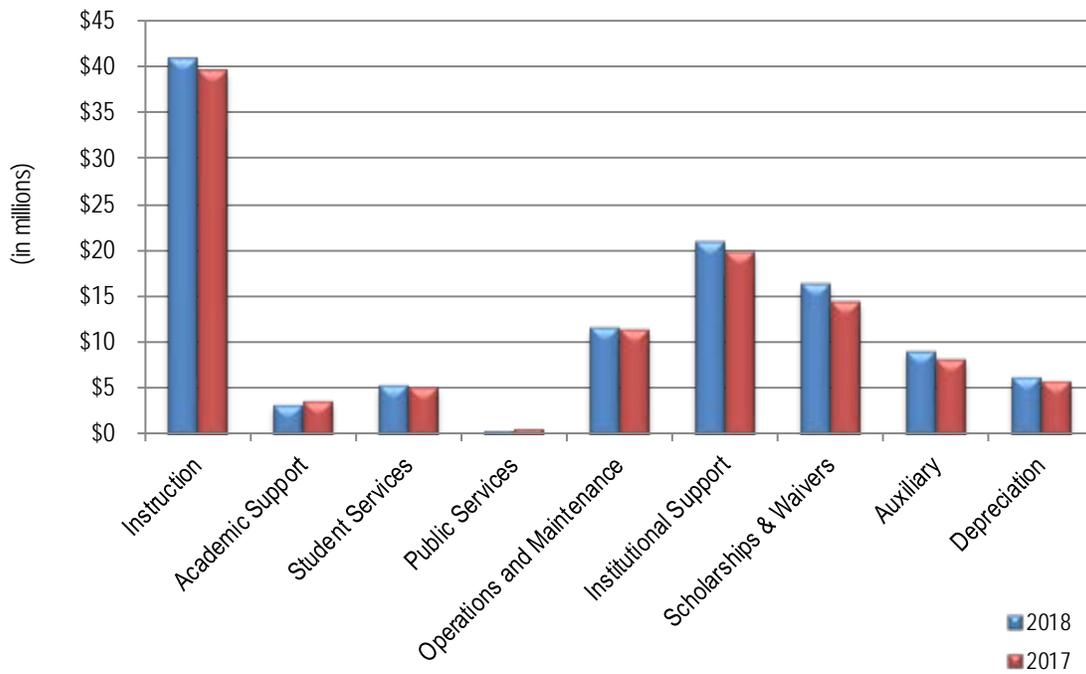


**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Operating Expenses – 2017



Comparison of Operating Expenses - Fiscal Years 2018 and 2017



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Fiscal Year 2018 Compared to 2017

Operating expenses increased \$5.7 million or 5.3% 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 15% as a result of increase MAP funding.

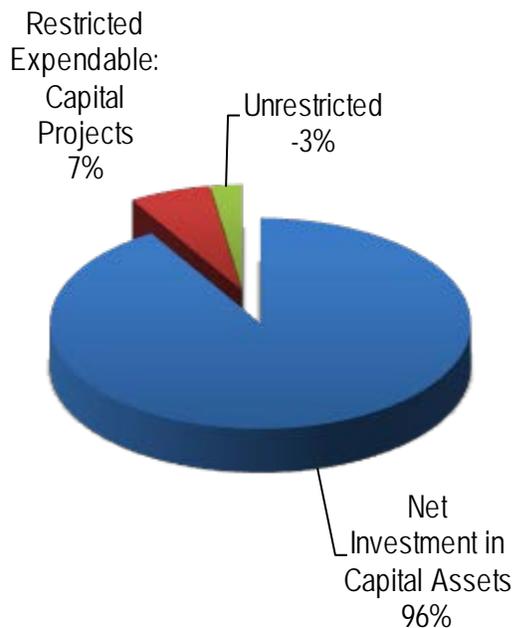
Fiscal Year 2017 Compared to 2016

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

Analysis of Net Position June 30, (in millions)							
	2018	2017	Increase (Decrease) 2018-2017	Percent Change	2016	Increase (Decrease) 2017-2016	Percent Change
Net Position							
Net Investment in Capital Assets	\$ 134.8	\$ 132.7	\$ 2.1	1.6%	\$ 119.3	\$ 13.4	11.2%
Restricted Expendable							
Capital Projects	9.2	12.7	(3.5)	(27.6%)	10.6	2.1	19.8%
Unrestricted	(3.6)	19.4	(23.0)	(118.6%)	30.7	(11.3)	(36.8%)
Total	<u>\$ 140.4</u>	<u>\$ 164.8</u>	<u>\$ (24.4)</u>	<u>(14.8%)</u>	<u>\$ 160.6</u>	<u>\$ 4.2</u>	<u>2.6%</u>

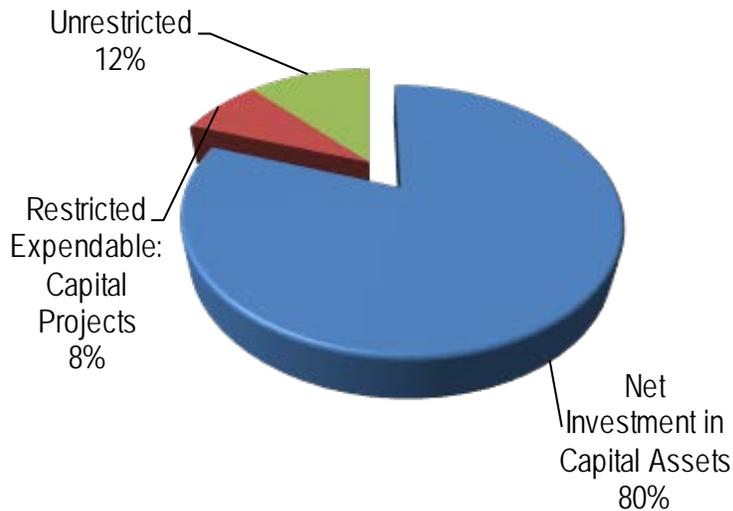
The following is a graphic illustration of net position for Fiscal Year 2018 and 2017:

Analysis of Net Position 2018



**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Analysis of Net Position 2017



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 75. Please refer back to the discussion on page V 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.

Fiscal Year 2017 Compared to 2016

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

Capital Asset and Debt Administration

Capital assets

The District's capital assets as of June 30, 2018 and 2017 amounted to \$170.9 million and \$170.5 million, respectively, (net of accumulated depreciation). The capital assets include land, construction-in-progress, land improvements, buildings and improvements, and equipment. The total increase in capital assets for the year ended June 30, 2018 was .2%. The College completed \$4.0 million of life safety and bond projects offset by annual depreciation.

Major capital asset events during the year ended June 30, 2018 included the construction costs of the Peoria Campus for campus improvements primarily the remodeling supporting the transition of the Health Career programs to Birch and Cedar Halls at Peoria Campus from downtown Peoria.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

Major capital asset events during the year ended June 30, 2017 included the construction costs of the Peoria Campus for campus improvements including remodeling of Elm Hall for the new Student Center. Additionally, a number of Life Safety 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>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 3,352,154	\$ 3,352,154	\$ 3,352,154
Construction In Progress	1,248,188	704,536	13,672,083
Land Improvements	24,527,287	22,927,006	22,835,006
Building and Improvements	215,132,109	211,772,785	176,565,732
Equipment	54,821,755	53,797,013	53,196,811
Accumulated Depreciation	<u>(128,181,477)</u>	<u>(122,067,137)</u>	<u>(116,406,687)</u>
Total	<u>\$ 170,900,016</u>	<u>\$ 170,486,357</u>	<u>\$ 153,215,099</u>

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

Debt

As of June 30, 2018, the District, Illinois had general obligation bonds outstanding totaling \$39,655,000 compared to \$43,570,000 of general obligation bonds as of June 30, 2017. For the year ended June 30, 2018, the District paid \$4,200,000 in principal and \$1,540,883 in interest on outstanding debt. During fiscal year 2018, the College issued \$9.9 million in new bonds to pay off the 2017 debt certificates.

During fiscal year 2017, the College issued \$9.6 million in additional debt certificates to support capital projects on the Peoria campus. For the year ended June 30, 2017, the District paid \$3,965,000 in principal and \$1,098,646 in interest on outstanding debt.

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

Cash Flows

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

	<u>2018</u>	<u>2017</u>	Increase (Decrease) 2018-2017	Percent Change	<u>2016</u>	Increase (Decrease) 2017-2016	Percent Change
Net Cash provided by (used in) operating activities	(26.5)	(32.3)	5.8	-18.0%	(29.5)	(2.8)	9.5%
Net Cash provided by (used in) noncapital financing activities	42.9	41.8	1.1	2.6%	39.7	2.1	5.3%
Net Cash provided by (used in) capital and related financing activities	(12.5)	(19.2)	6.7	-34.9%	(16.9)	(2.3)	13.6%
Net Cash provided by (used in) investing activities	(9.1)	2.3	(11.4)	-495.7%	6.4	(4.1)	-64.1%
Net increase/(decrease) in cash and equivalents	(5.2)	(7.4)	2.2	-29.7%	(0.3)	(7.1)	2366.7%
Cash and equivalents, beginning of the year	<u>22.1</u>	<u>29.5</u>	<u>(7.4)</u>	<u>-25.1%</u>	<u>29.8</u>	<u>(0.3)</u>	<u>-1.0%</u>
Cash and equivalents, end of year.	<u>16.9</u>	<u>22.1</u>	<u>(5.2)</u>	<u>-23.5%</u>	<u>29.5</u>	<u>(7.4)</u>	<u>-25.1%</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2018 AND 2017**

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.

Fiscal Year 2017 Compared to 2016

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

Other

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

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

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

BASIC FINANCIAL STATEMENTS

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017**

	2018			2017		
	Primary Government	Component Unit	Total Reporting Entity	Primary Government	Component Unit	Total Reporting Entity
	Business-type Activities	Educational Foundation		Business-type Activities	Educational Foundation	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 10,499,656	\$ 345,280	\$ 10,844,936	\$ 12,525,324	\$ 614,297	\$ 13,139,621
Restricted Cash	6,387,419	2,693,051	9,080,470	9,574,500	2,609,478	12,183,978
Investments	34,903,823	22,298,685	57,202,508	25,994,745	20,774,463	46,769,208
Taxes Receivable	27,741,921	-	27,741,921	27,534,385	-	27,534,385
Student Accounts Receivable, Less Allowance for Doubtful Accounts of \$500,000 for both 2018 and 2017	1,110,395	-	1,110,395	1,158,512	-	1,158,512
Accrued Interest Receivable	180,243	-	180,243	100,879	-	100,879
Contributions Receivable	-	40,450	40,450	-	102,439	102,439
Other Receivables	2,270,530	154,652	2,425,182	1,258,335	112,756	1,371,091
Due from Component Unit	16,157	-	16,157	16,716	-	16,716
Inventories	531,717	-	531,717	639,971	-	639,971
Prepaid Items	76,999	4,261	81,260	57,660	3,044	60,704
Total Current Assets	83,718,860	25,536,379	109,255,239	78,861,027	24,216,477	103,077,504
NONCURRENT ASSETS						
Investments	8,344,675	-	8,344,675	7,708,823	-	7,708,823
Other Receivables	-	10,300	10,300	-	85,000	85,000
Capital Assets not Being Depreciated	4,600,342	-	4,600,342	4,056,690	-	4,056,690
Capital Assets, Net of Accumulated Depreciation	166,299,674	6,796,551	173,096,225	166,429,667	7,280,657	173,710,324
Total Noncurrent Assets	179,244,691	6,806,851	186,051,542	178,195,180	7,365,657	185,560,837
DEFERRED OUTFLOWS OF RESOURCES						
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	87,945	-	87,945	79,645	-	79,645
Deferred Outflows Related to OPEB	1,732,553	-	1,732,553	-	-	-
Deferred Loss on Refunding	-	-	-	91,124	-	91,124
Total Deferred Outflows of Resources	1,820,498	-	1,820,498	170,769	-	170,769
Total Assets and Deferred Outflows of Resources	\$ 264,784,049	\$ 32,343,230	\$ 297,127,279	\$ 257,226,976	\$ 31,582,134	\$ 288,809,110

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2018 AND 2017**

	2018			2017		
	Primary Government	Component Unit	Total Reporting Entity	Primary Government	Component Unit	Total Reporting Entity
	Business-type Activities	Educational Foundation		Business-type Activities	Educational Foundation	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts and Retainage Payable	\$ 1,618,259	\$ 49,183	\$ 1,667,442	\$ 2,080,866	\$ 104,778	\$ 2,185,644
Accrued Liabilities	2,463,326	96,248	2,559,574	2,415,753	113,330	2,529,083
Accrued Interest Payable	172,299	64,735	237,034	155,000	65,813	220,813
Unearned Revenue:						
Tuition and Fees	2,074,557	-	2,074,557	1,803,106	-	1,803,106
Other	51,551	11,768	63,319	119,664	29,311	148,975
Due to Primary Government	-	16,157	16,157	-	16,716	16,716
Compensated Absences	955,068	-	955,068	994,962	-	994,962
Unexpended Scholarship, Loan and Student Activity Funds	894,514	-	894,514	916,751	-	916,751
Capital Lease - Current Portion	45,685	-	45,685	-	-	-
Bonds Payable - Current Portion	4,465,000	345,000	4,810,000	4,200,000	305,000	4,505,000
Total Current Liabilities	<u>12,740,259</u>	<u>583,091</u>	<u>13,323,350</u>	<u>12,686,102</u>	<u>634,948</u>	<u>13,321,050</u>
NONCURRENT LIABILITIES						
Net OPEB Obligation	-	-	-	2,033,401	-	2,033,401
Net OPEB Liability	35,184,091	-	35,184,091	-	-	-
Capital Lease	130,626	-	130,626	-	-	-
Bonds Payable, Net	37,742,720	16,115,000	53,857,720	42,535,067	16,460,000	58,995,067
Total Noncurrent Liabilities	<u>73,057,437</u>	<u>16,115,000</u>	<u>89,172,437</u>	<u>44,568,468</u>	<u>16,460,000</u>	<u>61,028,468</u>
Total Liabilities	85,797,696	16,698,091	102,495,787	57,254,570	17,094,948	74,349,518
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount Related to Refunding	-	112,707	112,707	-	122,173	122,173
Deferred Inflows Related to OPEB	2,870,316	-	2,870,316	-	-	-
Subsequent Year's Property Taxes	35,693,252	-	35,693,252	35,216,663	-	35,216,663
Total Deferred Inflows of Resources	<u>38,563,568</u>	<u>112,707</u>	<u>38,676,275</u>	<u>35,216,663</u>	<u>122,173</u>	<u>35,338,836</u>
NET POSITION						
Net Investment in Capital Assets	134,799,785	(8,685,432)	126,114,353	132,687,479	(8,495,095)	124,192,384
Restricted for:						
Capital Projects	9,218,321	-	9,218,321	12,699,334	-	12,699,334
Scholarships	-	23,283,205	23,283,205	-	19,421,218	19,421,218
Unrestricted (Deficiency)	<u>(3,595,321)</u>	<u>934,659</u>	<u>(2,660,662)</u>	<u>19,368,930</u>	<u>3,438,890</u>	<u>22,807,820</u>
Total Net Position	<u>\$ 140,422,785</u>	<u>\$ 15,532,432</u>	<u>\$ 155,955,217</u>	<u>\$ 164,755,743</u>	<u>\$ 14,365,013</u>	<u>\$ 179,120,756</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, 2018 AND 2017

	2018			2017		
	Primary Government	Component Unit	Total Reporting Entity	Primary Government	Component Unit	Total Reporting Entity
	Business-type Activities	Educational Foundation		Business-type Activities	Educational Foundation	
OPERATING REVENUE						
Student Tuition and Fees (Net of Scholarship Allowances of \$922,892 for 2018 and \$1,074,419 for 2017)	\$ 22,519,023	\$ -	\$ 22,519,023	\$ 23,973,374	\$ -	\$ 23,973,374
Auxiliary Enterprises Revenues	6,781,199	-	6,781,199	6,584,999	-	6,584,999
State and Federal Grants and Contracts	24,433,892	-	24,433,892	16,431,663	-	16,431,663
Contributions	-	847,665	847,665	-	1,204,875	1,204,875
Student Housing Revenues	-	1,790,177	1,790,177	-	1,533,843	1,533,843
State of Illinois On Behalf Payments	25,531,768	-	25,531,768	23,173,428	-	23,173,428
Other Operating Revenues	937,391	336,964	1,274,355	984,263	338,213	1,322,476
Total Operating Revenue	80,203,273	2,974,806	83,178,079	71,147,727	3,076,931	74,224,658
OPERATING EXPENSES						
Instruction	42,421,004	-	42,421,004	39,394,732	-	39,394,732
Academic Support	3,322,378	215,166	3,537,544	3,481,478	925,131	4,406,609
Student Services	5,585,216	-	5,585,216	5,067,731	-	5,067,731
Public Services	361,412	-	361,412	599,427	-	599,427
Operations and Maintenance	12,091,637	-	12,091,637	11,304,889	-	11,304,889
Institutional Support	21,267,962	350,002	21,617,964	19,904,689	411,961	20,316,650
Scholarships, Student Grants, and Waivers	16,268,077	625,120	16,893,197	14,276,899	627,154	14,904,053
Auxiliary Enterprises	9,112,606	944,854	10,057,460	8,167,371	811,909	8,979,280
Depreciation	6,114,340	484,106	6,598,446	5,703,414	482,410	6,185,824
Total Operating Expenses	116,544,632	2,619,248	119,163,880	107,900,630	3,258,565	111,159,195
OPERATING INCOME (LOSS)	(36,341,359)	355,558	(35,985,801)	(36,752,903)	(181,634)	(36,934,537)
NONOPERATING REVENUES (EXPENSES)						
State Grants and Contracts	2,885,724	-	2,885,724	1,370,001	-	1,370,001
Federal Grants and Contracts	1,201,425	-	1,201,425	1,150,412	-	1,150,412
Local Real Estate Taxes	35,270,448	-	35,270,448	34,551,762	-	34,551,762
Corporate Personal Property Replacement Tax	2,620,324	-	2,620,324	3,183,139	-	3,183,139
Investment Earnings	527,628	1,563,101	2,090,729	264,536	2,096,624	2,361,160
Interest Expense and Related Fees	(1,139,213)	(777,876)	(1,917,089)	(934,658)	(788,826)	(1,723,484)
Other Nonoperating Revenue	1,744,984	26,636	1,771,620	1,289,248	-	1,289,248
Total Nonoperating Revenues (Expenses)	43,111,320	811,861	43,923,181	40,874,440	1,307,798	42,182,238
INCREASE IN NET POSITION	6,769,961	1,167,419	7,937,380	4,121,537	1,126,164	5,247,701
Net Position - Beginning of Year as Previously Reported	164,755,743	14,365,013	179,120,756	160,634,206	13,238,849	173,873,055
Prior Period Adjustment	(31,102,919)	-	(31,102,919)	-	-	-
Net Position - Beginning of Year as Restated	133,652,824	14,365,013	148,017,837	160,634,206	13,238,849	173,873,055
NET POSITION - END OF YEAR	\$ 140,422,785	\$ 15,532,432	\$ 155,955,217	\$ 164,755,743	\$ 14,365,013	\$ 179,120,756

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
CASH FLOWS FROM OPERATING ACTIVITIES						
Student Tuition and Fees	\$ 22,838,591	\$ -	\$ 22,838,591	\$ 23,825,369	\$ -	\$ 23,825,369
Auxiliary Enterprise Charges	6,781,199	-	6,781,199	6,584,999	-	6,584,999
Federal and State Grants and Contracts	24,433,892	-	24,433,892	16,431,663	-	16,431,663
Contributions Received	-	984,354	984,354	-	1,310,246	1,310,246
Student Housing Rents Received	-	1,727,463	1,727,463	-	1,441,834	1,441,834
Payments to Employees	(38,076,721)	(189,156)	(38,265,877)	(38,462,493)	(163,036)	(38,625,529)
Payments to Suppliers	(27,116,689)	(1,041,273)	(28,157,962)	(27,326,220)	(1,643,406)	(28,969,626)
Aid and Scholarships	(16,268,077)	(625,120)	(16,893,197)	(14,276,899)	(627,155)	(14,904,054)
Other	937,950	-	937,950	968,331	-	968,331
Net Cash Provided (Used) by Operating Activities	(26,469,855)	856,268	(25,613,587)	(32,255,250)	318,483	(31,936,767)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes	38,159,825	-	38,159,825	34,710,880	-	34,710,880
State, Federal, and Local Grants and Contracts	4,751,825	-	4,751,825	7,263,673	-	7,263,673
Payment of Annuity Obligations	-	(23,771)	(23,771)	-	(25,094)	(25,094)
Net Increase (Decrease) in Unexpended Scholarship, Loan, and Student Activity Funds	(22,237)	-	(22,237)	(147,579)	-	(147,579)
Direct Lending Receipts	5,058,645	-	5,058,645	4,826,550	-	4,826,550
Direct Lending Payments	(5,058,645)	-	(5,058,645)	(4,826,550)	-	(4,826,550)
Net Cash Provided (Used) by Noncapital Financing Activities	42,889,413	(23,771)	42,865,642	41,826,974	(25,094)	41,801,880
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(6,962,656)	-	(6,962,656)	(23,252,601)	(28,400)	(23,281,001)
Principal Payments on Capital Lease	(14,848)	-	(14,848)	-	-	-
Proceeds from Issuance of Debt	9,885,000	-	9,885,000	9,600,000	-	9,600,000
Principal Payments on Bonds	(13,800,000)	(305,000)	(14,105,000)	(3,965,000)	(265,000)	(4,230,000)
Interest and Fees Paid on Bonds	(1,643,137)	(761,784)	(2,404,921)	(1,616,861)	(799,350)	(2,416,211)
Net Cash Used by Capital and Related Financing Activities	(12,535,641)	(1,066,784)	(13,602,425)	(19,234,462)	(1,092,750)	(20,327,212)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	448,264	148,394	596,658	235,313	329,108	564,421
Purchase of Investments	(61,823,205)	(623,470)	(62,446,675)	(51,086,938)	(2,101,822)	(53,188,760)
Proceeds from Sale of Annuity Investments	-	23,771	23,771	-	25,094	25,094
Proceeds from Sale and Maturities of Investment	52,278,275	500,148	52,778,423	53,143,747	2,776,944	55,920,691
Net Cash Provided (Used) By Investing Activities	(9,096,666)	48,843	(9,047,823)	2,292,122	1,029,324	3,321,446

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017		
	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity	Primary Government Business-type Activities	Component Unit Educational Foundation	Total Reporting Entity
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (5,212,749)	\$ (185,444)	\$ (5,398,193)	\$ (7,370,616)	\$ 229,963	\$ (7,140,653)
Cash and Cash Equivalents - Beginning of Year	22,099,824	3,223,775	25,323,599	29,470,440	2,993,812	32,464,252
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,887,075</u>	<u>\$ 3,038,331</u>	<u>\$ 19,925,406</u>	<u>\$ 22,099,824</u>	<u>\$ 3,223,775</u>	<u>\$ 25,323,599</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (36,341,359)	\$ 355,558	\$ (35,985,801)	\$ (36,752,903)	\$ (181,634)	\$ (36,934,537)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	6,114,340	484,106	6,598,446	5,703,414	482,410	6,185,824
Loss on Disposal of Capital Assets	-	-	-	62,280	-	62,280
Changes in Deferred Outflows of Resources	(1,582,330)	-	(1,582,330)	8,669	-	8,669
Change in Deferred Inflows of Resources	2,870,316	-	2,870,316	-	-	-
Effects of Changes in Assets and Liabilities:						
Accounts Receivable	48,117	94,793	142,910	(122,312)	55,727	(66,585)
Due from Component Unit	559	-	559	(15,932)	-	(15,932)
Inventories	108,254	-	108,254	59,601	-	59,601
Prepaid Items and Other Assets	(19,339)	(1,217)	(20,556)	2,495	4,227	6,722
Accounts Payable	163,209	(58,870)	104,339	(1,955,691)	(33,406)	(1,989,097)
Due to Primary Government	-	(559)	(559)	-	15,934	15,934
Accrued Liabilities	47,573	-	47,573	510,347	-	510,347
OPEB Obligation	(2,033,401)	-	(2,033,401)	266,794	-	266,794
OPEB Liability	3,922,649	-	3,922,649	-	-	-
Unearned Revenue - Tuition, Fees, and Other	271,451	(17,543)	253,908	(25,693)	(24,775)	(50,468)
Compensated Absences	(39,894)	-	(39,894)	3,681	-	3,681
Net Cash Provided (Used) by Operating Activities	<u>\$ (26,469,855)</u>	<u>\$ 856,268</u>	<u>\$ (25,613,587)</u>	<u>\$ (32,255,250)</u>	<u>\$ 318,483</u>	<u>\$ (31,936,767)</u>
SUPPLEMENTAL DISCLOSURES NONCASH OPERATING ACTIVITIES						
State of Illinois Contributions Provided	<u>\$ 25,531,768</u>	<u>\$ -</u>	<u>\$ 25,531,768</u>	<u>\$ 23,173,428</u>	<u>\$ -</u>	<u>\$ 23,173,428</u>
State of Illinois Contributions Made	<u>\$ 25,531,768</u>	<u>\$ -</u>	<u>\$ 25,531,768</u>	<u>\$ 23,173,428</u>	<u>\$ -</u>	<u>\$ 23,173,428</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES FINANCING ACTIVITIES						
Borrowing Under a Capital Lease Purchase	<u>\$ 191,159</u>	<u>\$ -</u>	<u>\$ 191,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Retainage and Capital Asset Acquisitions Included in Accounts Payable	<u>\$ 103,621</u>	<u>\$ -</u>	<u>\$ 103,621</u>	<u>\$ 729,437</u>	<u>\$ -</u>	<u>\$ 729,437</u>

See accompanying Notes to Basic Financial Statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

For financial reporting purposes, in accordance with GASB Statement 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, 2018 AND 2017**

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

Financial Reporting Entity (Continued)

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

Illinois Central College Educational Foundation (Foundation)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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 2017 levy payable in 2018 as property taxes receivable, less any amounts collected prior to June 30, 2018, and a deferred inflow of resources, as this levy is intended to finance the District's 2018-2019 fiscal year.

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

Use of Estimates

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

Cash and Cash Equivalents

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

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets, such as roads and sidewalks. Infrastructure assets are included in land improvements. Capital assets are defined by the District as assets with an initial unit cost of \$5,000 or greater with a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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, 2018 AND 2017**

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

Investments

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

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

Accounts Receivable

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

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

Inventories

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

Unearned Tuition and Fee Revenue

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

Deferred Outflows of Resources

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

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 non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered contributing entities.

Net Position

The District's net positions are classified as follows:

Net Investment in Capital Assets

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

Restricted

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

Unrestricted

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

Classification of Revenues and Expenses

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

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.

Investments in certificates of deposit are included in deposits discussed above. The maturities of certificates of deposit held at June 30, 2018 and 2017 were all one year or less.

The money market funds as of June 30, 2018 and 2017 (Illinois School District Liquid Asset Fund of \$5,055,938 and \$5,141,862, respectively; Illinois Funds of \$2,635,014 and \$2,043,597, respectively) are considered to be cash equivalents in the financial statements. The District also had money market funds of \$487,008 and \$130,679 as of June 30, 2018 and 2017, respectively that were considered to be cash equivalents in the financial statements.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

At June 30, 2018 and 2017, the carrying amount of the District's deposits, which includes demand deposits and certificates of deposit, was \$41,815,496 and \$37,974,992, respectively, (excludes \$55,576 and \$46,970 in cash on hand, and undeposited receipts, respectively) and the bank balance was \$49,244,483 and \$39,067,698, respectively. Of the bank balance, \$38,448,747 and \$23,472,919, respectively, was covered by federal or private depository insurance. An additional amount of \$10,795,736 and \$15,594,779, respectively, was covered by collateral held by the pledging financial institution's trust department or agent in the District's name. At June 30, 2018 and 2017, the remaining uncollateralized amount exposed to credit risk was \$-0-.

Investments

As of June 30, 2018 and 2017, the District had the following investments and maturities.

<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>

<u>Investment Type</u>	<u>Fair Value</u>	<u>2017</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>\$ 7,958,828</u>	<u>\$ 250,005</u>	<u>\$ 5,657,524</u>	<u>\$ 2,051,299</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, 2018 AND 2017**

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, 2018 and 2017, according to *Standard & Poor's*, is as follows:

	2018	
	Fair Value	Rating
U.S. Government Agencies	\$ 8,594,647	AAA
Mutual Funds - Fixed Income:		
Commerce Bond Fund	1,491,895	Not Rated
	2017	
	Fair Value	Rating
U.S. Government Agencies	\$ 7,958,828	AAA
Mutual Funds - Fixed Income:		
Commerce Bond Fund	1,519,375	Not Rated
Fidelity Floating Rate High Income	493,327	Not Rated
Hartford Floating Rate Fund	493,762	Not Rated

Below is a reconciliation of the District's deposits and investments as reported in the June 30, 2018 and 2017 financial statements.

	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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

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, 2018 AND 2017

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, 2018 AND 2017**

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, 2018 and 2017:

	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

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

NOTE 3 TAXES RECEIVABLE

An analysis of the 2017 and 2016 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, 2018 and 2017, is as follows:

	2018	2017
Tax Levy (Deferred Inflow of Resources)	\$ 35,693,252	\$ 35,216,663
Less Distributions Received by the District Through June 30	7,951,331	7,682,278
Taxes Receivable	\$ 27,741,921	\$ 27,534,385

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, 2018 AND 2017**

NOTE 4 CAPITAL ASSETS

A summary of the changes in capital assets for the years ended June 30, 2018 and 2017 is as follows:

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>

The construction-in-progress pertains to the college developmental projects. The estimated outstanding commitment to contracts is \$1,391,519. The projects are estimated at a total cost of \$2,412,620.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital Assets - Fiscal Year 2017

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

NOTE 5 OTHER RECEIVABLES

Other receivables at June 30, 2018 and 2017 consist of the following:

	2018	2017
Restricted Grant Funds	\$ 1,147,604	\$ 653,033
Students - Bookstore	929	119
Replacement Taxes	446,467	502,969
Other - Miscellaneous	644,970	83,749
Auxiliary - Professional Development	30,560	18,465
Total	<u>\$ 2,270,530</u>	<u>\$ 1,258,335</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of the 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>

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

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Balance Due Within One Year
General Obligation					
Community College					
Bonds:					
2009 Issue	\$ 10,465,000	\$ -	\$ (3,965,000)	\$ 6,500,000	\$ 4,200,000
2014A Issue	21,605,000	-	-	21,605,000	-
2014B Issue	1,370,000	-	-	1,370,000	-
2016 Issue	4,495,000	-	-	4,495,000	-
Debt Certificates	-	9,600,000	-	9,600,000	-
Bond Premium	3,792,630	-	(627,563)	3,165,067	-
Compensated					
Absences	991,281	994,962	(991,281)	994,962	994,962
Total	<u>\$ 42,718,911</u>	<u>\$ 10,594,962</u>	<u>\$ (5,583,844)</u>	<u>\$ 47,730,029</u>	<u>\$ 5,194,962</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.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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.

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

\$6,590,000 Debt Certificates, Series 2017B, dated June 8, 2017. Interest at 4.30% payable each December 1, commencing December 1, 2026 and maturing December 1, 2028. The proceeds of the debt certificates were used to pay for construction expenses. The debt certificates were paid off during fiscal year 2018.

\$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 and debt certificates at June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 4,465,000	\$ 1,759,458	\$ 6,224,458
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
2024-2027	14,330,000	490,671	14,820,671
Total	<u>\$ 39,655,000</u>	<u>\$ 6,060,689</u>	<u>\$ 45,715,689</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Legal Debt Margin

The legal debt margin of the District at June 30, 2018 and 2017 is as follows:

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
Assessed Valuation 2017	\$ 7,231,774,733
Statutory Debt Limit (2.875% of Equalized Assessed Valuation)	\$ 207,913,524
Less Bonded Debt	43,570,000
Legal Debt Margin	\$ 164,343,524

\$6,387,419 of the Series 2017C bond proceeds is unspent as of June 30, 2018. This amount is shown as restricted cash on the statement of net position.

NOTE 7 PENSION PLAN

General Information about the Pension Plan

Plan Description. The District contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by 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, 2017 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, 2018 AND 2017**

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 2017 and 2018, respectively, was 12.53% and 12.46% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.00% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

Net Pension Liability

SURS reported a net pension liability (NPL) of \$25,481,105,995 at June 30, 2017 and \$25,965,271,744 at June 30, 2016. The net pension liability was measured as of June 30, 2017 and June 30, 2016, 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 in fiscal year 2017 is \$-0- and for fiscal year 2016 it was \$-0-. The proportionate share of the State’s net pension liability associated with the District at June 30, 2017 and June 30, 2016 was \$238,936,331 or .9377% and \$234,476,110 or .9030%, respectively. This liability is not recognized in these financial statements. The net pension liability and total pension liability as of June 30, 2017 was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2017.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2017 and June 30, 2016, SURS reported a collective net pension expense of \$2,412,918,129 and \$2,566,164,865, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense is recognized similarly to on-behalf payments as both revenue and matching expense 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 2017 and 2016, respectively. As a result, the District recognized on-behalf revenue and pension expense of \$22,625,933 and \$23,173,428 for the fiscal years ended June 30, 2018 and June 30, 2017, 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, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
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	94,620,827	-
Total	<u>\$ 438,818,369</u>	<u>\$ 260,828,348</u>
Fiscal Year Ended June 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 14,215,882	\$ 2,298,574
Changes in Assumption	655,463,758	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,431,081,306	635,552,976
Total	<u>\$ 2,100,760,946</u>	<u>\$ 637,851,550</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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>
2018	\$ 55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
2022	-
Thereafter	-
Total	<u>\$ 177,990,021</u>

Employer Deferral of Pension Expense

The employer paid \$87,945 and \$79,645 in federal, trust or grant contributions for the fiscal years ended June 30, 2018 and June 30, 2017, respectively. These contributions were made subsequent to the pension measurement date of June 30, 2017 and June 30, 2016, and are recognized as Deferred Outflows of Resources as of June 30, 2018 and June 30, 2017.

Assumptions and Other Inputs

Actuarial Assumptions. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 - 2014. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the Plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2017, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	1%	6.71%
Total	<u>100%</u>	<u>5.20%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Return		<u>7.95%</u>

Discount Rate. A single discount rate of 7.090% and 7.010% at June 30, 2017 and June 30, 2016, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and 7.250% at June 30, 2017 and June 30, 2016, respectively, and a municipal bond rate of 3.56% and 2.85% at June 30, 2017 and June 30, 2016 (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.09% and 7.01% at June 30, 2017 and June 30, 2016, 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, 2017		
1% Decrease 6.09%	Current Single Discount Rate Rate Assumption 7.09%	1% Increase 8.09%
<u>\$ 30,885,146,279</u>	<u>\$ 25,481,105,995</u>	<u>\$ 20,997,457,586</u>
June 30, 2016		
1% Decrease 6.01%	Current Single Discount Rate Rate Assumption 7.01%	1% Increase 8.01%
<u>\$ 31,348,831,631</u>	<u>\$ 25,965,271,744</u>	<u>\$ 21,502,421,700</u>

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, 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, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Illinois Community College Health Insurance Security Fund – General Information

Plan administration

The District participates in the state of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP"). CIP is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment 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, 2018 AND 2017

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

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, 2018 and 2017 were \$155,718 and \$158,523, 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 \$33,321,554 as of June 30, 2018. This amount is the District's proportional share of the net OPEB liability. The State of Illinois is considered a non-employer 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 \$32,882,316. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, with procedures performed to roll forward the total OPEB liability to the June 30, 2017 measurement date. 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, 2017, the District's proportion was 1.827203%.

For the year ended June 30, 2018, the District recognized total OPEB expense of \$3,438,252 (\$3,411,499 from the CIP plan). In addition, the District recognized an additional \$2,905,835 as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
<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	1,576,835	-
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>	155,718	-
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:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 315,367	\$ 574,081
2019	315,367	574,081
2020	315,367	574,081
2021	315,367	574,081
2022	315,367	573,992
	<u>\$ 1,576,835</u>	<u>\$ 2,870,316</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2016 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 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75 wage inflation assumption
- Investment rate of return – 0%, net of OPEB plan investment expense, including inflation
- Healthcare cost trend rates – actual trend used for fiscal year 2017. For fiscal years on or after 2018, 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 0.52% 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, 2016 valuation were based on the results of an actuarial experience study for the period 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 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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)

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2016	\$ 32,555,064	\$ (699,197)	\$ 33,254,261
Changes for the year:			
Service Cost	2,703,316	-	2,703,316
Interest on Total OPEB Liability	997,337	-	997,337
Differences Between Expected and Actual Experience of the Total OPEB Liability	(113,168)	-	(113,168)
Changes of Assumptions	(3,330,789)	-	(3,330,789)
Employer Contributions	-	158,528	(158,528)
Active Member Contributions	-	79,794	(79,794)
Net Investment Income - Projected	-	439	(439)
Benefit Payments, including Refunds of Employee Contributions	(418,758)	(418,758)	-
Operating Expenses	-	(52,733)	52,733
Other	-	3,375	(3,375)
Net Changes	(162,062)	(229,355)	67,293
Balances at June 30, 2017	<u>\$ 32,393,002</u>	<u>\$ (928,552)</u>	<u>\$ 33,321,554</u>

Sensitivity of CIP's Net OPEB Liability to changes in the Single Discount Rate

The following presents the CIP plan's net OPEB liability, calculated using a Single Discount Rate of 3.56%, as well as what the total CIP's plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Single Discount Rate Assumption			
	1% Decrease 2.56%	Current Single Discount Rate Assumption 3.56%	1% Increase 4.56%
Net OPEB Liability	\$ 38,108,565	\$ 33,321,554	\$ 29,194,514

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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 CIP's plan Net OPEB liability to changes in the healthcare cost trend rates. The following presents the CIP's plan net OPEB liability, calculated using the healthcare cost trend rates as well as what the total CIP'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 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB Liability	\$ 27,643,602	\$ 33,321,554	\$ 41,538,207

- One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.5% in 2027 for Medicare coverage.
- One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.5% in 2027 for Medicare coverage.

Single Employer Plan – GASB 75

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, 2017 included 0 active participants, 13 retirees and surviving spouses, and 4 spouses of current retirees.

Total OPEB Liability

The District's total OPEB liability of \$1,862,537 and \$1,932,784 at June 30, 2018 and 2017, respectively, were determined by an actuarial valuation dated July 1, 2017.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan – GASB 75 (continued)

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 75.

Discount Rate

	<u>6/30/2017</u>	<u>6/30/2018</u>
Discount Rate	3.00%	3.58%
20 Year Tax-Exempt Municipal Bond Yield	N/A	3.58%

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

Other Key Actuarial Assumptions

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

	<u>6/30/2017</u>	<u>6/30/2018</u>
Valuation date	June 30, 2017	July 1, 2017
Measurement date	June 30, 2017	June 30, 2018
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 Mortality setforward 1 year for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale MP-2016
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in the Total OPEB Liability

Balance as of June 30, 2017	\$ 1,932,784
Changes for the Year:	
Interest on Total OPEB Liability	56,540
Effect of Economic/Demographic Gains or Losses	76,339
Effect of Assumptions Changes or Inputs	(106,126)
Benefit Payments	<u>(97,000)</u>
Balance as of June 30, 2018	<u>\$ 1,862,537</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan – GASB 75 (continued)

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.

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$ 2,042,614	\$ 1,862,537	\$ 1,285,896

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	\$ 2,068,048	\$ 1,862,537	\$ 1,691,104

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

For the years ended June 30, 2018 and 2017, the District recognized OPEB expense of \$26,753 and \$-0-, respectively. At June 30, 2018 and 2017 the District did not report deferred outflows of resources or deferred inflows of resources related to OPEB.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan – GASB 45

Funding

For fiscal year 2017, the District contributed \$227,435.

Annual OPEB Cost and Net OPEB Obligation

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

	2017
Annual Required Contribution (ARC)	\$ 613,539
Interest on Net OPEB Obligation	52,998
Adjustment to Annual Required Contribution	(172,308)
Annual OPEB Cost	494,229
Contributions Made	(227,435)
Increase in Net OPEB Obligation	266,794
Net OPEB Obligation - Beginning of Year	1,766,607
Net OPEB Obligation - End of Year	\$ 2,033,401

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

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

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

Funding Status and Funding Progress

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan – GASB 45 (continued)

Funding Status and Funding Progress (continued)

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

Actuarial Methods and Assumptions

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

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

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; natural disasters, and medical claims of its employees and their dependents. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based upon actuarial estimates and prior experience. The District sponsors a self-insured program for health benefits provided to eligible employees and retirees. At June 30, 2018 and 2017, the estimate of health claims payable and health claims incurred but not reported, based on estimates provided by the claims administrator, amounted to approximately \$1,290,000 and \$1,007,000, respectively, which is included in accrued liabilities in the statements of net position. The District has stop-loss insurance coverage when annual claims for an individual exceed \$190,000. Individual participants have an unlimited lifetime coverage.

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 9 RISK MANAGEMENT (CONTINUED)

Changes in the claims liability for health benefits in fiscal years 2017 – 2018 were:

Balance - June 30, 2016	\$ 733,748
Current Year Claims and Changes in Estimates	9,042,663
Claims Paid	(8,769,128)
Balance - June 30, 2017	1,007,283
Current Year Claims and Changes in Estimates	9,738,123
Claims Paid	(9,455,066)
Balance - June 30, 2018	\$ 1,290,340

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION

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

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

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

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

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

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

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Revenue Recognition

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Revenue Recognition (continued)

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.

Investments as of June 30, 2018 and 2017 are as follows:

	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>

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

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, 2018 and 2017, 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 \$85,037 and \$84,537 for the years ended June 30, 2018 and 2017, respectively.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

The applicable rating for the Foundation's investments at June 30, 2018 and 2017, according to *Standard & Poor's* is as follows:

	Credit Rating	Fair Value	
		2018	2017
Money Market Funds:			
Schwab Govt Money Fund	Not Rated	\$ 238,086	\$ 176,528
Bond Mutual Funds:			
Metropolitan West Total Return Bond I	BBB	\$ 2,136,196	\$ 2,150,613
Vanguard Short Term Investment Grade Fund Admiral	A	865,106	863,172
Vanuard Short Term Infl Prot Index Adm	AAA	1,130,807	1,115,754
Multi-Strategy Bond Fund	Not Rated	3,655,260	3,643,205
Total		<u>\$ 7,787,369</u>	<u>\$ 7,772,744</u>

Capital Assets

A summary of capital assets as of June 30, 2018 and 2017 is as follows:

	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	13,438,173	-	-	13,438,173
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	6,157,516	484,106	-	6,641,622
Capital Assets, Net	<u>\$ 7,280,657</u>	<u>\$ (484,106)</u>	<u>\$ -</u>	<u>\$ 6,796,551</u>
	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital Assets:				
Buildings	\$ 12,357,705	\$ -	\$ -	\$ 12,357,705
Land Improvements	310,861	-	-	310,861
Equipment	741,207	28,400	-	769,607
Total Capital Assets	13,409,773	28,400	-	13,438,173
Less Accumulated Depreciation for:				
Buildings	5,043,831	426,129	-	5,469,960
Land Improvements	141,523	14,370	-	155,893
Equipment	489,752	41,911	-	531,663
Total Accumulated Depreciation	5,675,106	482,410	-	6,157,516
Capital Assets, Net	<u>\$ 7,734,667</u>	<u>\$ (454,010)</u>	<u>\$ -</u>	<u>\$ 7,280,657</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Long-Term Debt

In March of 2007, the City of East Peoria, Illinois (City), issued \$18,000,000 of revenue refunding bonds to provide financial assistance to the Educational Foundation Student Residence LLC (LLC) in order to refund the Illinois Development Finance Authority variable rate demand revenue bonds (described above), fund a debt service reserve fund for the Series 2007 bonds, and to pay the costs of issuing the bonds. The bonds are payable solely from the amounts required to be deposited by the LLC with a trustee under an agreement with the City, and amounts held in certain funds and accounts established under the agreement. The bonds are secured by all LLC revenues, the on-campus housing facility, and a guaranty by the Foundation of up to \$4,000,000. During the years ended June 30, 2018 and 2017, the Foundation contributed \$250,001 and \$473,278, respectively, to the LLC under this guaranty. The bond agreement also requires a financial guaranty insurance policy to insure the payment of principal and interest on the bonds.

The bond requires interest payments due each June 1 and December 1. The agreement also provides for varying annual principal payments 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, 2018, the LLC was not in compliance with the cash reserve requirements. As of June 30, 2017, the LLC was 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, 2018 and 2017, long-term debt consisted of the following:

	2018	2017
Bonds Payable, Interest Payments due Semiannually and Annual Principal Payments Beginning in June 2010, Maturing in June 2036	\$ 16,460,000	\$ 16,765,000
Deferred Amount Related to Refunding	112,707	122,173
Total Long-Term Debt	\$ 16,572,707	\$ 16,887,173

Future maturities of long-term debt at June 30, 2018 are as follows:

Year Ending June 30,	Amount
2019	\$ 345,000
2020	385,000
2021	430,000
2022	480,000
2023	535,000
Thereafter	14,285,000
Total	\$ 16,460,000

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 COMPONENT UNIT - EDUCATIONAL FOUNDATION (CONTINUED)

Changes in Long-Term Debt

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Long-Term							
Notes Payable	\$ 17,030,000	\$ -	\$ 265,000	\$ 16,765,000	\$ -	\$ 305,000	\$ 16,460,000

Restricted Net Position

Restricted net position at June 30, 2018 and 2017 are available for the following purposes or period:

	2018	2017
Scholarships	\$ 16,761,918	\$ 15,898,172
Student Assistance	62,254	53,771
Equipment	2,976,989	2,817,573
Faculty and Staff Development	141,820	136,421
Restricted Cash:		
Debt Service Fund	1,652,935	1,651,602
Repair and Replacement Fund	682,325	675,868
Revenue Fund	320,249	2,523
Operating Reserve Fund	36,787	188,367
Bond Funds	755	91,118
Miscellaneous	647,173	515,281
Total	<u>\$ 23,283,205</u>	<u>\$ 22,030,696</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, 2018 and 2017 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, 2018 AND 2017**

NOTE 12 TAX ABATEMENTS

Tax abatements, as defined by Governmental Account Standards Board (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's 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 \$849,190 and \$835,644 for fiscal years 2018 and 2017, respectively.

NOTE 13 RESTATEMENT OF NET POSITION

The District determined that it is necessary to restate beginning net position in order to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Beginning net position has thereby been restated as follows:

	Total Net Position
Net Position, Beginning of Year, as Previously Reported	\$ 164,755,743
Adjustment for Beginning Deferred Outflows of Resources Related to OPEB	158,523
Adjustment for Beginning OPEB Liability	(31,261,442)
Subtotal	\$ 133,652,824

The implementation of GASB 75 was not retroactively applied to the fiscal year 2017 financial statements as actuarial information was not available for that period.

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, 2018**

	<u>Measurement Date</u>
	<u>6/30/2017</u>
District's Proportion of the Net OPEB Liability	1.827203%
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with employer	\$ 32,882,316
District's Proportionate Share of the Net OPEB Liability	\$ 33,321,554
District's Covered-Employee Payroll	\$ 31,704,192
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	105.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-2.87%

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
JUNE 30, 2018**

Fiscal Year Ending June 30,	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 155,718	\$ 158,523
Contributions in Relation to the Contractually Required Contribution	<u>\$ 155,718</u>	<u>\$ 158,523</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 30,857,076	\$ 31,704,192
Contributions as a Percentage of Covered-Employee Payroll	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 THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
 JUNE 30, 2018**

Total OPEB Liability	<u>2018</u>
Interest on Total OPEB Liability	\$ 56,540
Effect of Economic/Demographic Gains or (Losses)	76,339
Effect of Assumption Changes or Inputs	(106,126)
Benefit Payments	<u>(97,000)</u>
Net Change in Total OPEB Liability	(70,247)
Total OPEB Liability - Beginning	<u>1,932,784</u>
Total OPEB Liability - Ending	<u><u>\$ 1,862,537</u></u>
Covered Payroll	N/A
Total OPEB Liability as a Percentage of Covered Payroll	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
 SCHEDULE OF FUNDING PROGRESS – RETIREE MEDICAL AND LIFE PROGRAM
 JUNE 30, 2017**

Schedule of Funding Progress
 (Unaudited)

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS CENTRAL COLLEGE – SURS COVERED PAYROLL
YEAR ENDED JUNE 30, 2018**

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

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
YEAR ENDED JUNE 30, 2018**

NOTE 1 CHANGES IN BENEFIT TERMS

In the June 30, 2017 actuarial valuation, there were no changes in benefit terms.

NOTE 2 CHANGES OF ASSUMPTIONS

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

SUPPLEMENTARY FINANCIAL INFORMATION

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL) – ALL FUNDS
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Proprietary Fund	Agency Fund	Memorandum Totals	
							2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
Cash	\$ 8,478,521	\$ 2,782,015	\$ 10,896	\$ 4,683,157	\$ 40,031	\$ 892,455	\$ 16,887,075	\$ 22,099,824
Investments	24,140,049	11,730,440	1,375,000	6,003,009	-	-	43,248,498	33,703,568
Taxes Receivable	20,175,050	100,500	4,654,607	2,811,764	-	-	27,741,921	27,534,387
Receivable from Other Funds	1,375,000	-	-	-	-	-	1,375,000	1,600,000
Student Accounts Receivable, Less Allowance for Doubtful Accounts	1,110,395	-	-	-	-	-	1,110,395	1,158,512
Accrued Interest Receivable	135,802	44,441	-	-	-	-	180,243	100,879
Other Receivables	769,090	1,196,551	-	169	318,818	2,059	2,286,687	5,343,255
Inventories	-	-	-	-	531,717	-	531,717	639,971
Prepaid Items	1,141,786	595	-	-	21,719	-	1,164,100	1,166,872
Total Assets	<u>57,325,693</u>	<u>15,854,542</u>	<u>6,040,503</u>	<u>13,498,099</u>	<u>912,285</u>	<u>894,514</u>	<u>94,525,636</u>	<u>93,347,268</u>
DEFERRED OUTFLOWS OF RESOURCES								
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	-	87,945	-	-	-	-	87,945	79,645
Total Assets and Deferred Outflows of Resources	<u>\$ 57,325,693</u>	<u>\$ 15,942,487</u>	<u>\$ 6,040,503</u>	<u>\$ 13,498,099</u>	<u>\$ 912,285</u>	<u>\$ 894,514</u>	<u>\$ 94,613,581</u>	<u>\$ 93,426,913</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
LIABILITIES								
Accounts and Retainage Payable	\$ 519,697	\$ 284,011	\$ -	\$ 717,322	\$ 97,229	\$ -	\$ 1,618,259	\$ 2,080,866
Accrued Liabilities	2,329,911	54,374	-	-	79,041	-	2,463,326	2,415,753
Payable to Other Funds	-	-	-	-	1,375,000	-	1,375,000	1,600,000
Unexpended Scholarship, Loan, and Student Activity Funds	-	-	-	-	-	894,514	894,514	916,751
Accrued Vacation Benefits	811,355	43,372	-	-	100,341	-	955,068	994,962
Unearned Revenue:								
Tuition and Fees	3,152,796	-	-	-	101,082	-	3,253,878	2,996,203
Other	-	51,551	-	-	-	-	51,551	119,664
Total Liabilities	<u>6,813,759</u>	<u>433,308</u>	<u>-</u>	<u>717,322</u>	<u>1,752,693</u>	<u>894,514</u>	<u>10,611,596</u>	<u>11,124,199</u>
DEFERRED INFLOWS OF RESOURCES								
Subsequent Year's Property Taxes	25,960,768	129,525	5,984,935	3,618,024	-	-	35,693,252	35,216,664
FUND BALANCE	<u>24,551,166</u>	<u>15,379,654</u>	<u>55,568</u>	<u>9,162,753</u>	<u>(840,408)</u>	<u>-</u>	<u>48,308,733</u>	<u>47,086,050</u>
Total Liabilities Deferred Inflows of Resources, and Fund Balance	<u>\$ 57,325,693</u>	<u>\$ 15,942,487</u>	<u>\$ 6,040,503</u>	<u>\$ 13,498,099</u>	<u>\$ 912,285</u>	<u>\$ 894,514</u>	<u>\$ 94,613,581</u>	<u>\$ 93,426,913</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
RECONCILIATION OF THE COMBINING BALANCE SHEET (MODIFIED ACCRUAL) – ALL FUNDS
TO THE STATEMENTS OF NET POSITION (FULL ACCRUAL)
JUNE 30, 2018 AND 2017**

	2018	2017
Total Fund Balance - All Funds	\$ 48,308,733	\$ 47,086,050
<p>Amounts reported in the Statements of Net Position is different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the individual funds. The cost of the assets and related accumulated depreciation is:</p>		
Cost of Capital Assets	299,081,493	292,553,494
Accumulated Depreciation	(128,181,477)	(122,067,137)
<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	(1,087,101)	(1,109,213)
Unearned Tuition Revenue	1,179,321	1,193,097
<p>Illinois Community College Board FY17 appropriations that were recognized as receivables by the College in the individual funds are not reported as receivables in governmental activities as the appropriation did not occur until after the College's fiscal year end.</p>		
	-	(4,068,204)
<p>Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported as liabilities in the individual funds. Long-term liabilities consist of:</p>		
Capital Lease	(176,311)	-
Bonds Payable	(39,655,000)	(43,570,000)
Deferred Loss on Refunding	-	91,124
Bond Premium	(2,552,720)	(3,165,067)
Accrued Interest Payable	(172,299)	(155,000)
Net OPEB Obligation	-	(2,033,401)
Net OPEB Liability	(35,184,091)	-
Deferred outflows of resources related to OPEB	1,732,553	-
Deferred inflows of resources related to OPEB	(2,870,316)	-
Total Net Position	<u>\$ 140,422,785</u>	<u>\$ 164,755,743</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(MODIFIED ACCRUAL) – ALL FUNDS
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Proprietary Fund	Memorandum Totals	
						2018	2017
REVENUES							
Local Real Estate Taxes	\$ 25,926,330	\$ 129,381	\$ 5,642,409	\$ 3,572,328	\$ -	\$ 35,270,448	\$ 34,551,762
Corporate Personal Property Replacement Tax	2,620,324	-	-	-	-	2,620,324	3,183,139
ICCB State Grants:							
Credit Hour Grant	4,545,660	-	-	-	-	4,545,660	5,101,863
Equalization Grant	50,000	-	-	-	-	50,000	556,860
Other	379,749	709,307	-	-	-	1,089,056	1,236,084
Other State Government Sources	-	25,678,849	-	-	-	25,678,849	24,143,513
Federal Government Sources	-	15,715,205	-	-	-	15,715,205	15,155,388
Student Tuition and Fees, Net of Scholarship Allowances of \$922,892 and \$1,074,419, Respectively	22,532,799	-	-	-	-	22,532,799	23,926,121
Auxiliary Enterprises	-	-	-	-	6,781,199	6,781,199	6,584,999
Investment Income	302,056	114,241	13,831	97,500	-	527,628	264,536
Other	947,056	1,458,382	182,338	100,003	-	2,687,779	2,341,927
Total Revenues	<u>57,303,974</u>	<u>43,805,365</u>	<u>5,838,578</u>	<u>3,769,831</u>	<u>6,781,199</u>	<u>117,498,947</u>	<u>117,046,192</u>
EXPENDITURES							
Instruction	24,146,770	14,892,488	-	-	-	39,039,258	26,407,243
Academic Support	2,240,110	861,761	-	-	-	3,101,871	2,642,600
Student Services	2,687,156	2,515,523	-	-	-	5,202,679	3,612,440
Public Services	28,287	263,683	-	-	-	291,970	335,251
Operations and Maintenance	9,327,063	2,810,141	-	-	-	12,137,204	8,862,041
Institutional Support	15,899,618	4,424,408	-	-	-	20,324,026	39,163,823
Scholarships, Student Grants, and Waivers	-	16,268,077	-	-	-	16,268,077	14,276,899
Auxiliary Enterprises	-	1,113,196	-	-	7,699,720	8,812,916	7,027,240
Capital Outlay	-	-	-	5,725,885	-	5,725,885	22,443,492
Debt Service	-	-	15,448,537	-	-	15,448,537	5,746,164
Total Expenditures	<u>54,329,004</u>	<u>43,149,277</u>	<u>15,448,537</u>	<u>5,725,885</u>	<u>7,699,720</u>	<u>126,352,423</u>	<u>130,517,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,974,970	656,088	(9,609,959)	(1,956,054)	(918,521)	(8,853,476)	(13,471,001)
OTHER FINANCING SOURCES (USES)							
Proceeds from Issuance of Debt	191,159	-	9,885,000	-	-	10,076,159	9,600,000
Transfers In	364,241	3,068,815	-	7,800,000	680,000	11,913,056	3,984,416
Transfers Out	(2,198,815)	(114,241)	(9,600,000)	-	-	(11,913,056)	(3,984,416)
Total Other Financing Sources (Uses)	<u>(1,643,415)</u>	<u>2,954,574</u>	<u>285,000</u>	<u>7,800,000</u>	<u>680,000</u>	<u>10,076,159</u>	<u>9,600,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	1,331,555	3,610,662	(9,324,959)	5,843,946	(238,521)	1,222,683	(3,871,001)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	23,219,611	11,768,992	9,380,527	3,318,807	(601,887)	47,086,050	49,190,444
Prior Period Adjustment	-	-	-	-	-	-	1,766,607
Fund Balance (Deficit) - Beginning of Year, as Restated	<u>23,219,611</u>	<u>11,768,992</u>	<u>9,380,527</u>	<u>3,318,807</u>	<u>(601,887)</u>	<u>47,086,050</u>	<u>50,957,051</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 24,551,166</u>	<u>\$ 15,379,654</u>	<u>\$ 55,568</u>	<u>\$ 9,162,753</u>	<u>\$ (840,408)</u>	<u>\$ 48,308,733</u>	<u>\$ 47,086,050</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, 2018 AND 2017**

	2018	2017
Total Net Change in Fund Equity - All Funds	\$ 1,222,683	\$ (3,871,001)

Amounts reported in the Statements of Revenues, Expenses, and Changes in Net Position are different than amounts reported in the individual funds because:

Capital outlays are reported in the individual funds as expenditures. However, in the statements of revenues, expenses, and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Below are the depreciation expense and capital outlay for the year:

Capital Outlay	6,527,999	23,036,952
Depreciation Expense	(6,114,340)	(5,703,414)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, donations, disposals) is to increase/decrease net position:

Loss on Disposal of Capital Assets	-	(62,280)
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The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of revenue, expenses and changes in net position. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Issuance of General Obligation Bonds	(9,885,000)	-
Issuance of Debt Certificates	-	(9,600,000)
Repayment of Principal	13,800,000	3,965,000
Amortization of Premiums	612,346	627,563
Amortization of Deferred Charge on Refunding	(91,123)	(109,348)
Issuance of Capital Lease	(191,159)	-
Repayment of Principal	14,848	-

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.

	4,068,204	(4,068,204)
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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.

	(17,299)	163,988
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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.

Benefit Expenses	(3,438,252)	(266,796)
Benefit Contributions	252,718	-

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.

	8,336	9,077
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Change in Net Position	\$ 6,769,961	\$ 4,121,537
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**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
GENERAL FUND – OPERATING FUNDS
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

ASSETS	Educational	Ancillary	Operations and	Memorandum Totals	
	Fund	Fund	Fund	2018	2017
Cash	\$ 5,609,609	\$ 468,126	\$ 2,400,786	\$ 8,478,521	\$ 8,860,802
Investments	13,416,291	7,460,000	3,263,758	24,140,049	18,217,574
Taxes Receivable	13,845,128	3,518,158	2,811,764	20,175,050	20,239,917
Receivable from Other Funds	1,375,000	-	-	1,375,000	1,600,000
Student Accounts Receivable, Less Allowance for Doubtful Accounts	1,110,395	-	-	1,110,395	1,158,512
Accrued Interest Receivable	135,802	-	-	135,802	67,475
Other Receivables	315,328	-	453,762	769,090	4,382,730
Prepaid Items	1,107,109	34,066	611	1,141,786	1,151,235
Total Assets	<u>\$ 36,914,662</u>	<u>\$ 11,480,350</u>	<u>\$ 8,930,681</u>	<u>\$ 57,325,693</u>	<u>\$ 55,678,245</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 288,292	\$ 5,946	\$ 225,459	\$ 519,697	\$ 418,734
Accrued Liabilities	2,177,859	38,415	113,637	2,329,911	2,332,260
Accrued Vacation Benefits	579,656	68,036	163,663	811,355	867,527
Unearned Revenue - Tuition and Fees	3,152,796	-	-	3,152,796	2,953,167
Total Liabilities	<u>6,198,603</u>	<u>112,397</u>	<u>502,759</u>	<u>6,813,759</u>	<u>6,571,688</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	17,815,149	4,527,595	3,618,024	25,960,768	25,886,946
FUND BALANCE	<u>12,900,910</u>	<u>6,840,358</u>	<u>4,809,898</u>	<u>24,551,166</u>	<u>23,219,611</u>
Total Liabilities Deferred Inflows of Resources, and Fund Balance	<u>\$ 36,914,662</u>	<u>\$ 11,480,350</u>	<u>\$ 8,930,681</u>	<u>\$ 57,325,693</u>	<u>\$ 55,678,245</u>

ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (MODIFIED ACCRUAL)
GENERAL FUND – OPERATING FUNDS
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	Educational Fund	Ancillary Fund	Operations and Maintenance Fund	Memorandum Totals	
				2018	2017
REVENUES					
Local Real Estate Taxes	\$ 17,818,512	\$ 4,535,490	\$ 3,572,328	\$ 25,926,330	\$ 25,296,452
Corporate Personal Property Replacement Tax	-	-	2,620,324	2,620,324	3,183,139
ICCB State Grants:					
Credit Hour Grant	3,409,245	-	1,136,415	4,545,660	5,101,863
Equalization Grant	37,500	-	12,500	50,000	556,860
Other	379,749	-	-	379,749	807,145
Other State Government Sources	-	-	-	-	23,173,428
Student Tuition and Fees, Net of Scholarship Allowances of \$922,892 and \$1,074,419, Respectively	22,532,799	-	-	22,532,799	23,926,121
Investment Income	229,582	-	72,474	302,056	145,432
Other	203,311	7,500	736,245	947,056	994,925
Total Revenues	<u>44,610,698</u>	<u>4,542,990</u>	<u>8,150,286</u>	<u>57,303,974</u>	<u>83,185,365</u>
EXPENDITURES					
Instruction	24,146,770	-	-	24,146,770	24,954,158
Academic Support	2,240,110	-	-	2,240,110	2,591,026
Student Services	2,666,114	21,042	-	2,687,156	2,666,892
Public Services	28,287	-	-	28,287	328,634
Operations and Maintenance	-	1,512,538	7,814,525	9,327,063	8,862,041
Institutional Support	13,332,863	2,566,755	-	15,899,618	38,302,804
Total Expenditures	<u>42,414,144</u>	<u>4,100,335</u>	<u>7,814,525</u>	<u>54,329,004</u>	<u>77,705,555</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,196,554	442,655	335,761	2,974,970	5,479,810
OTHER FINANCING SOURCES (USES)					
Proceeds from Capital Lease	191,159	-	-	191,159	-
Transfers In	364,241	-	-	364,241	60,283
Transfers Out	(1,998,815)	-	(200,000)	(2,198,815)	(3,924,133)
Total Other Financing Sources (Uses)	<u>(1,443,415)</u>	<u>-</u>	<u>(200,000)</u>	<u>(1,643,415)</u>	<u>(3,863,850)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	753,139	442,655	135,761	1,331,555	1,615,960
Fund Balance - Beginning of Year, as Previously Reported	12,147,771	6,397,703	4,674,137	23,219,611	19,837,044
Prior Period Adjustment	-	-	-	-	1,766,607
Fund Balance - Beginning of Year, as Restated	<u>12,147,771</u>	<u>6,397,703</u>	<u>4,674,137</u>	<u>23,219,611</u>	<u>21,603,651</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,900,910</u>	<u>\$ 6,840,358</u>	<u>\$ 4,809,898</u>	<u>\$ 24,551,166</u>	<u>\$ 23,219,611</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
SPECIAL REVENUE FUNDS
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	Audit	Current	Working	Memorandum Totals	
	Fund	Restricted Fund	Cash Fund	2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash	\$ 50,344	\$ 2,633,619	\$ 98,052	\$ 2,782,015	\$ 349,192
Investments	215,000	1,750,000	9,765,440	11,730,440	10,943,531
Taxes Receivable	100,500	-	-	100,500	101,004
Accrued Interest Receivable	-	-	44,441	44,441	33,404
Other Receivables	-	1,196,551	-	1,196,551	782,816
Prepaid Items	-	595	-	595	2,645
Total Assets	<u>365,844</u>	<u>5,580,765</u>	<u>9,907,933</u>	<u>15,854,542</u>	<u>12,212,592</u>
DEFERRED OUTFLOWS OF RESOURCES					
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	-	87,945	-	87,945	79,645
Total Assets and Deferred Outflows of Resources	<u>\$ 365,844</u>	<u>\$ 5,668,710</u>	<u>\$ 9,907,933</u>	<u>\$ 15,942,487</u>	<u>\$ 12,292,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 4,000	\$ 280,011	\$ -	\$ 284,011	\$ 203,116
Accrued Liabilities	-	54,374	-	54,374	32,202
Accrued Vacation Benefits	-	43,372	-	43,372	39,078
Unearned Revenue	-	51,551	-	51,551	119,664
Total Liabilities	<u>4,000</u>	<u>429,308</u>	<u>-</u>	<u>433,308</u>	<u>394,060</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	129,525	-	-	129,525	129,185
FUND BALANCE	<u>232,319</u>	<u>5,239,402</u>	<u>9,907,933</u>	<u>15,379,654</u>	<u>11,768,992</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 365,844</u>	<u>\$ 5,668,710</u>	<u>\$ 9,907,933</u>	<u>\$ 15,942,487</u>	<u>\$ 12,292,237</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, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)**

	Audit Fund	Current Restricted Fund	Working Cash Fund	Memorandum Totals	
				2018	2017
REVENUES					
Local Real Estate Taxes	\$ 129,381	\$ -	\$ -	\$ 129,381	\$ 125,922
ICCB State Grants:					
Other	-	709,307	-	709,307	428,939
Other State Government Sources	-	25,678,849	-	25,678,849	970,085
Federal Government Sources	-	15,715,205	-	15,715,205	15,155,388
Investment Income	-	-	114,241	114,241	60,283
Other	-	1,458,382	-	1,458,382	418,578
Total Revenues	<u>129,381</u>	<u>43,561,743</u>	<u>114,241</u>	<u>43,805,365</u>	<u>17,159,195</u>
EXPENDITURES					
Instruction	-	14,892,488	-	14,892,488	1,453,085
Academic Support	-	861,761	-	861,761	51,574
Student Services	-	2,515,523	-	2,515,523	945,548
Public Services	-	263,683	-	263,683	6,617
Auxiliary Services	-	1,113,196	-	1,113,196	-
Operations and Maintenance	-	2,810,141	-	2,810,141	-
Institutional Support	143,658	4,280,750	-	4,424,408	861,019
Scholarships, Student Grants, and Waivers	-	16,268,077	-	16,268,077	14,276,899
Total Expenditures	<u>143,658</u>	<u>43,005,619</u>	<u>-</u>	<u>43,149,277</u>	<u>17,594,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(14,277)	556,124	114,241	656,088	(435,547)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	3,068,815	-	3,068,815	1,324,133
Transfers Out	-	-	(114,241)	(114,241)	(60,283)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,068,815</u>	<u>(114,241)</u>	<u>2,954,574</u>	<u>1,263,850</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
	(14,277)	3,624,939	-	3,610,662	828,303
Fund Balance - Beginning of Year	<u>246,596</u>	<u>1,614,463</u>	<u>9,907,933</u>	<u>11,768,992</u>	<u>10,940,689</u>
FUND BALANCE - END OF YEAR	<u>\$ 232,319</u>	<u>\$ 5,239,402</u>	<u>\$ 9,907,933</u>	<u>\$ 15,379,654</u>	<u>\$ 11,768,992</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 COMBINING BALANCE SHEET (MODIFIED ACCRUAL)
 DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
 JUNE 30, 2018
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	2018	2017
ASSETS		
Cash	\$ 10,896	\$ 10,610,153
Investments	1,375,000	-
Taxes Receivable	4,654,607	4,404,643
Total Assets	\$ 6,040,503	\$ 15,014,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ -	\$ 650
Unearned Revenue	-	-
Total Liabilities	-	650
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	5,984,935	5,633,619
FUND BALANCE	55,568	9,380,527
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,040,503	\$ 15,014,796

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (MODIFIED ACCRUAL)
DEBT SERVICE FUNDS – GENERAL OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018	2017
REVENUES		
Local Real Estate Taxes	\$ 5,642,409	\$ 5,652,525
Investment Income	13,831	6,423
Other	182,338	103,717
Total Revenues	5,838,578	5,762,665
EXPENDITURES		
Debt Service:		
Principal	13,800,000	3,965,000
Interest Expense	1,540,883	1,749,529
Debt Issuance Costs	102,254	25,500
Other	5,400	6,135
Total Expenditures	15,448,537	5,746,164
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,609,959)	16,501
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Debt	9,885,000	9,600,000
Transfers Out	(9,600,000)	-
Total Other Financing Sources (Uses)	285,000	9,600,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(9,324,959)	9,616,501
Fund Balance (Deficit) - Beginning of Year	9,380,527	(235,974)
FUND BALANCE - END OF YEAR	\$ 55,568	\$ 9,380,527

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (MODIFIED ACCRUAL) – CAPITAL PROJECTS FUND
OPERATIONS AND MAINTENANCE FUND – RESTRICTED
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 4,683,157	\$ 892,618
Investments	6,003,009	4,542,463
Taxes Receivable	2,811,764	2,788,823
Other Receivables	<u>169</u>	<u>87</u>
Total Assets	<u>\$ 13,498,099</u>	<u>\$ 8,223,991</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts and Retainage Payable	\$ 717,322	\$ 1,338,270
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	3,618,024	3,566,914
FUND BALANCE	<u>9,162,753</u>	<u>3,318,807</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,498,099</u>	<u>\$ 8,223,991</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, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018	2017
REVENUES		
Local Real Estate Taxes	\$ 3,572,328	\$ 3,476,863
Investment Income	97,500	52,398
Other	100,003	824,707
Total Revenues	3,769,831	4,353,968
 EXPENDITURES		
Capital Outlay	5,725,885	22,443,492
 DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,956,054)	(18,089,524)
 OTHER FINANCING SOURCES		
Transfers In	7,800,000	2,200,000
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	5,843,946	(15,889,524)
 Fund Balance - Beginning of Year	3,318,807	19,208,331
 FUND BALANCE - END OF YEAR	\$ 9,162,753	\$ 3,318,807

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BALANCE SHEET (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	2018	2017
ASSETS		
Cash	\$ 40,031	\$ 470,963
Other Receivables	318,818	176,967
Inventories	531,717	639,971
Prepaid Items	21,719	12,992
Total Assets	\$ 912,285	\$ 1,300,893
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts Payable	\$ 97,229	\$ 120,096
Accrued Liabilities	79,041	51,291
Payable to Other Funds	1,375,000	1,600,000
Accrued Vacation Benefits	100,341	88,357
Unearned Revenue:		
Tuition and Fees	101,082	43,036
Total Liabilities	1,752,693	1,902,780
NET POSITION	(840,408)	(601,887)
Total Liabilities and Net Position	\$ 912,285	\$ 1,300,893

ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (FULL ACCRUAL)
PROPRIETARY FUND – AUXILIARY
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	2018	2017
OPERATING REVENUES		
Bookstore	\$ 4,173,203	\$ 4,457,353
Food Services	889,654	858,118
Other	1,718,342	1,269,528
Total Operating Revenues	6,781,199	6,584,999
OPERATING EXPENSES		
Salaries	2,646,854	2,193,669
Employee Benefits	402,152	302,041
Contractual Services	409,212	319,366
General Material and Supplies	3,707,352	3,742,942
Fixed Charges	155,912	154,316
Utilities	3,077	2,019
Conferences and Meetings	293,355	241,361
Other	81,806	71,526
Total Operating Expenses	7,699,720	7,027,240
NET LOSS RELATED TO OPERATING ACTIVITIES	(918,521)	(442,241)
TRANSFERS IN	680,000	400,000
CHANGE IN NET POSITION	(238,521)	(42,241)
Net Position - Beginning of Year	(601,887)	(559,646)
NET POSITION - END OF YEAR	\$ (840,408)	\$ (601,887)

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 BALANCE SHEET (MODIFIED ACCRUAL)
 AGENCY FUND
 JUNE 30, 2018
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	2018	2017
ASSETS		
Cash	\$ 892,455	\$ 916,096
Other Receivables	2,059	655
Total Assets	\$ 894,514	\$ 916,751
LIABILITIES		
Unexpended Scholarship, Loan, and Student Activity Funds	\$ 894,514	\$ 916,751

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
EQUALIZED ASSESSED VALUATIONS AND TAXES EXTENDED
LEVY YEARS 2017 AND 2016**

	<u>2017 Levy</u>	<u>2016 Levy</u>
EQUALIZED ASSESSED VALUATION		
Bureau County	\$ 19,914,364	\$ 19,298,504
Livingston County	41,414,235	40,892,510
Logan County	8,548,770	8,496,210
Marshall County	182,227,652	184,319,494
Mason County	51,774,047	50,238,867
McLean County	10,014,728	9,087,269
Peoria County	3,502,746,486	3,485,430,759
Stark County	29,351,530	28,897,127
Tazewell County	2,559,303,318	2,519,157,221
Woodford County	906,925,573	885,956,772
Total	<u>\$ 7,312,220,703</u>	<u>\$ 7,231,774,733</u>
TAX RATES (PER \$100 OF EQUALIZED ASSESSED VALUATION)		
Educational Fund	0.24360	0.24600
Operations and Maintenance Fund	0.04950	0.04930
General Obligation Bond Fund	0.08180	0.07790
Operations and Maintenance Fund - Restricted	0.04950	0.04930
Audit Fund	0.00180	0.00180
Ancillary (Liability, Protection, and Settlement) Fund	0.06190	0.06260
Total	<u>0.48810</u>	<u>0.48690</u>
TAXES EXTENDED		
Educational Fund	\$ 17,815,149	\$ 17,791,850
Operations and Maintenance Fund	3,618,024	3,566,914
Bond and Interest Fund	5,984,935	5,633,619
Operations and Maintenance Fund - Restricted	3,618,024	3,566,914
Audit Fund	129,525	129,185
Ancillary (Liability, Protection, and Settlement) Fund	4,527,595	4,528,181
Total	<u>\$ 35,693,252</u>	<u>\$ 35,216,663</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS
YEAR ENDED JUNE 30, 2018**

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Combined Rate</u>	<u>Taxes Extended</u>	<u>Total Collected to June 30, 2017</u>	<u>Collected During Year Ended June 30, 2018</u>	<u>Total Collected to June 30, 2018</u>	<u>Percent Collected June 30, 2018</u>
2016	\$ 7,231,774,733	0.48690	\$ 35,216,663	\$ 7,682,278	\$ 27,550,940	\$ 35,233,218	100.05%
2017	7,312,220,703	0.48810	35,693,252	-	7,951,331	7,951,331	22.28%
Total				<u>\$ 7,682,278</u>	<u>\$ 35,502,271</u>	<u>\$ 43,184,549</u>	

UNIFORM FINANCIAL STATEMENTS

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY
YEAR ENDED JUNE 30, 2018**

	Educational Fund	Operations and Maintenance Fund	Ancillary Fund	Audit Fund	Current Restricted Fund	General Obligation Bond Fund	Operations and Maintenance Fund - Restricted	Auxiliary Fund	Working Cash Fund	Total
FUND BALANCE - JULY 1, 2017	\$ 12,147,771	\$ 4,674,137	\$ 6,397,703	\$ 246,596	\$ 1,614,463	\$ 9,380,527	\$ 3,318,807	\$ (601,887)	\$ 9,907,933	\$ 47,086,050
REVENUES										
Local Tax	17,818,512	6,192,652	4,535,490	129,381	-	5,642,409	3,572,328	-	-	37,890,772
ICCB Grants	3,826,494	1,148,915	-	-	709,307	-	-	-	-	5,684,716
Other State Revenue	-	-	-	-	25,678,849	-	-	-	-	25,678,849
Federal	-	-	-	-	15,715,205	-	-	-	-	15,715,205
Student Tuition and Fees	22,532,799	-	-	-	-	-	-	-	-	22,532,799
Other	624,052	808,719	7,500	-	1,458,382	10,081,169	197,503	6,781,199	114,241	20,072,765
Total Revenues	44,801,857	8,150,286	4,542,990	129,381	43,561,743	15,723,578	3,769,831	6,781,199	114,241	127,575,106
EXPENDITURES										
Instruction	24,146,770	-	-	-	14,892,488	-	-	-	-	39,039,258
Academic Support	2,240,110	-	-	-	861,761	-	-	-	-	3,101,871
Student Services	2,666,114	-	21,042	-	2,515,523	-	-	-	-	5,202,679
Public Services	28,287	-	-	-	263,683	-	-	-	-	291,970
Auxiliary Services	-	-	-	-	1,113,196	-	-	7,699,720	-	8,812,916
Operations and Maintenance	-	7,814,525	1,512,538	-	2,810,141	-	5,725,885	-	-	17,863,089
Institutional Support	13,332,863	-	2,566,755	143,658	4,280,750	-	-	-	-	20,324,026
Scholarships, Student Grants, and Waivers	-	-	-	-	16,268,077	-	-	-	-	16,268,077
Debt Service	-	-	-	-	-	15,448,537	-	-	-	15,448,537
Total Expenditures	42,414,144	7,814,525	4,100,335	143,658	43,005,619	15,448,537	5,725,885	7,699,720	-	126,352,423
NET TRANSFERS	(1,634,574)	(200,000)	-	-	3,068,815	(9,600,000)	7,800,000	680,000	(114,241)	-
FUND BALANCE - JUNE 30, 2018	<u>\$ 12,900,910</u>	<u>\$ 4,809,898</u>	<u>\$ 6,840,358</u>	<u>\$ 232,319</u>	<u>\$ 5,239,402</u>	<u>\$ 55,568</u>	<u>\$ 9,162,753</u>	<u>\$ (840,408)</u>	<u>\$ 9,907,933</u>	<u>\$ 48,308,733</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 2
SUMMARY OF CAPITAL ASSETS AND DEBT
YEAR ENDED JUNE 30, 2018**

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2018</u>
CAPITAL ASSETS					
Land and Improvements	\$ 26,279,160	\$ -	\$ -	\$ -	\$ 26,279,160
Buildings, Additions, and Improvements	211,772,785	2,852,388	-	2,107,217	216,732,390
Equipment	53,797,013	1,024,742	-	-	54,821,755
Construction in Progress	704,536	2,650,869	-	(2,107,217)	1,248,188
Accumulated Depreciation	<u>(122,067,137)</u>	<u>(6,114,340)</u>	<u>-</u>	<u>-</u>	<u>(128,181,477)</u>
Net Capital Assets	<u>\$ 170,486,357</u>	<u>\$ 413,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,900,016</u>
FIXED DEBT					
Bonds Payable	\$ 33,970,000	\$ 9,885,000	\$ (4,200,000)	\$ -	\$ 39,655,000
Debt Certificates	9,600,000	-	(9,600,000)	-	-
Capital Lease	-	191,159	(14,848)	-	176,311
OPEB Liability - CIP	<u>31,362,059</u>	<u>1,959,495</u>	<u>-</u>	<u>-</u>	<u>33,321,554</u>
Total Fixed Debt	<u>\$ 74,932,059</u>	<u>\$ 12,035,654</u>	<u>\$ (13,814,848)</u>	<u>\$ -</u>	<u>\$ 73,152,865</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2018**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	\$ 17,818,512	\$ 3,572,328	\$ 21,390,840
Corporate Personal Property Tax	-	2,620,324	2,620,324
Total Local Government	<u>17,818,512</u>	<u>6,192,652</u>	<u>24,011,164</u>
State Government:			
ICCB Credit Hour Grants	3,409,245	1,136,415	4,545,660
ICCB Equalization Grants	37,500	12,500	50,000
ICCB Career and Technical	379,749	-	379,749
Other State Sources	-	-	-
Total State Government	<u>3,826,494</u>	<u>1,148,915</u>	<u>4,975,409</u>
Student Tuition and Fees:			
Tuition	21,640,791	-	21,640,791
Fees	892,008	-	892,008
Total Tuition and Fees	<u>22,532,799</u>	<u>-</u>	<u>22,532,799</u>
Other Sources:			
Sales and Service Fees	26,283	-	26,283
Investment Income	229,582	72,474	302,056
Other	368,187	736,245	1,104,432
Total Other Sources	<u>624,052</u>	<u>808,719</u>	<u>1,432,771</u>
Total Revenue	44,801,857	8,150,286	52,952,143
Less Nonoperating Items:*			
Tuition Chargeback Revenue	-	-	-
Adjusted Revenue	<u>\$ 44,801,857</u>	<u>\$ 8,150,286</u>	<u>\$ 52,952,143</u>

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

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 ADDITIONAL INFORMATION
 UNIFORM FINANCIAL STATEMENT NO. 3 (CONTINUED)
 OPERATING FUNDS REVENUES AND EXPENDITURES
 YEAR ENDED JUNE 30, 2018**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	\$ 24,146,770	\$ -	\$ 24,146,770
Academic Support	2,240,110	-	2,240,110
Student Services	2,666,114	-	2,666,114
Public Services	28,287	-	28,287
Operations and Maintenance	-	7,814,525	7,814,525
Institutional Support	13,332,863	-	13,332,863
Total Expenditures	42,414,144	7,814,525	50,228,669
Less Nonoperating Items:*			
Tuition Chargeback	-	-	-
Adjusted Expenditures	\$ 42,414,144	\$ 7,814,525	\$ 50,228,669
By Object:			
Salaries	\$ 28,720,994	\$ 3,580,773	\$ 32,301,767
Employee Benefits	7,122,216	954,643	8,076,859
Contractual Services	1,405,614	228,596	1,634,210
General Materials and Supplies	2,126,725	617,579	2,744,304
Conference and Meeting	269,054	5,177	274,231
Fixed Charges	1,145,825	348,463	1,494,288
Utilities	30,379	1,941,014	1,971,393
Capital Outlay	372,677	130,043	502,720
Other	1,220,660	8,237	1,228,897
Total Expenditures	42,414,144	7,814,525	50,228,669
Less Nonoperating Items:			
Tuition Chargeback	-	-	-
Adjusted Expenditures	\$ 42,414,144	\$ 7,814,525	\$ 50,228,669

* 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, 2018**

	<u>Restricted Purposes Fund</u>
REVENUE BY SOURCE	
State Government:	
State Adult Ed - State Basic	\$ 508,779
State Adult Ed - Performance	200,528
SURS - On Behalf	22,625,933
Other	3,052,916
Total State Government	<u>26,388,156</u>
Federal Government:	
Department of Education	10,617,602
Department of Labor	34,272
Other	5,063,331
Total Federal Government	<u>15,715,205</u>
Other Sources	<u>1,458,382</u>
Total Restricted Purposes Fund Revenue	<u><u>\$ 43,561,743</u></u>
EXPENDITURES BY PROGRAM	
Instruction	\$ 14,892,488
Academic Support	861,761
Scholarships, Student Grants, and Waivers	16,268,077
Student Services	2,515,523
Public Services	263,683
Auxiliary Services	1,113,196
Operations and Maintenance	2,810,141
Institutional Support	4,280,750
Total Restricted Purposes Fund Expenditures	<u><u>\$ 43,005,619</u></u>
EXPENDITURES BY OBJECT	
Salaries	\$ 1,621,516
Employee Benefits (Includes SURS On-behalf)	23,053,731
Contractual Services	599,789
Financial Aid	16,268,976
General Materials and Supplies	418,794
Conference and Meeting Expenses	188,503
Fixed Charges	467,588
Utilities	9,930
Capital Outlay	191,358
Other	185,434
Total Restricted Purposes Fund Expenditures	<u><u>\$ 43,005,619</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2018**

INSTRUCTION

Instructional Programs	\$ 24,952,023
Other (Including SURS On-behalf)	14,087,235
Total Instruction	<u>39,039,258</u>

ACADEMIC SUPPORT

Library Center	995,180
Instructional Materials Center	40,816
Academic Computing Support	189,148
Academic Administration and Plan	365,276
Other (Including SURS On-behalf)	1,511,451
Total Academic Support	<u>3,101,871</u>

STUDENT SERVICES SUPPORT

Admissions and Records	1,042,912
Counseling and Career Services	1,098,242
Financial Aid Administration	576,771
Other (Including SURS On-behalf)	2,484,754
Total Student Services Support	<u>5,202,679</u>

PUBLIC SERVICES

Other (Including SURS On-behalf)	<u>291,970</u>
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AUXILIARY SERVICES

8,812,916

OPERATIONS AND MAINTENANCE

Maintenance	2,358,346
Custodial Services	2,082,343
Grounds Maintenance	622,644
Campus Security	1,464,497
Transportation	147,201
Administration	2,300,316
Other (Including SURS On-behalf)	3,161,857
Total Operations and Maintenance	<u>12,137,204</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
UNIFORM FINANCIAL STATEMENT NO. 5 (CONTINUED)
CURRENT FUNDS EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2018**

INSTITUTIONAL SUPPORT

Executive Management	\$ 957,044
Fiscal Operations	1,076,856
Community Relations	1,204,524
Administrative Support Services	2,206,446
Board Of Trustees	65,507
General Institutional	5,547,496
Institutional Research	314,732
Administrative Data Processing	4,781,037
Other (Including SURS On-behalf)	4,170,384
Total Institutional Support	20,324,026

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS

16,268,077

Total Current Funds Expenditures

\$ 105,178,001

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

Report on the Financial Statements

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, 2018, 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.

Basis for Qualified Opinion

The District elected to recognize the 2017 state funding of \$4,068,204 as a receivable and revenue as of June 30, 2017. In our opinion, accounting principles generally accepted in the United States of America require that an appropriation for such funding occur prior to the recognition of the receivable and revenue. The appropriation occurred on July 6, 2017, and the related appropriations should have been recognized during the District's fiscal year 2018.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants Program of Illinois Central College District 514 as of June 30, 2018, 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, 2018, 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 81 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
October 12, 2018

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, 2018, 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 October 12, 2018.

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 12, 2018

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
ILLINOIS COMMUNITY COLLEGE BOARD
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018**

	State Basic	Performance	Total
ASSETS			
Accounts Receivable	\$ 73,315	\$ 45,577	\$ 118,892
LIABILITIES			
LIABILITIES			
Bank Overdraft	65,534	45,514	111,048
Accounts Payable	7,781	-	7,781
Accrued Salaries	-	63	63
Total Liabilities	73,315	45,577	118,892
Net Position	\$ -	\$ -	\$ -

**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, 2018**

	State Basic	Performance	Total
REVENUES			
Illinois Community College Board Grant	\$ 508,779	\$ 200,528	\$ 709,307
EXPENDITURES BY PROGRAM			
Instructional and Student Services:			
Instruction	245,027	4,508	249,535
Guidance Services	31,781	8,647	40,428
Assessment and Testing	20,975	6,494	27,469
Student Transportation Services	-	1,169	1,169
Subtotal Instructional and Student Services	297,783	20,818	318,601
Program Support:			
Improvement of Instructional Services	11,904	267	12,171
General Administration	11,312	16,407	27,719
Operations and Maintenance of Plant Services	180,048	153,242	333,290
Data and Information Services	7,732	9,794	17,526
Subtotal Program Support	210,996	179,710	390,706
Total Expenditures	508,779	200,528	709,307
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2018**

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, 2018**

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, with the exception of the District electing to recognize the 2017 state funding as a receivable and revenue as of June 30, 2017. The appropriation occurred on July 6, 2017, and the related appropriations should have been recognized during the District's fiscal year 2018.

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 SUPPLEMENTARY SCHEDULE
 ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
 YEAR ENDED JUNE 30, 2018**

	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
STATE BASIC		
Instruction (45% Minimum Required)	\$ 245,027	48.16%
General Administration (15% Maximum Allowed)	\$ 11,312	2.22%

SUPPLEMENTARY ICCB SCHEDULES



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**INDEPENDENT ACCOUNTANTS' REPORT ON ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED**

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours (the Schedules) of Illinois Central College District 514 for the year ended June 30, 2018. 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, 2018, are presented in all material respects, in accordance with the provisions of the aforementioned guidelines.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 12, 2018

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2018**

Total Reimbursable
Semester Credit Hours by Term*

CATEGORIES	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	12,280.0	-	50,917.5	-	46,842.0	-	110,039.5	-
Business Occupational	308.0	-	2,269.0	-	2,141.0	-	4,718.0	-
Technical Occupational	1,175.0	-	6,522.0	-	6,346.0	-	14,043.0	-
Health Occupational	1,507.0	-	6,768.5	-	6,407.5	-	14,683.0	-
Remedial Developmental	694.0	-	4,162.0	-	2,497.0	-	7,353.0	-
Adult Basic Education/Adult Secondary Education	-	37.0	170.0	999.0	216.0	1,065.0	386.0	2,101.0
Total Credit Hours Certified	15,964.0	37.0	70,809.0	999.0	64,449.5	1,065.0	151,222.5	2,101.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours	<u>137,239.5</u>	<u>357.0</u>	<u>137,596.5</u>
Reimbursable Semester Credit Hours	<u>13,915.0</u>	<u>2,517.5</u>	
District Prior Year Equalized Assessed Valuation			<u>7,231,774.733</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, 2018**

**RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2018**

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	110,039.5	110,039.5	-	-	-	-
Business Occupational	4,718.0	4,718.0	-	-	-	-
Technical Occupational	14,043.0	14,043.0	-	-	-	-
Health Occupational	14,683.0	14,683.0	-	-	-	-
Remedial Developmental	7,353.0	7,353.0	-	-	-	-
Adult Basic Education/Adult Secondary Education	386.0	386.0	-	2,101.0	2,101.0	-
Total	<u>151,222.5</u>	<u>151,222.5</u>	<u>-</u>	<u>2,101.0</u>	<u>2,101.0</u>	<u>-</u>

**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	137,239.5	137,239.5	-
Out-of-District on Chargeback or Contractual Agreement	357.0	357.0	-
Total	<u>137,596.5</u>	<u>137,596.5</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual Credit	13,915.0	13,915.0	-
Dual Enrollment	2,517.5	2,517.5	-
Total	<u>16,432.5</u>	<u>16,432.5</u>	<u>-</u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
 SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED (CONTINUED)
 YEAR ENDED JUNE 30, 2018**

**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	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2018
(UNAUDITED)**

THE DISTRICT'S RESIDENCY REQUIREMENTS AND PROCEDURES

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

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

Illinois Central College District 514

**Certification of Chargeback Reimbursement (Unaudited)
For Use in the Year Ending June 30, 2019**

Noncapital fund expenditures (including mandatory transfers):			
Education Fund	\$	42,041,467	
Operations and Maintenance Fund		7,679,820	
Public Building Commission Operations and Maintenance Fund		-	
General Obligation Bond Fund		5,848,537	
Public Building Commission Rental Fund		-	
Current Restricted Fund		42,814,259	
Audit Fund		143,658	
Ancillary Fund		4,094,962	
		<u>4,094,962</u>	
Total noncapital expenditures			<u>102,622,703</u>
Add - depreciation allowance:			
Land Improvements (\$12,986,400 @ 5%)		649,320	
Buildings and Building Improvements (\$137,231,516 @ 2%)		2,744,630	
Equipment (\$6,820,596 @ 12.5%)		852,574	4,246,524
		<u>852,574</u>	<u>4,246,524</u>
Total costs included			<u>106,869,226</u>
Total certified semester credit hours for FY 2018		153,324	
Per capita cost			697.02
Federal and state operating grants for noncapital expenditures, except ICCB grants	\$	41,372,638	
Less Deductions:			
FY 2018 federal and state grants per semester credit hour			269.84
District's average ICCB grant rate (excluding equalization grants) for FY 2019			32.13
District's student tuition and fee rate per semester credit hour for FY 2019			<u>150.00</u>
Chargeback reimbursement per semester credit hour			<u>\$ 245.05</u>

Approved:



Chief Fiscal Officer

10/2/2018

Date



Chief Executive Officer

10/9/2018

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 and its discretely presented component unit, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Illinois Central College District 514's basic financial statements, and have issued our report thereon dated October 12, 2018. 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
October 12, 2018



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

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

Report on Compliance for Each Major Federal Program

We have audited Illinois Central College District 514's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. 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, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

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

Board of Trustees
Illinois Central College District 514

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 12, 2018

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

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	\$ -	\$ 9,061,148
Supplemental Educational Opportunity Grant	84.007 *	N/A	-	195,900
College Work Study	84.033 *	N/A	-	165,383
Direct Loan Program	84.268 *	N/A	-	5,058,645
Total Student Financial Aid Cluster			-	14,481,076
Trio Cluster:				
Student Support Services FY 18 07/01/17 - 08/31/17	84.042	N/A	-	20,689
Student Support Services FY 18 09/01/17 - 06/30/18	84.042	N/A	-	313,027
Talent Search FY18 07/01/17 - 08/31/17	84.044	N/A	-	38,514
Talent Search FY18 09/01/17 - 06/30/18	84.044	N/A	-	207,735
Upward Bound FY18 09/01/17 - 06/30/18	84.047	N/A	-	158,885
Total TRIO Cluster			-	738,850
Passed through Illinois Community College Board:				
Adult Education - State Grant Program	84.002	5140118	-	68,563
Vocational Education - Basic Grants to State PERKINS	84.048	CTE51418	-	299,700
Career & Technical Ed - Dual Credit Enhancement	84.048	DCE-51418	-	10,000
			-	309,700
Career & Technical Ed - Bridging the Gap	84.367	BTG51417	-	16,630
Career & Technical Ed - Bridging the Gap II	84.367	BTG51418	-	15,000
			-	31,630
Total U.S. Department of Education			-	15,629,819
<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	-	12,024
Northeast Community College - Ag Bridge Project	10.890	RD-RB-16-29	-	1,298
Total U.S. Department of Agriculture			-	13,322
<u>U.S. Department of Labor</u>				
Illinois Department of Commerce & Economic Opportunity (Direct)				
Passed through the United Workforce Development Board:				
WIA-Youth Activities	17.259	Y70 2016-2	-	27,382
Drop-out Recovery	17.259	OOSY 2015-5	-	6,890
Total U.S. Department of Labor			-	34,272
<u>U.S. Department of Health and Human Services</u>				
Passed through Illinois Department of Human Services:				
SAL Quality Improvement	93.596	N/A	-	3,000
SAL Professional Development	93.596	N/A	-	388
Total U.S. Department of Health and Human Services			-	3,388
Total Federal Awards			\$ -	\$ 15,680,801

* Major Program

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

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, 2018. 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, 2018, 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, 2018, students and their parents were awarded \$5,058,645 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
YEAR ENDED JUNE 30, 2018**

NOTE 5 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.

Restricted Vocational Education 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, 2018**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ <u>X</u> yes	_____ none reported
Type of auditors' report issued on compliance for major programs?	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with GAS and 2 CFR Part 200 <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> ?	_____ <u>X</u> yes	_____ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.063, 84.007, 84.033 and 84.268

Student Financial Aid Cluster

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

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

_____ X yes _____ no

**ILLINOIS CENTRAL COLLEGE DISTRICT 514
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

2018-001

Federal Agency:	Department of Education
Federal Program Title:	Student Financial Aid Cluster
CFDA Number:	Supplemental Educational Opportunity Grant – 84.007 College Work Study Program – 84.033 Pell Grant Program – 84.063 Direct Loan Program – 84.268
Pass-Through Agency:	N/A
Award Period:	July 1, 2017 through June 30, 2018
Type of Finding:	Significant Deficiency in Internal Control Over Compliance and Other Matter

Criteria or specific requirement: In accordance with 34 CFR 668.22(a)(1), when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date.

Condition: In one out of forty students tested that had withdrawn during the semester, the District did not calculate the return of funds correctly.

Questioned Costs: \$2

Context: Refunds of Title IV funding were incorrectly calculated and returned to the Department of Education.

Cause: Inaccurate input data was used in the return of funds calculations.

Effect: One of the forty students tested did not have their Return of Title IV Funds calculated accurately. The calculations resulted in \$2 being owed to the Department of Education.

Recommendation: It is recommended that the College review their processes and internal controls surrounding return to Title IV calculations to verify that the calculations are being performed correctly.

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