

LEWIS AND CLARK COMMUNITY
COLLEGE DISTRICT 536

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2019

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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Part I -- Financial Statements

INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Trustees
Lewis and Clark Community College
District 536
Godfrey, Illinois 62035

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Lewis and Clark Community College District 536 ("College") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. 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.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lewis and Clark Community College District 536 as of June 30, 2019, 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.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, in 2019 the District adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 to 10) 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 Lewis and Clark Community College District 536's basic financial statements. The accompanying financial information listed in the table of contents under Parts II, III, IV and V are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the financial statements.

The accompanying financial information listed in the table of contents under Parts II, III, IV and V, 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 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 financial information listed in the table of contents under Parts II, III, IV and V and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2019 on our consideration of Lewis and Clark Community College District 536's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lewis and Clark Community College District 536's internal control over financial reporting and compliance.

C. J. Schluener & Co. LLP

Certified Public Accountants
Alton, Illinois
October 11, 2019

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536 **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Lewis and Clark Community College's (College) annual audit presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2019 and 2018. The management discussion and analysis is designed to focus on current activities, resulting changes and currently known facts and should be read in conjunction with the basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

In compliance with various pronouncements issued by the Government Accounting Standards Board (GASB), the financial format focuses on the College as a whole and provides a comprehensive one-line look at the entity. The format is designed to emulate corporate presentation models whereby all College activities are consolidated into one total. By combining and consolidating current financial resources with capital assets, the focus of the Statement of Net Position is designed to present total financial position at the end of the annual reporting period. The Statement of Revenues, Expenses and Changes in Net Position focuses on both the gross costs and the net costs of College activities that are supported mainly by property taxes, state revenue and other revenues. This statement is designed to present the annual combined changes in net assets of the College.

Highlights

On January 10, 2017, the College approved a formal bid to move forward on the construction of a workforce training building. A few years before, L&C's Foundation received a \$3.25 million donation to be used towards creating such a center. The Weber Workforce Center will not only allow the college the opportunity to expand its workforce programming, but also immediately provide much needed space for one of its largest workforce programs – Welding Technology. To reinforce the need for growth in this educational area, the College was one of nine colleges to receive capital equipment funding for its welding program through a Department of Labor's Trade Adjustment Assistance Community College and Career Training grant. The construction of a new workforce center would also allow the College to become an Accredited Testing Facility for the American Welding Society which will permit us to graduate our students with nationally recognized welding certifications and allow us to work with businesses throughout the St. Louis metro area to certify their employees. The Center, which is located on the northern portion of campus near the current Maintenance Annex, features classrooms, labs and offices to accommodate students, staff and faculty. Also included are support areas for loading and storage, a conference room, locker area, and a testing room. Funded with this Foundation donation and capital project bond funding from the College, the center opened for the Fall 2018 semester with the final construction costs recorded in fiscal year 2019.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
MANAGEMENT'S DISCUSSION AND ANALYSIS

At about the same time, L&C broke ground on a project that includes the addition of an elevator within Erickson Hall. The Erickson building currently houses the majority of the core administrative staff for the college. Departments/offices such as the President's Office and staff, Chief Information Officer and Information Technology staff, Finance, Purchasing, Vice Presidents of Finance and Administration, Human Resources and the Foundation offices operate in this building. First opened in 1967 as a dormitory for Monticello College, it became the administrative offices for Lewis and Clark Community College in 1970. Upgrades include the addition of an elevator to all levels for handicapped accessibility, an improved HVAC system, and revisions to areas such as restrooms and corridors to meet current American with Disabilities Act standards. With the project primarily funded by Protection, Health, and Safety bond funds, Erickson Hall reopened late summer of 2018 with the final construction costs recorded in fiscal year 2019.

In the spring of 2018, the College began a water line extension and improvement project. As part of the Village of Godfrey's Stamper Lane roadway improvement, Illinois American Water completed water main improvements that included a future connection for Lewis and Clark Community college to add on as a waterline extension. L&C's existing waterline system fed from Illinois American Water lines off of Godfrey Road with separate lines for fire and domestic use that extended through the Godfrey Campus without a loop or secondary feed to supply either system. The new extension, officially completed in the spring of 2019, feeds from Stamper Lane and extends to the southwest corner of the George C. Terry River Bend Arena. This additional waterline will provide adequate flow for fire line service through existing hydrants and also provide a secondary connection as a back up to the current water service from Godfrey Road.

As wayfinding and parking lot lighting in three highly populated areas had outdated fixtures providing limited emittance of light, in January of 2019 the L&C Board of Trustees approved a site lighting renovation project of northeast and central areas on the Godfrey campus. The northeast locations include the roadway leading to Wade Hall and the faculty/staff parking lot between Trimpe and Evergreens. The central location concerns pedestrian traffic east of Hatheway Cultural Center and leading to and from the Main Complex. This project will address safety issues through improved light distribution as well as realize some energy savings. The project is expected to be completed in late fall of 2019.

The George C. Terry River Bend Arena closed for renovation in April of 2019. The project has spanned the late spring, summer, and fall of this year. The project includes addressing various water infiltration issues, a new gymnasium floor with a hardwood sports flooring system, HVAC improvements to provide improved cooling and humidity control, audio updates, restroom and locker room modifications, and various ADA upgrades. The renovation project is expected to be completed by December 2019.

There are two projects in active planning stages with the Capital Development Board (CDB) that are majorly funded by state capital funds. The first is a Caldwell Hall structure and foundation repair project. Caldwell Hall is one of the five connected buildings that comprise the area known as the Main Complex. The scope of work provides for addressing building envelope issues due to water infiltration through the masonry foundation. It will entail unearthing existing limestone foundation and repairing as necessary with tuckpointing and waterproofing. New drain and storm

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
MANAGEMENT'S DISCUSSION AND ANALYSIS

water piping will be installed to mitigate moisture issues. The construction timeline is estimated at three months and will occur in calendar year 2020.

The second project in an active planning stage with CDB is HVAC upgrades to Haskell Hall. The fan coil unit system in Haskell Hall was installed during the last renovation of the building nearly 20 years ago and includes sixty fan coil units with six ceiling units delivering cool or warm air to each room and corridors. The current state of the equipment is inefficient cooling/heating air delivery with replacement parts being obsolete and restricting the ability for repair. Replacement of the fan coil units is necessary to maintain appropriate temperature levels in spaces that serve students, faculty/staff, and community members. CDB notified the College in the summer of a release of funds for the replacement of the fan coil units in Haskell Hall which will ensure proper temperature management in the building. Architectural and engineering selection for the project is slated to occur at CDB's November Board meeting.

Looking forward, the fiscal year 2020 budget was given approval by the trustees. The budget, in excess of \$32.6 million, enables the College to grow while maintaining quality programs. The budget includes salary increases, maintenance of health and dental insurance coverage, the replacement of a faculty position in the areas of Architecture/Drafting and Design, Art, and Nursing, and two faculty positions in Biology. Funds were also allocated in the budget for a implementing a compensation plan update, necessary minimum wage increases, and various instructional supplies and equipment.

Financial Analysis of the College as a Whole

Net Position As of June 30

	2019	2018	Increase (Decrease)	Percent Change
Current assets	\$92,201,824	\$92,615,916	(\$414,092)	-0.4%
Non-Current assets	143,396,880	146,234,114	(2,837,234)	-1.9%
Total assets	235,598,704	238,850,030	(3,251,326)	-1.4%
Deferred Outflows of Resources	2,464,517	1,760,574	703,943	40.0%
Current liabilities	36,972,623	34,236,465	2,736,158	8.0%
Non-Current liabilities	135,405,101	121,834,253	13,570,848	11.1%
Total liabilities	172,377,724	156,070,718	16,307,006	10.4%
Deferred Inflows of Resources	2,919,691	-	2,919,691	100%
Net position				
Net Investment in Capital Assets	71,307,061	72,246,132	(939,071)	-1.3%
Restricted	19,822,942	17,886,579	1,936,363	10.8%
Unrestricted	(28,364,197)	(5,592,825)	(22,771,372)	407.2%
Total Net Position	\$62,765,806	\$84,539,886	(\$21,774,080)	-25.8%

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
MANAGEMENT'S DISCUSSION AND ANALYSIS

Total net position at June 30, 2019 decreased to \$62.7 million from \$84.5 million in fiscal year 2018. A large part of the decrease results from the implementation of GASB 75 in the current year.

Current assets decreased by .4% in a large part due to the reduction of short-term investments related to the continuation and completion of capital projects.

Deferred outflows of resources had a 40% increase and deferred inflows of resources had a 100% increase in FY 2019. These increases relate to the Other Postemployment Benefits (OPEB) which are reported for the first time in FY19. These contributions are reported to the College for the year ending June 30, 2018. Please see Note 12 for additional information.

Current liabilities increased by 8.0% in the current year. This is primarily a result of other deferred revenue increasing due to the advanced payments within the restricted fund from State grants. Total liabilities increased by 10.4%. This increase was largely due to the Accrued OPEB Liability that is reported for the first time in FY 2019.

Analysis of Net Position

	2019 Percent	2019	2018 Percent	2018	Increase (Decrease)	Percent Change
Net Investment in Capital Assets	113.6%	\$71,307,061	85.5%	\$72,246,132	(\$939,071)	-1.3%
Restricted	31.5%	19,822,942	21.1%	17,886,579	1,936,363	10.8%
Unrestricted	-45.2%	(28,364,197)	-6.6%	(5,592,825)	(22,771,372)	-407.2%
Total net position	100.0%	\$62,765,806	100.0%	\$84,539,886	(\$21,774,080)	-25.8%

Total net position decreased by approximately \$21.7 million to \$62.7 million at June 30, 2019 as previously noted.

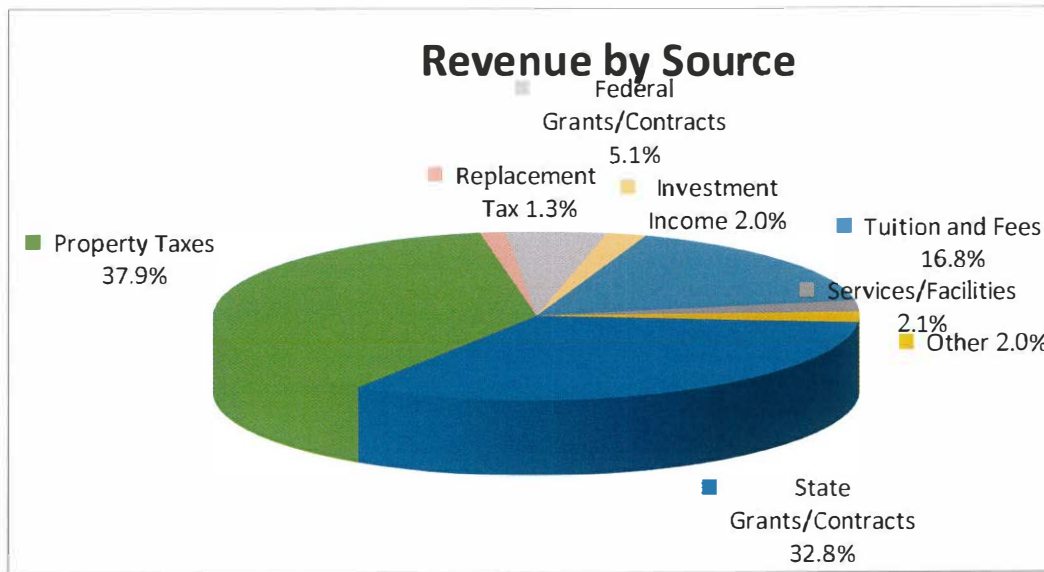
Revenue by Source

	2019 Percent	2019	2018 Percent	2018	Increase (Decrease)	Percent Change
Tuition and Fees	16.8%	\$12,393,878	17.6%	\$12,280,622	\$113,256	.9%
Sales and Services/Facilities	2.1%	1,548,406	2.2%	1,528,583	19,823	1.3%
Other	2.0%	1,498,876	1.8%	1,263,185	235,691	18.7%
State Grants/Contracts	32.8%	24,226,987	30.3%	21,156,899	3,070,088	14.5%
Property Taxes	37.9%	27,998,628	39.2%	27,424,492	574,136	2.1%
Personal Property Replacement Tax	1.3%	986,838	1.3%	890,918	95,920	10.8%
Federal Grants/Contracts	5.1%	3,728,707	6.4%	4,507,923	(779,216)	-17.3%
Investment Income	2.0%	1,437,324	1.2%	854,759	582,565	68.2%
Total	100.0%	\$73,819,644	100.0%	\$69,907,381	\$3,912,263	5.6%

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MANAGEMENT’S DISCUSSION AND ANALYSIS

The College reported a total increase in revenues of a little more than \$3.9 million for the year ended June 30, 2019. The following categories were areas where revenues increased: Tuition and Fees, .9%; Sales and Services/Facilities, 1.3%; Other, 18.7%; State Grants/Contracts, 14.5%; Property Taxes, 2.1%; Personal Property Replacement Tax 10.8% and Investment Income, 68.2%. The following areas of revenue decreased: Federal Grants/Contracts, 17.3%.

The following is a graphic illustration of revenues by source.



Operating Expenses

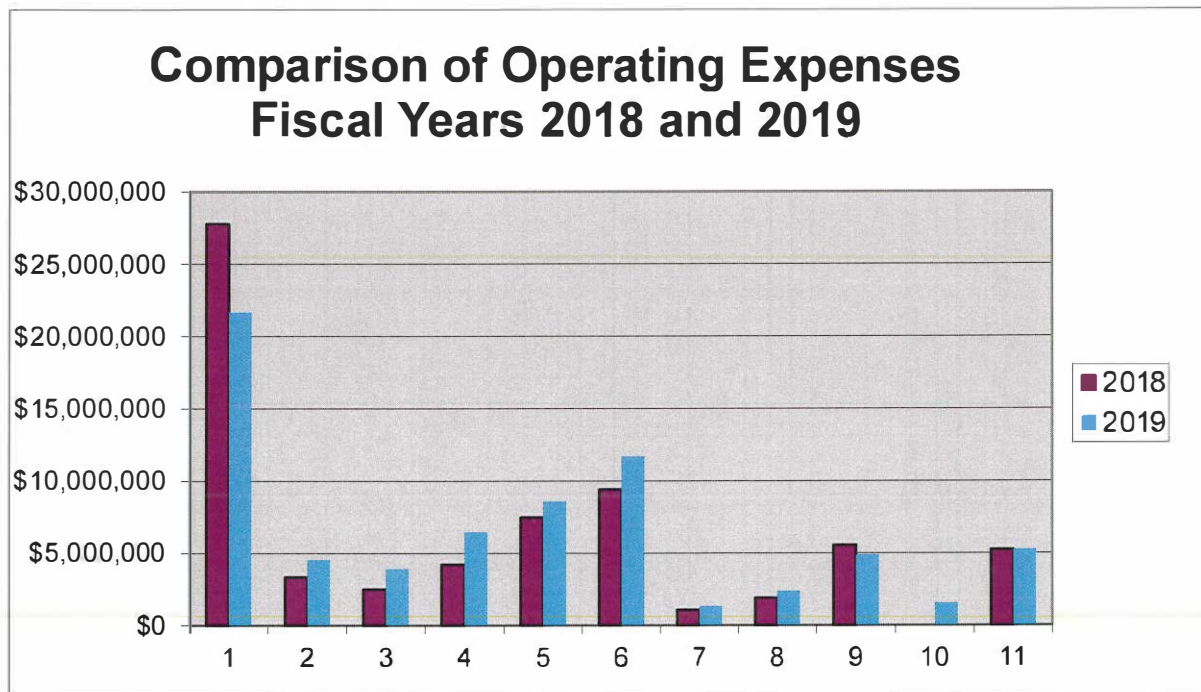
	2019 Percent	2019	2018 Percent	2018	Increase (Decrease)	Percent Change
Instruction	30.0%	\$21,674,213	40.5%	\$27,762,395	(\$6,088,182)	-21.9%
Academic Support	6.3%	4,533,679	4.9%	3,338,816	1,194,863	35.8%
Student Services	5.4%	3,914,061	3.7%	2,506,221	1,407,840	56.2%
Public Service	8.9%	6,452,671	6.2%	4,214,325	2,238,346	53.1%
Operation and Maintenance Of Plant	11.9%	8,583,444	10.9%	7,480,128	1,103,316	14.7%
Institutional Expense	16.2%	11,696,748	13.7%	9,405,200	2,291,548	24.4%
Financial Aid	1.9%	1,351,094	1.6%	1,078,189	272,905	25.3%
Auxiliary Enterprises	3.3%	2,378,481	2.8%	1,895,712	482,769	25.5%
Debt Service	6.7%	4,870,903	8.1%	5,537,435	(666,532)	-12.0%
OPEB Liability Expense	2.1%	1,534,583	0%	0	1,534,583	100.0%
Depreciation	7.3%	5,266,569	7.6%	5,237,274	29,295	.6%
Total	100.0%	\$72,256,446	100.0%	\$68,455,695	\$3,800,751	5.6%

In FY 2019, there was a change in allocating the on-behalf pension contributions to the State University Retirement System by the State of Illinois. In past years the on-behalf pension contribution was presented in the Instruction category. In FY 2019, this amount is being recorded in all categories which is reflected above.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As in the prior year, the largest portion of the College's expenses was dedicated to instruction. Instruction costs were at \$21.6 million or 30.0% of the total expenses. The change in recording the on-behalf pension contributions to the State University Retirement System by the State of Illinois was the primary cause of the decrease. Institutional expenses of \$11.6 million is the next largest category making up 16.2% of total expenses. The third largest area was related to the operations and maintenance of the College making up 11.9% with total expenses of approximately \$8.5 million.

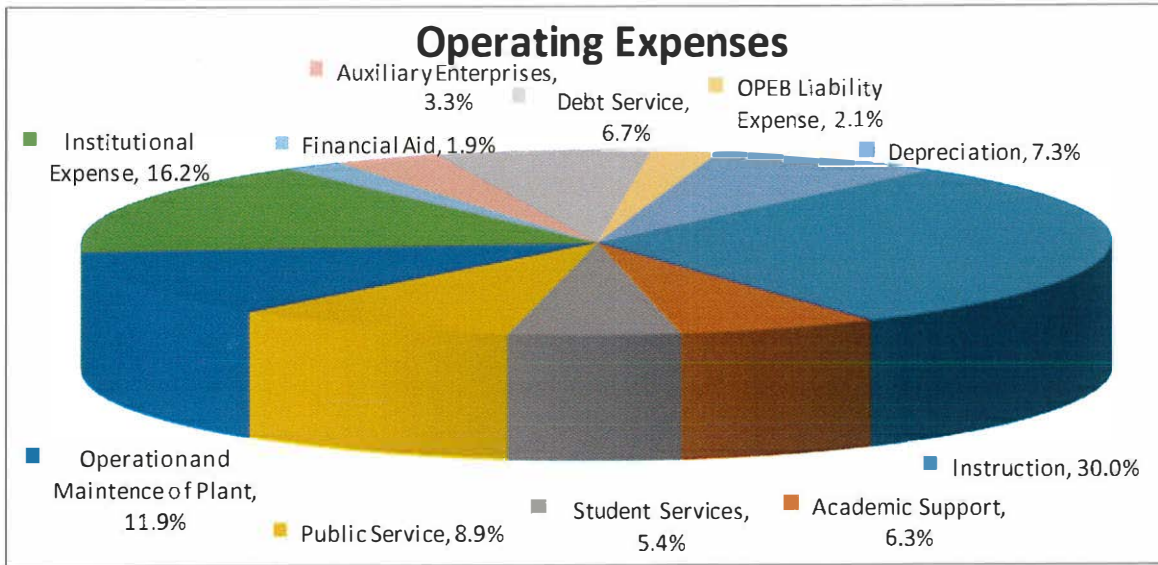
The following charts contain graphic illustrations of operating expenses and a comparison by functional expense areas for the fiscal years 2018 and 2019.



- 1 – Instruction
- 2 – Academic Support
- 3 – Student Services
- 4 – Public Service
- 5 – Operation and Maintenance of Plant

- 6 – Institutional Expense
- 7 – Financial Aid
- 8 – Auxiliary Enterprises
- 9 – Debt Service
- 10 – OPEB Liability Expense
- 11 - Depreciation

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
MANAGEMENT'S DISCUSSION AND ANALYSIS



Long-Term Debt

At the end of 2019 the College had total long-term debt obligations of \$121,169,135 compared to \$130,409,253 at the end of 2018.

The College retired debt principal of \$9,317,948 and did not issue any Bonds in the current year. Additional information related to long-term debt can be found in Note 7 of the financial statements.

Fixed Assets

The College reported capital asset additions of \$2,513,031 in fiscal year 2019. Some of these additions were discussed in the financial highlights portion of the management’s discussion and analysis.

The site improvement project completed during the 2019 fiscal year was the addition of a secondary water line to the Godfrey Campus. The Campus Lighting improvement project began in Fiscal year 2019 and has a scheduled completion date of Fall 2019. Building improvements completed during fiscal year 2019 include an HVAC project for the Chapel and the completion of the Erickson Hall renovations. Renovations continue into fiscal year 2020 for the George C. Terry Arena which is scheduled for completion in the Spring of 2020. The new Weber Workforce building was completed in August 2018 for the beginning of the Fall semester. Total depreciation related to the capital assets of the College was \$5,266,569 for the fiscal year ended 2019. Additional information related to fixed assets can be located in Note 4 of the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Lewis and Clark Community College District 536 for all those with an interest in the College’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the College’s administrative office, 5800 Godfrey Road, Godfrey, IL 62035.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>COLLEGE</u>	<u>FOUNDATION</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 686,016	\$ 814,946
Short-term Investments	55,606,311	10,146,352
Taxes Receivable	27,481,431	-
Other Accounts Receivable	7,549,764	87,749
Inventory	38,536	-
Prepaid Expenses	839,766	14,078
Total Current Assets	<u>92,201,824</u>	<u>11,063,125</u>
Non-current Assets:		
Long-term Investments	-	1,190,151
Fixed Assets	219,463,650	3,117,923
Less Accumulated Depreciation	<u>(76,066,770)</u>	<u>-</u>
Total Non-current Assets	<u>143,396,880</u>	<u>4,308,074</u>
Total Assets	<u>\$ 235,598,704</u>	<u>\$ 15,371,199</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	\$ 1,375,339	\$ -
Deferred OPEB Expense	793,666	-
Deferred Pension Expense	295,512	-
	<u>\$ 2,464,517</u>	<u>\$ -</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,459,223	\$ 25,202
Accrued Interest	714,943	-
Accrued Salaries	2,011,187	-
Deferred Tuition and Fees Revenue	5,808,250	-
Deferred Property Tax Revenue	14,204,931	-
Other Deferred Revenue	3,099,089	-
Current Portion of Long-term Debt	8,675,000	-
Total Current Liabilities	<u>36,972,623</u>	<u>25,202</u>
Accrued OPEB Liability	22,910,966	-
Long-term Debt - net of unamortized premium	<u>112,494,135</u>	<u>-</u>
Total Liabilities	<u>172,377,724</u>	<u>25,202</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB Expense	<u>2,919,691</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	71,307,061	-
Restricted:		
Capital Projects	8,099,719	-
Debt Service	6,437,432	-
Other	5,285,791	13,381,316
Unrestricted	<u>(28,364,197)</u>	<u>1,964,681</u>
Total Net Position	<u>\$ 62,765,806</u>	<u>\$ 15,345,997</u>

See notes to financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

	<u>COLLEGE</u>	<u>FOUNDATION</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees	\$ 12,393,878	\$ -
Sales and Service Fees/Facilities Revenue	1,548,406	-
Other Operating Revenues	<u>1,498,876</u>	<u>687,550</u>
Total Operating Revenues	<u>15,441,160</u>	<u>687,550</u>
EXPENSES		
Operating Expenses:		
Instruction	21,674,213	-
Academic Support	4,533,679	-
Student Services	3,914,061	177,865
Public Services	6,452,671	-
Operation and Maintenance of Plant	8,583,444	-
Institutional Support	11,696,748	549,947
Financial Aid	1,351,094	-
Auxiliary Enterprises	2,378,481	-
Debt Service	4,870,903	-
OPEB Liability Expense	1,534,583	-
Depreciation	<u>5,266,569</u>	<u>-</u>
Total Operating Expenses	<u>72,256,446</u>	<u>727,812</u>
Operating Income (Loss)	<u>(56,815,286)</u>	<u>(40,262)</u>
NON-OPERATING REVENUES (EXPENSES)		
State Grants and Contracts	24,226,987	-
Property Taxes	27,998,628	-
Personal Property Replacement Tax	986,838	-
Federal Grants and Contracts, Net of Scholarship Allowances	3,728,707	-
Investment Income	<u>1,437,324</u>	<u>434,557</u>
Non Operating Revenues, Net	<u>58,378,484</u>	<u>434,557</u>
Net Income Before Capital Contributions	1,563,198	394,295
CAPITAL CONTRIBUTIONS		
Capital Grants/Contributions	<u>165,130</u>	<u>-</u>
Total Capital Contributions	<u>165,130</u>	<u>-</u>
Increase in Net Position	1,728,328	394,295
NET POSITION - BEGINNING OF YEAR	<u>61,037,478</u>	<u>14,951,702</u>
NET POSITION - END OF YEAR	<u>\$ 62,765,806</u>	<u>\$ 15,345,997</u>

See notes to financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

	<u>COLLEGE</u>	<u>FOUNDATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 12,369,404	\$ 687,550
Payments to Suppliers	(25,686,767)	(840,748)
Payments to Employees	(25,475,569)	-
Sales and Service Fees/Facilities Revenue	2,818,227	-
Other	<u>1,482,681</u>	<u>-</u>
Net Cash Provided (Used) By Operating Activities	<u>(34,492,024)</u>	<u>(153,198)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Property Taxes	27,561,699	-
Personal Property Replacement Tax	976,419	-
Federal & State Grants & Contracts	<u>12,957,516</u>	<u>-</u>
Net Cash Provided By Noncapital Financing Activities	<u>41,495,634</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment on Debt Principal	(8,575,000)	-
Purchase of Capital Assets	<u>(2,408,731)</u>	<u>-</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(10,983,731)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,213,504	572,228
Net Sales (Purchases) of Investments	<u>3,158,699</u>	<u>(448,118)</u>
Net Cash Provided By Investing Activities	<u>4,372,203</u>	<u>124,110</u>
Net Increase (Decrease) in Cash and Cash Equivalents	392,082	(29,088)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>293,934</u>	<u>844,034</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 686,016</u>	<u>\$ 814,946</u>

See notes to financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>COLLEGE</u>	<u>FOUNDATION</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ (56,815,286)	\$ (39,329)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Depreciation	5,266,569	-
Accreted Interest Expense	77,830	-
Amortization of Premium	(742,948)	-
Amortization of Refunding Loss	148,007	-
Accrued OPEB Liability	1,534,583	-
On-Behalf Benefit Payments	14,775,684	-
Loss on Disposal	83,696	-
Changes in Net Position:		
Tuition and Fees Receivable	(625,176)	-
Auxiliary Receivables	(16,195)	-
Inventories	3,558	-
Prepaid Expenses	(80,154)	-
Deferred Pension Expense	(58,284)	-
Long-term Receivable	-	-
Accounts Payable	106,745	-
Accrued Salaries	21,430	-
Accrued Interest	(42,606)	-
Deferred Tuition and Fees	600,702	-
Other Deferred Revenue	1,269,821	-
Net Cash Provided (Used) By Operating Activities	<u>\$ (34,492,024)</u>	<u>\$ (39,329)</u>

See notes to financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, and Accounting Principles Board Opinions. The following is a summary of the more significant policies.

(a) Reporting Entity

The accompanying financial statements include all entities for which the Board of Trustees of the College has financial accountability. In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14 and 39. The primary criterion for including a potential component unit within the reporting entity is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents (2) the primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Lewis and Clark Community College Foundation (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation was organized and operated exclusively for educational and charitable purposes designed to promote the welfare of the College. Because the resources of the Foundation are to be used substantially for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Complete financial statements for the Foundation can be obtained from the administrative offices of the College located at 5800 Godfrey Road, IL 62035 or by calling (618) 468-7000.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The College is not aware of any entity whose elected officials are financially accountable for the operations of the College that would result in the College being considered a component unit of such entity.

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

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources 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.

Non-exchange transactions, in which the College 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 College must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

(c) Property Tax Revenue

The College's property taxes are levied each calendar year on all taxable property located in the District. Property taxes are recorded on the accrual basis of accounting. Property taxes have been recognized in the current year at fifty percent of the expected tax levy in the year that the taxes are levied and fifty percent in the following year in accordance with GASB.

Personal property replacement taxes are recorded on the accrual basis of accounting based on amounts collected and paid by the state.

(d) Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the retail and first-in, first-out methods of inventory accounting.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(e) Tuition

Summer and Fall tuition is recorded as receivable at the time of registration. The amounts that are prepayments related to the subsequent fiscal year are reported as deferred revenue in the respective funds to which they apply.

(f) Cash and Cash Equivalents

For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(g) Investments

Short-term investments, with original maturities of less than one year, consisting of certificates of deposit and term deposits are reported at fair value.

(h) Estimates

The College uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from these estimates.

(i) Net Position

The College's net position is classified as follows:

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

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

Unrestricted net position – 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 College and may be used at the discretion of the governing board to meet current expenses for any purpose.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(j) Classification of Revenue

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations (3) most federal, state and local grants and contracts and federal appropriations, and (4) gifts and contributions.

(k) On-Behalf Payments for Fringe Benefits and Salaries

The College recognizes contributions, made on behalf of the College's employees by the State of Illinois, to the State Universities Retirement Systems as revenues and expenses. In fiscal year 2019, the state made pension contributions of \$14,667,233 and health insurance contributions of \$108,451.

NOTE 2: PROPERTY TAXES

The College's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The Board passed the levy on December 11, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in installments beginning approximately one to two months after billing by the various counties. The College receives significant distributions of tax receipts beginning in June or July of each year.

The following are the permissible tax rate limits and the actual rates levied per \$100 of assessed valuation:

	<u>Limit</u>	<u>Tax Levy Years</u>	
		<u>2018</u>	<u>2017</u>
Education	\$ 0.1500	\$ 0.1470	\$ 0.1500
Operations and Maintenance	0.1000	0.0980	0.1000
Additional Education & Operations	0.0412	0.0404	0.0462
Liability/Judgments	No Limit	0.0694	0.0526
Protection Health Safety	0.0500	0.0490	0.0500
Audit	0.0050	0.0013	0.0013
Bond and Interest	No Limit	0.2653	0.2703
Social Security	No Limit	0.0072	0.0054
		<u>\$ 0.6776</u>	<u>\$ 0.6758</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: CASH AND INVESTMENTS

At June 30, 2019, the carrying amount of the College's deposits was \$49,109,018 and the bank balance was \$49,614,482. The deposits were comprised of checking, interest checking, savings, and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy requires collateralization of all deposits in excess of FDIC coverage. As of June 30, 2019, all deposits of the College were covered by FDIC insurance or collateralized by the financial institutions.

As of June 30, 2019, the College had the following investments:

<u>Investment</u>	Weighted Average <u>Maturity (Days)</u>	
The Illinois Funds (external investment pool)	--	\$ 238,195
IIIT Money Market Fund	--	6,945,114
		7,183,309
Deposits as reported above		49,109,018
Total deposits and investments		<u>\$ 56,292,327</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 686,016
Short-term Investments		55,606,311
		<u>\$ 56,292,327</u>

Interest Rate Risk. The College's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Illinois Funds are pooled investments that are operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the College's position in the pool is the same as the value of the pool shares.

Foreign Currency Risk. As of June 30, 2019, the College did not have foreign currency risk.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk. As of June 30, 2019, the College's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>	<u>Fitch Rating</u>
The Illinois Funds (external investment pool)	AAAm	--	--
IIIT Money Market Fund	AAAm	--	--

Concentration of Credit Risk. As of June 30, 2019, the College did not have a concentration of investments in excess of 5%.

State law limits investments in commercial paper to the top three ratings issued by at least two standard rating services. The College's investment policy does not further limit its investment choices. State law also limits investments in commercial paper to no more than one-third of the College's total cash and investments. The College's investment policy places no limit on the amount the College may invest in any one issuer. As of June 30, 2019, the College did not hold any commercial paper as an investment.

NOTE 4: FIXED ASSETS

The following is a summary of the composition of the fixed assets and changes therein for the year ended June 30, 2019:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Land	\$ 1,466,634	\$ -	\$ -	\$ 1,466,634
Land Improvements	20,379,797	378,138	-	20,757,935
Buildings and Improvements	170,894,472	9,179,563	-	180,074,035
Equipment	11,974,740	880,404	151,730	12,703,414
Sculptures and Art	2,446,505	14,000	-	2,460,505
Construction in Progress	9,940,201	1,874,303	9,813,377	2,001,127
Total	<u>\$ 217,102,349</u>	<u>\$ 12,326,408</u>	<u>\$ 9,965,107</u>	<u>\$ 219,463,650</u>

Total accumulated depreciation as of June 30, 2019 is \$76,066,770. Current year depreciation expense of \$5,266,569 was calculated on the straight-line method of depreciation over the estimated useful lives of 4 to 50 years.

Capital assets include property, plant and equipment as well as infrastructure such as sidewalks and roads. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are expensed.

The College had the following construction/renovation projects in progress as of June 30, 2019:

The College is in the process of constructing a new building for the Montessori Day Care, which is being funded by State capital grant funds and local funds. The costs related to this project are \$172,907 as of June 30, 2019.

The College is in the construction phase of remodeling the Riverbend Arena which is being funded by protection, health and safety fund revenues. The costs related to this project are \$1,758,941 as of June 30, 2019.

The College is in the implementation phase of improving the campus lighting which is being funded by protection, health and safety fund revenues. The costs related to this project are \$69,279 as of June 30, 2019.

NOTE 5: PROPERTY TAXES RECEIVABLE

The following is a summary of taxes receivable and related accounts as of June 30, 2019:

	Education Fund	Operations and Maintenance (Unrestricted) Fund	Operations and Maintenance (Restricted) Fund	Bond and Interest Fund	Audit Fund	Liability Protection and Settlement Fund	Total All Funds
Tax Rates	\$ 0.1712	\$ 0.1142	\$ 0.0490	\$ 0.2653	\$ 0.0013	\$ 0.0766	\$ 0.6776
Extensions on 2018 Levy	\$ 7,250,440	\$ 4,836,450	\$ 2,075,184	\$ 11,235,641	\$ 55,056	\$ 3,244,065	\$ 28,696,836
Less Allowance for Uncollectibles (1% of Gross Extension)	72,504	48,365	20,752	112,356	551	32,441	286,969
	<u>7,177,936</u>	<u>4,788,085</u>	<u>2,054,432</u>	<u>11,123,285</u>	<u>54,505</u>	<u>3,211,624</u>	<u>28,409,867</u>
Plus Corporate Personal Property Replacement Taxes Receivable	105,704	70,470	-	-	-	-	176,174
Less Collections of 2018 Levy Prior to June 30, 2019	<u>(279,087)</u>	<u>(186,167)</u>	<u>(79,879)</u>	<u>(432,486)</u>	<u>(2,119)</u>	<u>(124,872)</u>	<u>(1,104,610)</u>
Taxes Receivable	<u>\$ 7,004,553</u>	<u>\$ 4,672,388</u>	<u>\$ 1,974,553</u>	<u>\$ 10,690,799</u>	<u>\$ 52,386</u>	<u>\$ 3,086,752</u>	<u>\$ 27,481,431</u>
Extension on 2018 Levy Net of Allowance for Uncollectibles	\$ 7,177,936	\$ 4,788,085	\$ 2,054,432	\$ 11,123,285	\$ 54,505	\$ 3,211,624	\$ 28,409,867
Less Property Tax Revenue Recognized on 2018 Levy	<u>3,588,968</u>	<u>2,394,043</u>	<u>1,027,216</u>	<u>5,561,643</u>	<u>27,253</u>	<u>1,605,813</u>	<u>14,204,936</u>
Deferred Property Taxes	<u>\$ 3,588,968</u>	<u>\$ 2,394,042</u>	<u>\$ 1,027,216</u>	<u>\$ 5,561,642</u>	<u>\$ 27,252</u>	<u>\$ 1,605,811</u>	<u>\$ 14,204,931</u>

NOTE 6: OTHER ACCOUNTS RECEIVABLE

The following is a summary of other accounts receivable as of June 30, 2019:

Federal, State and Local Agencies, etc.	\$ 1,746,263
Tuition	5,165,523
Interest	575,197
Receivable from Campus Concessions	62,781
	<u>\$ 7,549,764</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: LONG-TERM DEBT

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

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Accretion</u>	<u>Retirements</u>	Balance <u>June 30, 2019</u>
Bonds	\$ 122,562,681	\$ -	\$ 77,830	\$ 8,350,000	\$ 114,290,511
Debt Certificates	710,000	-	-	225,000	485,000
Premium on Bonds	<u>7,136,572</u>	<u>-</u>	<u>-</u>	<u>742,948</u>	<u>6,393,624</u>
	<u>\$ 130,409,253</u>	<u>\$ -</u>	<u>\$ 77,830</u>	<u>\$ 9,317,948</u>	<u>\$ 121,169,135</u>

On December 1, 2003, the College issued \$3,020,000 of Debt Certificates for the N.O. Nelson Project. The remaining balances are due in annual payments ranging from \$235,000 to \$250,000 at interest rates of 5.15% to 5.20%. The certificates provide for retirement of principal on December 1 of each year, with interest payable on June 1 and December 1.

\$ 485,000

On February 23, 2010, the College issued \$17,875,000 of General Obligation Bonds, Series 2010B. The remaining maturities are due in annual payments ranging from \$355,000 to \$2,155,000 at interest rates of 5.95% to 6.05%. The issue provides for retirement of principal on January 1 of each year, with interest payable on January 1 and July 1 of each year. The bonds qualify as Build America Bonds and the College receives a reduced 35% rebate on interest payments from the federal government. The rebate earned and received in the current year is \$321,744.

\$ 16,400,000

On May 27, 2010, the College issued \$6,500,000 of General Obligation Bonds, Series 2010C. The remaining maturities are due in annual payments ranging from \$445,000 to \$760,000 at interest rates of 4.80% to 6.05%. The issue provides for retirement of principal on May 1 of each year, with interest payable on May 1 and November 1. The remaining bonds qualify as Build America Bonds and the College receives a 35% rebate on interest payments for the qualifying portion from the federal government. The rebate earned and received in the current year is \$118,666.

\$ 6,425,000

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

On August 2, 2012, the College issued \$16,475,000 of General Obligation Bonds, Series 2012. The remaining maturities are due in annual payments ranging from \$745,000 to \$1,210,000 at interest rates of 3.00% to 5.00%. The issue provides for retirement of principal on May 1 of each year, with interest payable on May 1 and November 1.

\$ 12,480,000

On January 2, 2013, the College issued \$4,230,000 of General Obligation Refunding Bonds, Series 2014. The remaining maturities are due in annual payments ranging from \$345,000 to \$425,000 at interest rates of 2.5% to 3.0%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2005A General Obligation Funding Bonds.

\$ 3,480,000

On February 20, 2014, the College issued \$11,055,000 of General Obligation Alternate Revenue Bonds, Series 2014. The remaining maturities are due in annual payments ranging from \$540,000 to \$1,250,000 at an interest rate 5.0%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

\$ 4,480,000

On May 5, 2015, the College issued \$17,025,000 of General Obligation Refunding Bonds, Series 2015A. The remaining maturities are due in annual payments ranging from \$370,000 to \$3,320,000 at interest rates at 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2004A General Obligation Funding Bonds, Series 2005A General Obligation Funding Bonds, and Series 2007 General Obligation Bonds.

\$ 17,025,000

On May 5, 2015, the College issued \$3,990,000 of General Obligation Refunding Bonds, Series 2015B (Alternate Revenue Source). The remaining maturities are due in annual payments ranging from \$75,000 to \$835,000 at interest rates of 3.00% to 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2004B General Obligation Bonds and the Series 2005B General Obligation Bonds.

\$ 1,690,000

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

On August 4, 2015, the College issued \$17,405,000 of Taxable General Obligation Bonds, Series 2015E. The maturities are due in annual payments ranging from \$1,680,000 to \$2,855,000 at interest rates of 2.25% to 5.25%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund the Series 2015C Bonds.

\$ 14,585,000

On August 4, 2015, the College issued \$4,530,000 of General Obligation Bonds, Series 2015F. The maturities are due in annual payments ranging from \$105,000 to \$920,000 at the interest rates of 2.00% to 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund the Series 2015D Bonds.

\$ 4,530,000

On June 1, 2016, the College issued \$8,000,000 of Taxable General Obligation Bonds, Series 2016. The maturities are due in annual payments ranging from \$735,000 to \$930,000 at the interest rates of 3.00% to 4.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued for working cash purposes.

\$ 6,595,000

On July 26, 2017, the College issued \$14,200,000 of General Obligation Refunding Bonds, Series 2017A and \$14,994,479 of Taxable General Obligation Bonds, Series 2017B. The Series 2017A Bonds were issued to defease the remaining outstanding portion of the General Obligation Bonds Series 2007A Bonds. The Series 2017B Bonds were issued to redeem the Taxable General Obligation Series 2017 Bonds. The maturities are due in annual payments ranging from \$200,000 to \$8,200,000 at the interest rates of 1.90% to 5.00%. A portion of the 2017B Bonds are recorded as a deep discount instrument. This debt is reflected at its face amount less the discount, which is presented as a direct deduction. The discount is accreted over the life of the bonds using the interest method. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

\$ 26,600,511

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual requirements to amortize all long-term debt outstanding as of June 30, 2019, including interest of \$37,306,300, are as follows:

Fiscal Year	Debt			Total
	<u>Ending</u>	<u>Bonds</u>	<u>Certificates</u>	
2020	\$ 12,790,045	\$ 254,051	\$	13,044,096
2021	12,107,126	256,500		12,363,626
2022	11,895,819	-		11,895,819
2023	11,277,784	-		11,277,784
2024	10,951,317	-		10,951,317
2025-2029	55,214,137	-		55,214,137
2030-2034	37,335,032	-		37,335,032
	<u>\$ 151,571,260</u>	<u>\$ 510,551</u>	<u>\$</u>	<u>152,081,811</u>

NOTE 8: 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.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (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 year 2018 and 2019 respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Employer Deferral of Fiscal Year 2019 Pension Expense

Employer paid \$295,512 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as Deferred Outflows of Resources as of June 30, 2019.

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

Net Pension Liability

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$150,175,269 or 0.5462%. This amount should not be recognized in the financial statement. The net pension liability was measured as of June 30, 2018, and the total pension used to calculate the net pension liability was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the actual reported pensionable earnings made to SURS during fiscal year 2018.

Pension Expense

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

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018. As a result, the District recognized on-behalf revenue and pension expense of \$14,667,233 for the fiscal year ended June 30, 2019.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

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

June 30, 2019	\$ 763,171,084
2020	540,443,042
2021	(192,612,398)
2022	(36,662,744)
Total	<u>\$ 1,074,338,984</u>

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 - 2017. The total pension liability in the June 30, 2018

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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, 2018, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non-U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Emerging Market Debt	3%	3.65%
Treasury-Inflation Protected Securities	4%	0.75%
Real Estate/REITS	10%	4.75 to 5.45%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	<u>1%</u>	<u>7.00%</u>
Total	100%	4.55%
Inflation		<u>2.75%</u>
Expected Arithmetic Return		7.30%

Discount Rate. A single discount rate of 6.65% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.62% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

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

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

NOTE 9: RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the College carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 10: SUBSEQUENT EVENTS

The College has evaluated events occurring after the financial statement date through October 11, 2019 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11: INTERFUND TRANSFERS

The following net interfund transfers were appropriately authorized and made during the year ended June 30, 2019:

<u>In</u>	<u>Out</u>	<u>Amount</u>
Education	Auxiliary	\$ 2,500
Operations and Maintenance (Restricted)	Operations and Maintenance (Unrestricted)	891,550
Bond & Interest	Operations and Maintenance (Restricted)	2,735,050
Restricted Purposes	Education	227,447
	Operations and Maintenance (Unrestricted)	57,750
Auxiliary	Restricted Purposes	79,354

NOTE 12: POSTEMPLOYMENT HEALTHCARE PLAN

The District participates in the Community College Health Insurance Security Fund, also known as the College Insurance Program (CIP), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of employees of community colleges.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the CIP Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) and requires all active contributors of the SURS, who is a full time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees.

The District makes contributions to CIP Fund. The District CIP Fund contribution was \$106,126 during the year ended June 30, 2018. The employees also made the same contribution to the CIP Fund for the year ended June 30, 2018.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The ending total proportionate OPEB liability of the District is \$22,910,966 as of June 30, 2018. This amount increased from \$22,109,415 at the end of the prior year. The associated deferred inflows and deferred outflows related to the OPEB liability was \$2,919,691 and \$793,666, respectively, as of the year ended June 30, 2018.

The publicly available financial report of the CIP Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov> which includes the financial statements of the Department of Central Management Services. Questions regarding the financial statements can be addressed to the Department of Central Management Services at 401 South Spring, Springfield, Illinois, 62706. A copy of the actuarial valuation report will be made available by the Commission on Government Forecasting and Accountability on its website at <http://cgfa.ilga.gov>.

The beginning net position balance of the College has been restated to reflect the District's participation in CIP under the implementation of GASB 75. The beginning net position decreased by \$23,502,408.

Part II – Supplementary
Financial Statements and Schedules

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
COMBINING BALANCE SHEET - ALL FUND TYPES
JUNE 30, 2019

	Current Funds		Debt Service	Plant Funds		Total
	Unrestricted	Restricted		Operations and Maintenance (Restricted)	Investment in Plant	
<u>ASSETS</u>						
Cash	\$ (2,022,290)	\$ (708,551)	\$ 2,021,709	\$ 1,395,148	\$ -	\$ 686,016
Investments	15,331,822	29,569,489	-	10,705,000	-	55,606,311
Receivables:						
Taxes	11,676,941	3,139,138	10,690,799	1,974,553	-	27,481,431
Tuition	5,165,523	-	-	-	-	5,165,523
Interest	224,234	258,972	-	91,991	-	575,197
Other	138,128	1,670,916	-	-	-	1,809,044
Inventories	38,536	-	-	-	-	38,536
Prepaid/Deferred Expenses	100,729	739,037	-	-	-	839,766
Fixed Assets	-	-	-	-	219,463,650	219,463,650
Less Allowance for Accumulated Depreciation	-	-	-	-	(76,066,770)	(76,066,770)
Total Assets	\$ 30,653,623	\$ 34,669,001	\$ 12,712,508	\$ 14,166,692	\$ 143,396,880	\$ 235,598,704
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts Payable	\$ 959,862	\$ 763,903	\$ 583	\$ 734,875	\$ -	\$ 2,459,223
Accrued Interest	-	-	712,851	2,092	-	714,943
Accrued Salaries	2,010,816	371	-	-	-	2,011,187
Deferred Revenues:						
Deferred Taxes	5,983,010	1,633,063	5,561,642	1,027,216	-	14,204,931
Deferred Tuition and Fees	5,610,520	197,730	-	-	-	5,808,250
Other	144,050	2,955,039	-	-	-	3,099,089
Total Liabilities	14,708,258	5,550,106	6,275,076	1,764,183	-	28,297,623
Fund Balances:						
Net Investment in Plant Reserved	-	-	-	-	143,396,880	143,396,880
Unreserved	15,945,365	29,118,895	6,437,432	12,402,509	-	47,958,836
Total Fund Balances	15,945,365	29,118,895	6,437,432	12,402,509	143,396,880	207,301,081
Total Liabilities and Fund Balances	\$ 30,653,623	\$ 34,669,001	\$ 12,712,508	\$ 14,166,692	\$ 143,396,880	\$ 235,598,704

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES
 ALL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2019

	Current Funds		Debt Service	Plant Funds		Total
	Unrestricted	Restricted		Operations and Maintenance (Restricted)	Investment in Plant	
Revenue:						
Property Taxes	\$ 12,020,167	\$ 2,844,768	\$ 11,084,805	\$ 2,048,888	\$ -	\$ 27,998,628
Personal Property						
Replacement Tax	986,838	-	-	-	-	986,838
Federal Grants and Contracts	440,410	10,630,647	-	-	-	11,071,057
State Grants and Contracts	6,379,280	3,205,153	-	-	-	9,584,433
All Other State Revenue	-	14,775,684	-	-	-	14,775,684
Chargeback Revenue	-	-	-	-	-	-
Tuition and Fees	11,544,189	849,689	-	-	-	12,393,878
Sales and Service Fees	1,121,981	274,577	-	-	-	1,396,558
Facilities Revenue	201,682	-	-	-	-	201,682
Expended for Plant Facilities:						
From Current Funds	-	-	-	-	795,414	795,414
From Plant Funds	-	-	-	-	1,717,617	1,717,617
Investment Revenue	340,380	835,236	-	261,708	-	1,437,324
Other Sources	165,393	1,098,593	-	266,890	-	1,530,876
Total Revenue	33,200,320	34,514,347	11,084,805	2,577,486	2,513,031	83,889,989
Expenditures:						
Educational and General						
Expenditures	30,129,906	36,054,628	-	-	-	66,184,534
Auxiliary Enterprises	1,617,462	829,218	-	-	-	2,446,680
Debt Service	-	-	13,708,130	254,884	-	13,963,014
Expended for Plant Facilities:						
Site Improvements and						
Remodeling	-	-	-	1,717,617	-	1,717,617
Expenditures Not Capitalized	-	-	-	115,363	83,696	199,059
Depreciation	-	-	-	-	5,266,569	5,266,569
Total Expenditures	31,747,368	36,883,846	13,708,130	2,087,864	5,350,265	89,777,473
Excess Revenue Over (Under)						
Expenditures	1,452,952	(2,369,499)	(2,623,325)	489,622	(2,837,234)	(5,887,484)
Other Financing Sources (Uses):						
Transfers From (To) Other Funds	(1,097,393)	205,843	2,735,050	(1,843,500)	-	-
	<u>(1,097,393)</u>	<u>205,843</u>	<u>2,735,050</u>	<u>(1,843,500)</u>	<u>-</u>	<u>-</u>
Excess Revenue Over (Under)						
Expenditures and Other						
Financing Source (Uses)	355,559	(2,163,656)	111,725	(1,353,878)	(2,837,234)	(5,887,484)
Fund Balance, Beginning of Year	15,589,806	31,282,551	6,325,707	13,756,387	146,234,114	213,188,565
Fund Balance, End of Year	<u>\$ 15,945,365</u>	<u>\$ 29,118,895</u>	<u>\$ 6,437,432</u>	<u>\$ 12,402,509</u>	<u>\$ 143,396,880</u>	<u>\$ 207,301,081</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
 COMBINED STATEMENT OF CURRENT FUNDS REVENUE,
 EXPENDITURES AND OTHER CHANGES
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
Revenue:			
Property Taxes	\$ 12,020,167	\$ 2,844,768	\$ 14,864,935
Personal Property Replacement Tax	986,838	-	986,838
Federal Grants and Contracts	440,410	10,630,647	11,071,057
State Grants and Contracts	6,379,280	3,205,153	9,584,433
All Other State Revenue	-	14,775,684	14,775,684
Chargeback Revenue	-	-	-
Tuition and Fees	11,544,189	849,689	12,393,878
Sales and Service Fees	1,121,981	274,577	1,396,558
Facilities Revenue	201,682	-	201,682
Investment Revenue	340,380	835,236	1,175,616
Other Sources	165,393	1,098,593	1,263,986
On-Behalf Revenue	-	-	-
Total Revenue	<u>33,200,320</u>	<u>34,514,347</u>	<u>67,714,667</u>
Expenditures:			
Instruction	13,097,179	8,711,011	21,808,190
Academic Support	2,473,583	2,363,375	4,836,958
Student Services	2,427,052	1,487,009	3,914,061
Public Services	25,764	6,484,345	6,510,109
Auxiliary Enterprises	1,617,462	829,218	2,446,680
Operation and Maintenance of Plant	6,031,653	2,509,417	8,541,070
Institutional Support	4,923,352	6,957,350	11,880,702
Scholarships and Student Grants	1,151,323	7,542,121	8,693,444
Total Expenditures	<u>31,747,368</u>	<u>36,883,846</u>	<u>68,631,214</u>
Excess of Revenue Over (Under) Expenditures	1,452,952	(2,369,499)	(916,547)
Other Financing Sources (Uses):			
Transfers From (To) Other Funds	<u>(1,097,393)</u>	<u>205,843</u>	<u>(891,550)</u>
Excess (Deficiency) of Revenue Over Expenditures and Other Financing Source (Uses)	<u>\$ 355,559</u>	<u>\$ (2,163,656)</u>	<u>\$ (1,808,097)</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
COMBINING BALANCE SHEET - CURRENT UNRESTRICTED AND RESTRICTED FUNDS

JUNE 30, 2019

	Current Unrestricted Funds				Current Restricted Funds				
	Education Fund	Operation and Maintenance Fund	Auxiliary Enterprises Fund	Total Current Unrestricted Funds	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total Current Restricted Funds
ASSETS									
Cash	\$ (1,600,976)	\$ (1,474,927)	\$ 1,053,613	\$ (2,022,290)	\$ 6,268,534	\$ (5,627,602)	\$ (18,699)	\$ (1,330,784)	\$ (708,551)
Investments	9,240,164	6,090,280	1,378	15,331,822	9,423,202	20,146,287	-	-	29,569,489
Receivables:									
Taxes	7,004,553	4,672,388	-	11,676,941	-	-	52,386	3,086,752	3,139,138
Tuition	5,165,523	-	-	5,165,523	-	-	-	-	-
Interest	133,055	91,179	-	224,234	99,706	159,266	-	-	258,972
Other	50,504	24,843	62,781	138,128	1,670,328	-	-	588	1,670,916
Inventories	13,213	-	25,323	38,536	-	-	-	-	-
Prepaid/Deferred Expenses	96,637	3,707	385	100,729	301,996	-	-	437,041	739,037
Total Assets	\$ 20,102,673	\$ 9,407,470	\$ 1,143,480	\$ 30,653,623	\$ 17,763,766	\$ 14,677,951	\$ 33,687	\$ 2,193,597	\$ 34,669,001
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 329,450	\$ 590,671	\$ 39,741	\$ 959,862	\$ 614,028	\$ -	\$ -	\$ 149,875	\$ 763,903
Accrued Salaries	1,995,949	-	14,867	2,010,816	371	-	-	-	371
Deferred Revenues:									
Deferred Taxes	3,588,968	2,394,042	-	5,983,010	-	-	27,252	1,605,811	1,633,063
Deferred Tuition and Fees	4,972,521	67,158	570,841	5,610,520	197,730	-	-	-	197,730
Other	-	96,343	47,707	144,050	2,954,839	-	-	200	2,955,039
Total Liabilities	10,886,888	3,148,214	673,156	14,708,258	3,766,968	-	27,252	1,755,886	5,550,106
Fund Balances:									
Reserved	-	-	-	-	13,996,798	14,677,951	6,435	437,711	29,118,895
Unreserved	9,215,785	6,259,256	470,324	15,945,365	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 20,102,673	\$ 9,407,470	\$ 1,143,480	\$ 30,653,623	\$ 17,763,766	\$ 14,677,951	\$ 33,687	\$ 2,193,597	\$ 34,669,001

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CURRENT UNRESTRICTED AND RESTRICTED FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Current Unrestricted Funds			Current Restricted Funds					
	Education Fund	Operation and Maintenance Fund	Auxiliary Enterprises Fund	Total Current Unrestricted Funds	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total Current Restricted Funds
Revenue:									
Property Taxes	\$ 7,210,610	\$ 4,809,557	\$ -	\$ 12,020,167	\$ -	\$ -	\$ 53,816	\$ 2,790,952	\$ 2,844,768
Personal Property Replacement Tax	592,103	394,735	-	986,838	-	-	-	-	-
Federal Grants and Contracts	-	440,410	-	440,410	10,630,647	-	-	-	10,630,647
State Grants and Contracts	5,603,327	775,953	-	6,379,280	3,205,153	-	-	-	3,205,153
All Other State Revenue	-	-	-	-	14,775,684	-	-	-	14,775,684
Chargeback Revenue	-	-	-	-	-	-	-	-	-
Tuition and Fees	9,410,344	918,891	1,214,954	11,544,189	849,689	-	-	-	849,689
Sales and Service Fees	115,888	-	1,006,093	1,121,981	274,577	-	-	-	274,577
Facilities Revenue	-	110,510	91,172	201,682	-	-	-	-	-
Investment Revenue	204,779	134,804	797	340,380	255,272	579,964	-	-	835,236
Other Sources	102,642	30,594	32,157	165,393	1,089,801	-	-	8,792	1,098,593
Total Revenue	23,239,693	7,615,454	2,345,173	33,200,320	31,080,823	579,964	53,816	2,799,744	34,514,347
Expenditures:									
Instruction	13,097,179	-	-	13,097,179	8,711,011	-	-	-	8,711,011
Academic Support	2,473,583	-	-	2,473,583	2,363,375	-	-	-	2,363,375
Student Services	2,427,052	-	-	2,427,052	1,487,009	-	-	-	1,487,009
Public Services	25,764	-	-	25,764	6,484,345	-	-	-	6,484,345
Auxiliary Enterprises	-	-	1,617,462	1,617,462	829,218	-	-	-	829,218
Operation and Maintenance of Plant	-	6,031,653	-	6,031,653	911,256	-	-	1,598,161	2,509,417
Institutional Support	4,522,097	401,255	-	4,923,352	5,336,166	-	55,300	1,565,884	6,957,350
Scholarships and Student Grants	369,075	-	782,248	1,151,323	7,542,121	-	-	-	7,542,121
Total Expenditures	22,914,750	6,432,908	2,399,710	31,747,368	33,664,501	-	55,300	3,164,045	36,883,846
Excess Revenue Over (Under) Expenditures	324,943	1,182,546	(54,537)	1,452,952	(2,583,678)	579,964	(1,484)	(364,301)	(2,369,499)
Other Financing Sources (Uses):									
Transfers From (To) Other Funds	(224,947)	(949,300)	76,854	(1,097,393)	205,843	-	-	-	205,843
Excess Revenue Over (Under) Expenditures and Other Financing Source (Uses)	99,996	233,246	22,317	355,559	(2,377,835)	579,964	(1,484)	(364,301)	(2,163,656)
Fund Balance, Beginning of Year	9,115,789	6,026,010	448,007	15,589,806	16,374,633	14,097,987	7,919	802,012	31,282,551
Fund Balance, End of Year	\$ 9,215,785	\$ 6,259,256	\$ 470,324	\$ 15,945,365	\$ 13,996,798	\$ 14,677,951	\$ 6,435	\$ 437,711	\$ 29,118,895

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Fund Balances - All Fund Types	\$ 207,301,081
Unamortized Loss on Bond Refunding	1,375,339
Deferred Outflow - Pension Expense	295,512
Deferred Outflow - OPEB Expense	793,666
Deferred Inflow - OPEB Expense	(2,919,691)
Accrued OPEB Liability	(22,910,966)
Outstanding Debt	<u>(121,169,135)</u>
Net Position on Statement of Net Position	<u>\$ 62,765,806</u>
Net Change in Fund Balances	\$ (5,887,484)
Removed Internal Charges from Auxiliary Revenues	(49,834)
Removed Internal Charges from Auxiliary Expenditures	<u>(49,834)</u>
Net Effect	<u>-</u>
Deleted Capital Amounts Expended from Current Funds	(795,414)
Deleted Current Fund Expenditures for Capital Assets	<u>(795,414)</u>
Net Effect	<u>-</u>
Reduction in Federal Grants And Contracts	(7,342,350)
Reduction in Financial Aid	<u>(7,342,350)</u>
Net Effect	<u>-</u>
Activity Related to Debt Proceeds, Retirements and Pensions:	
Reduction of Debt Principal Payments	8,575,000
Amortization of Premium	742,948
Amortization of Refunding Loss	(148,007)
Change in Deferred Pension Expense	58,284
Change in Accrued OPEB Liability	(1,534,583)
Accretion of Debt Discount	<u>(77,830)</u>
Net Effect	<u>7,615,812</u>
Net Change in Net Position	<u>\$ 1,728,328</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF TAX RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2019

Tax Rates									
Levy Year	Assessed Valuation	Education	Operations and Maintenance	Bond and Interest	Liability/ Judgements	Social Security/ Medicare	Protection Health Safety	Audit	Total
2009	\$ 3,594,517,566	\$ 0.1508	\$ 0.1005	\$ 0.2237	\$ 0.0513	\$ 0.0064	\$ -	\$ 0.0011	\$ 0.5338
2010	3,589,355,702	0.1509	0.1006	0.2412	0.0778	0.0085	-	0.0011	0.5801
2011	3,871,378,534	0.1481	0.0987	0.2292	0.0730	0.0086	-	0.0012	0.5588
2012	3,871,752,402	0.1550	0.1033	0.2429	0.0206	0.0042	0.0500	0.0011	0.5771
2013	3,847,965,350	0.1586	0.1057	0.2489	0.0605	0.0118	0.0500	0.0012	0.6367
2014	3,782,790,454	0.1609	0.1072	0.2586	0.0671	0.0035	0.0500	0.0013	0.6486
2015	3,844,537,844	0.1778	0.1185	0.2540	0.0951	0.0077	0.0500	0.0012	0.7043
2016	3,978,101,415	0.1798	0.1199	0.2737	0.0648	0.0074	0.0500	0.0014	0.6970
2017	4,074,354,426	0.1777	0.1185	0.2703	0.0526	0.0054	0.0500	0.0013	0.6758
2018	4,235,070,046	0.1712	0.1142	0.2653	0.0694	0.0072	0.0490	0.0013	0.6776

Taxes Extended									
2009		\$ 5,420,532	\$ 3,612,490	\$ 8,040,936	\$ 1,843,989	\$ 230,049	\$ -	\$ 39,540	\$ 19,187,536
2010		5,416,338	3,610,892	8,657,526	2,792,518	305,095	-	39,483	20,821,852
2011		5,733,512	3,821,051	8,873,200	2,826,106	332,939	-	46,457	21,633,265
2012		6,001,216	3,999,520	9,404,487	797,581	162,614	1,935,876	42,589	22,343,883
2013		6,102,873	4,067,299	9,577,586	2,328,018	454,060	1,923,983	46,176	24,499,995
2014		6,086,510	4,055,151	9,782,296	2,538,252	132,398	1,891,395	49,176	24,535,178
2015		6,835,588	4,555,777	9,765,126	3,656,156	296,029	1,922,269	46,134	27,077,079
2016		7,152,627	4,769,743	10,888,064	2,577,809	294,380	1,989,051	55,693	27,727,367
2017		7,240,128	4,828,110	11,012,980	2,143,111	220,015	2,037,177	52,967	27,534,488
2018		7,250,440	4,836,450	11,235,641	2,939,140	304,925	2,075,184	55,056	28,696,836

	Taxes Collected		
	Total Extensions	Total Collections	Percent Collected
2009	\$ 19,187,536	\$ 18,945,748	98.74
2010	20,821,852	20,819,165	99.99
2011	21,633,265	21,541,985	99.58
2012	22,343,883	22,281,993	99.72
2013	24,499,995	24,324,791	99.28
2014	24,535,178	24,400,884	99.45
2015	27,077,079	26,865,668	99.22
2016	27,727,367	27,611,323	99.58
2017	27,534,488	27,438,499	99.65
2018	28,696,836	1,104,609	3.85

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Estimated Total Equalized Assessed Valuation - 2018 Levy	\$ <u>4,490,860,151</u>
Debt Limit, 2.875% of Assessed Valuation	\$ 129,112,229
Outstanding Indebtedness:	
Bonds	107,989,479
Debt Certificates	<u>485,000</u>
	<u>108,474,479</u>
Legal Debt Margin	\$ <u>20,637,750</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2019

	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	OPERATIONS AND MAINTENANCE (RESTRICTED) FUND	BOND AND INTEREST FUND	AUXILIARY ENTERPRISE FUND	RESTRICTED PURPOSES FUND	AUDIT FUND	LIABILITY, PROTECTION AND SETTLEMENT FUND	WORKING CASH FUND	TOTAL
Fund Balance, June 30, 2018	\$ 9,115,789	\$ 6,026,010	\$ 13,756,386	\$ 6,325,707	\$ 448,007	\$ 16,374,633	\$ 7,919	\$ 802,012	\$ 14,097,987	\$ 66,954,450
Revenues:										
Local Tax Revenue	7,802,713	5,204,292	2,048,888	11,084,805	-	-	53,816	2,790,952	-	28,985,466
All Other Local Revenue	-	-	-	-	-	-	-	-	-	-
ICCB State Grants	5,603,327	775,953	-	-	-	804,857	-	-	-	7,184,137
All Other State Revenue	-	-	-	-	-	17,175,980	-	-	-	17,175,980
Federal Revenue	-	440,410	-	-	-	10,630,647	-	-	-	11,071,057
Student Tuition and Fees	9,410,344	918,891	-	-	1,214,954	849,688	-	-	-	12,393,877
Sales and Service Fees	115,888	-	-	-	1,006,093	274,577	-	-	-	1,396,558
All Other Revenue	307,421	275,908	528,599	-	124,126	1,345,074	-	8,792	579,964	3,169,884
Total Revenue	23,239,693	7,615,454	2,577,487	11,084,805	2,345,173	31,080,823	53,816	2,799,744	579,964	81,376,959
Expenditures:										
Instruction	13,097,179	-	-	-	-	8,711,011	-	-	-	21,808,190
Academic Support	2,473,583	-	-	-	-	2,363,375	-	-	-	4,836,958
Student Services	2,427,052	-	-	-	-	1,487,009	-	-	-	3,914,061
Public Services	25,764	-	-	-	-	6,484,345	-	-	-	6,510,109
Independent Operations	-	-	-	-	1,617,462	829,218	-	-	-	2,446,680
Operations and Maintenance of Plant	-	6,031,653	-	-	-	911,256	-	1,598,161	-	8,541,070
Institutional Support	4,522,097	401,255	2,087,864	13,708,130	-	5,336,166	55,300	1,565,884	-	27,676,696
Scholarships and Student Grants	369,075	-	-	-	782,248	7,542,121	-	-	-	8,693,444
Total Expenditures	22,914,750	6,432,908	2,087,864	13,708,130	2,399,710	33,664,501	55,300	3,164,045	-	84,427,208
Net Transfers	(224,947)	(949,300)	(1,843,500)	2,735,050	76,854	205,843	-	-	-	-
Fund Balance, June 30, 2019	\$ 9,215,785	\$ 6,259,256	\$ 12,402,509	\$ 6,437,432	\$ 470,324	\$ 13,996,798	\$ 6,435	\$ 437,711	\$ 14,677,951	\$ 63,904,201

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

	<u>FIXED ASSET/DEBT ACCOUNT GROUPS JUNE 30, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>FIXED ASSET/DEBT ACCOUNT GROUPS JUNE 30, 2019</u>
<u>FIXED ASSETS:</u>				
Site and Improvements	\$ 21,846,431	\$ 378,138	\$ -	\$ 22,224,569
Buildings, Additions and Improvements	170,894,472	9,179,563	-	180,074,035
Equipment	11,974,740	880,404	151,730	12,703,414
Sculptures & Art	2,446,505	14,000	-	2,460,505
Construction in Progress	<u>9,940,201</u>	<u>1,874,303</u>	<u>9,813,377</u>	<u>2,001,127</u>
Net Fixed Assets	<u>\$ 217,102,349</u>	<u>\$ 12,326,408</u>	<u>\$ 9,965,107</u>	<u>\$ 219,463,650</u>
<u>FIXED DEBT:</u>				
Bonds Payable	\$ 122,562,681	\$ 77,830	\$ 8,350,000	\$ 114,290,511
Other Fixed Liabilities	710,000	-	225,000	485,000
Accrued OPEB Liability	<u>22,109,415</u>	<u>801,551</u>	<u>-</u>	<u>22,910,966</u>
Total Fixed Liabilities	<u>\$ 145,382,096</u>	<u>\$ 879,381</u>	<u>\$ 8,575,000</u>	<u>\$ 137,686,477</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

<u>OPERATING REVENUES BY SOURCE</u>	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE (UNRESTRICTED) FUND</u>	<u>TOTAL OPERATING FUNDS</u>
Local Government:			
Current Taxes	\$ 7,210,610	\$ 4,809,557	\$ 12,020,167
Corporate Personal Property Replacement Tax	592,103	394,735	986,838
Chargeback Revenue	-	-	-
Total Local Government	<u>7,802,713</u>	<u>5,204,292</u>	<u>13,007,005</u>
State Government:			
ICCB Apportionment	5,241,047	775,953	6,017,000
Vocational Education Allocation	362,280	-	362,280
Total State Government	<u>5,603,327</u>	<u>775,953</u>	<u>6,379,280</u>
Federal Government:			
Build America Bonds Interest Rebate	-	440,410	440,410
Total Federal Government	<u>-</u>	<u>440,410</u>	<u>440,410</u>
Tuition and Fees:			
Tuition	8,272,856	775,953	9,048,809
Fees	1,137,488	142,938	1,280,426
Other Sales and Service Fees	115,888	-	115,888
Total Tuition and Fees	<u>9,526,232</u>	<u>918,891</u>	<u>10,445,123</u>
Other Sources:			
Facilities Revenue	-	110,510	110,510
Interest on Investments	204,779	134,804	339,583
Other Revenue	102,642	30,594	133,236
Transfers	506,950	-	506,950
Total Other Sources	<u>814,371</u>	<u>275,908</u>	<u>1,090,279</u>
Total Revenue	23,746,643	7,615,454	31,362,097
Less Tuition Chargeback	-	-	-
Adjusted Revenue	<u>\$ 23,746,643</u>	<u>\$ 7,615,454</u>	<u>\$ 31,362,097</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

<u>OPERATING EXPENDITURES</u>	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE (UNRESTRICTED) FUND</u>	<u>TOTAL OPERATING FUNDS</u>
<u>By Program:</u>			
Instruction	\$ 13,097,179	\$ -	\$ 13,097,179
Academic Support	2,473,583	-	2,473,583
Student Services	2,427,052	-	2,427,052
Public Services	25,764	-	25,764
Operation and Maintenance of Plant	-	6,031,653	6,031,653
Institutional Support	4,522,097	401,255	4,923,352
Scholarships and Student Grants	369,075	-	369,075
Transfers	731,897	949,300	1,681,197
Total Expenditures	<u>23,646,647</u>	<u>7,382,208</u>	<u>31,028,855</u>
Less Tuition Chargeback	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Expenditures	<u>\$ 23,646,647</u>	<u>\$ 7,382,208</u>	<u>\$ 31,028,855</u>
<u>By Object:</u>			
Salaries	\$ 17,937,411	\$ 1,372,496	\$ 19,309,907
Employee Benefits	2,166,188	224,960	2,391,148
Contractual Services	812,812	2,671,045	3,483,857
General Materials and Supplies	1,283,823	555,495	1,839,318
Conference and Meeting Expense	140,344	8,404	148,748
Fixed Charges	17,281	65,474	82,755
Utilities	-	1,534,294	1,534,294
Capital Outlay	-	-	-
Other	187,816	740	188,556
Scholarships and Student Grants	369,075	-	369,075
Transfers	731,897	949,300	1,681,197
Total Expenditures	<u>23,646,647</u>	<u>7,382,208</u>	<u>31,028,855</u>
Less Tuition Chargeback	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Expenditures	<u>\$ 23,646,647</u>	<u>\$ 7,382,208</u>	<u>\$ 31,028,855</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

	<u>RESTRICTED PURPOSES FUND</u>
<u>Revenue By Source</u>	
Federal Government:	
Federal Work Study	\$ 132,020
FSEOG	153,221
PELL	4,858,441
Federal Direct Student Loans	2,337,913
Talent Search	325,133
Upward Bound	331,566
MCETD Career Pathway Training - Adult	82,198
MCETD Career Pathway Training - Dislocated Worker	2,847
MCETD Youth Employment Enhancement Program	65,313
Youth Career Pathways	313,243
CTE Dual Credit Enhancement	9,463
Perkins Postsecondary Grant	372,764
Federal Adult Education - Basic	145,590
Adult Education & Family Literacy - EL/Civics	39,000
Youthbuild - DOL	446,091
IVEDC Grant - CNA	15,023
Community Services Block Grant - Skills Training - CNA	3,643
Dental Sealant	472
Americorps - Youthbuild	95,278
Southern IL Transition Project	48,449
Expanding the Solar Workforce	2,564
Community Services Block Grant - Vocational	2,966
Community Services Block Grant - Youthbuild	8,000
Wood River and Piasa Creek Watershed	5,355
NSF - Noyce Scholars	17,131
NSF - ROL: FEL EAGER	62,327
NRCS: Technical Assistance CRP/WRE	239,468
NRCS/CRP to Landowners	1,548
CESU - Japanese Hops Control and Management	29,422
Floodplain Forest Canopy Gap Dynamics	1,288
Heartland Conservancy - Silver Creek Watershed	10,286
IDNR - Living with Wildlife	372,023
IDNR - Herpetology	14,698
Scale for the Fishes	(168)
IDNR - Southern Illinois Habitat	86,071
Total Federal Government	<u>10,630,647</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
 UNIFORM FINANCIAL STATEMENT #4
 RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES

(Continued)

	<u>RESTRICTED PURPOSES FUND</u>
<u>Revenue By Source</u>	
State Government:	
ICCB - Adult Education	312,800
Secretary of State - Family Literacy	112,477
Optional Education	50,626
LC Reading Service	17,438
East St. Louis Higher Ed	492,057
NGRREC State Appropriation	1,667,029
IGEN State Appropriation	251,913
Highway Construction	294,686
IL Coop Work Study	6,127
On-Behalf Contributions	<u>14,775,684</u>
Total State Government	<u>17,980,837</u>
 <u>Revenue By Source</u>	
Other:	
Center for Workforce Training	377,785
Scholarships	37,500
Interest	255,271
Student Organizations	274,577
Music Preparatory Program	91,998
Community Education	127,539
College for Life	128,345
McKnight - Mississippi River Basin	79,731
Gifts	127,060
Walton Foundation	345,028
IGEN Consortium	113,000
Other	369,915
Supported College Transition	72,635
Health Reimbursement	<u>68,955</u>
Total Other Sources	<u>2,469,339</u>
Transfers In	<u>3,899,445</u>
Total Restricted Purposes Fund Revenues	<u>\$ 34,980,268</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536
 UNIFORM FINANCIAL STATEMENT #4
 RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES

(Continued)

	<u>RESTRICTED PURPOSES FUND</u>
<u>Expenditures By Program:</u>	
Instruction	\$ 8,711,011
Academic Support	2,363,375
Student Services	1,487,009
Public Services	6,484,345
Independent Operations	829,218
Operations and Maintenance of Plant	911,256
Institutional Support	5,336,166
Scholarships and Student Grants	7,542,121
Transfers	<u>3,693,602</u>
Total Restricted Purposes Fund Expenditures	<u>\$ 37,358,103</u>
 <u>Expenditures By Object:</u>	
Salaries	\$ 4,796,600
Employee Benefits	15,900,192
Contractual Services	2,805,646
General Materials and Supplies	1,124,574
Conference and Meeting Expense	364,514
Fixed Charges	24,892
Utilities	32,440
Capital Outlay	620,364
Scholarships and Student Grants	7,542,121
Other	453,158
Transfers	<u>3,693,602</u>
Total Restricted Purposes Fund Expenditures	<u>\$ 37,358,103</u>

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Instruction	<u>\$ 14,619,853</u>
Academic Support:	
Library Center	288,482
Educational Media Services	158,778
Academic Computing	2,308,085
Academic Administration and Planning	698,291
Other	<u>282,441</u>
Total Academic Support	<u>3,736,077</u>
Student Services:	
Admissions and Records	880,019
Counseling and Career Services	893,190
Health Services	185,349
Financial Aid Administration	382,614
Minority Affairs	229,001
Other	<u>219,456</u>
Total Student Services	<u>2,789,629</u>
Public Services:	
Community Education	526,958
Customized Training (Instructional)	1,269,554
Other	<u>3,113,471</u>
Total Public Service	<u>4,909,983</u>
Auxiliary Services	<u>1,921,608</u>
Operations and Maintenance of Plant:	
Building and Grounds Maintenance	2,390,507
Custodial Services	1,161,514
Campus Security	1,767,009
Transportation	30,927
Utilities	1,830,695
Administration	100,037
Other	<u>349,125</u>
Total Operations and Maintenance of Plant	<u>7,629,814</u>
Institutional Support:	
Executive Management	1,379,975
Fiscal Operations	820,783
Community Relations	302,303
Administrative Support Services	596,721
Board of Trustees	6,368
General Institution	3,586,365
Administrative Data Processing	1,514,095
Other	<u>1,348,512</u>
Total Institutional Support	<u>9,555,122</u>
Scholarships and Student Grants	<u>8,693,444</u>
Total Current Funds Expenditures	<u>\$ 53,855,530</u>

Part III – Illinois Community College
Board State Grants Financial Compliance Section



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
Cindy A. Tefeller
Kevin J. Tepen

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

Chairman and Board of Trustees
Lewis and Clark Community College
District 536
Godfrey, Illinois 62035

We have audited the balance sheets of the Adult Education & Family Literacy grants of Lewis and Clark Community College District 536 as of June 30, 2019, and the related statements of revenues, expenditures and changes in fund balance - actual for the year then ended. These financial statements are the responsibility of Lewis and Clark Community College District 536's administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the grant policy guidelines of the Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts and grants between Lewis and Clark Community College District 536 and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion and Lewis and Clark Community College District 536 is in compliance with the provisions of laws, contracts and ICCB policy guidelines for restricted grants.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education & Family Literacy grants of Lewis and Clark Community College District 536 at June 30, 2019, and the results of their operations for the year then ended in conformity with generally accepted accounting principles.

C. J. Schlosser & Co. LLC

Certified Public Accountants
Alton, Illinois
October 11, 2019

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

ADULT EDUCATION & FAMILY LITERACY GRANT PROGRAMS
BALANCE SHEET
JUNE 30, 2019

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>			
Cash	\$ (20,667)	\$ (10,614)	\$ (31,281)
Due From the Illinois Community College Board	<u>20,667</u>	<u>10,614</u>	<u>31,281</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities and Fund Balance</u>			
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to grant financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

ADULT EDUCATION & FAMILY LITERACY GRANT PROGRAMS
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
Revenue:			
ICCB Grant	\$ 206,665	\$ 106,135	\$ 312,800
Expenditures:			
Instruction	136,081	-	136,081
Social Work Services	16,001	9,003	25,004
Guidance Services	-	-	-
Student Transportation Services	150	450	600
Literacy Services	34,168	-	34,168
Child Care Services	-	-	-
Subtotal Instructional and Student Services	<u>186,400</u>	<u>9,453</u>	<u>195,853</u>
Improvement of Instructional Services	665	3,743	4,408
Indirect Costs	15,205	7,862	23,067
General Administration	4,395	26,362	30,757
Data and Information Services	-	58,715	58,715
Operation & Maintenance	-	-	-
Subtotal Program Support	<u>20,265</u>	<u>96,682</u>	<u>116,947</u>
Total Expenditures	<u>206,665</u>	<u>106,135</u>	<u>312,800</u>
Excess Revenue Over Expenditures	-	-	-
Fund Balance, July 1, 2018	-	-	-
Fund Balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to grant financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

ICCB COMPLIANCE STATEMENT FOR
ADULT EDUCATION & FAMILY LITERACY GRANT PROGRAMS
EXPENDITURE AMOUNTS AND PERCENTAGES
FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 2019

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$136,081	65.85%
General Administration (15% Maximum Allowed)	\$4,395	2.13%

See notes to grant financial statements

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

ILLINOIS COMMUNITY COLLEGE BOARD GRANT PROGRAMS
NOTES TO GRANT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying statements include only those transactions resulting from the Adult Education & Family Literacy grant programs. These transactions have been accounted for in the Restricted Purposes Fund.

b. Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2019. Funds obligated for goods prior to June 30 for which goods are received prior to August 31 are recorded as encumbrances. Unexpended funds, if any, are reflected as a reduction of fund balance and a liability due to the ICCB by October 15.

c. Fixed Assets

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

NOTE 2: BACKGROUND INFORMATION RELATED TO STATE GRANT ACTIVITY

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Equalization Grants

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

Restricted Adult Education Grants/State

State Basic

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

Performance

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

**Part IV -- Enrollment Data and Other
Bases Upon Which Claims are Filed**



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

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

Chairman and Board of Trustees
Lewis and Clark Community College
District 536
Godfrey, Illinois 62035

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Lewis and Clark Community College District 536 for the year ended June 30, 2019. The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's Management. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was made in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

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

C. J. Schlosser & Company, L.L.C.

Certified Public Accountants
Alton, Illinois
October 11, 2019

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Categories	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer 2018		Fall 2018		Spring 2019		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	4,180.0	-	28,603.0	182.0	29,545.0	160.0	62,328.0	342.0
Business Occupational	421.5	-	3,174.5	15.5	2,695.5	29.5	6,291.5	45.0
Technical Occupational	316.0	64.0	4,848.0	136.0	5,935.0	41.0	11,099.0	241.0
Health Occupational	601.0	-	3,578.5	-	3,134.0	-	7,313.5	-
Remedial Development	243.0	-	1,853.0	39.0	1,189.0	27.0	3,285.0	66.0
ABE/ASE	20.0	750.0	126.0	1,210.5	40.0	1,455.5	186.0	3,416.0
	<u>5,781.5</u>	<u>814.0</u>	<u>42,183.0</u>	<u>1,583.0</u>	<u>42,538.5</u>	<u>1,713.0</u>	<u>90,503.0</u>	<u>4,110.0</u>
		Attending Out-of- District on Chargeback or Cooperative/ Contractual Agreement		Total				
Semester Credit Hours	<u>90,211.5</u>	<u>3,714.5</u>		<u>93,926.0</u>				
	Dual Credit	Dual Enrollment						
Reimbursable Semester Credit Hours (All Terms)	<u>26,702.0</u>	<u>-</u>						
District 2018 Equalized Assessed Valuation	<u>\$ 4,490,860,151</u>							
Signatures								
	Chief Executive Officer		Chief Financial Officer					

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

<u>Categories</u>	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	62,328.0	62,328.0	-	342.0	342.0	-
Business Occupational	6,291.5	6,291.5	-	45.0	45.0	-
Technical Occupational	11,099.0	11,099.0	-	241.0	241.0	-
Health Occupational	7,313.5	7,313.5	-	-	-	-
Remedial Development	3,285.0	3,285.0	-	66.0	66.0	-
ABE/ASE	186.0	186.0	-	3,416.0	3,416.0	-
Total	90,503.0	90,503.0	-	4,110.0	4,110.0	-

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

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total Attending as Certified to the ICCB (Unrestricted and Restricted)</u>	<u>Difference</u>
In-District Residents	90,211.5	90,211.5	-
Out-of-District on Chargeback or Contractual Agreement	3,714.5	3,714.5	-
Total	93,926.0	93,926.0	-

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS

JUNE 30, 2019

The College adheres to the rules and policies of the Illinois Community College Board in documenting student residency.

The College procedure is as follows:

Upon initial contact with students, the College receives admission forms and other documents indicating residency. To be coded “in-district”, each student must have lived at the in-district address supplied on forms for at least 30 days prior to the official beginning date of the semester and show proof of his/her residency at this address by providing one of the following documents:

- a. An Illinois driver’s license
- b. An Illinois auto license registration
- c. An Illinois voter’s registration card
- d. An Illinois property tax statement
- e. A document showing the student’s past or existing status as an in-district student, e.g. a high school transcript
- f. Other non-self serving documentation

After the College staff member has witnessed the above documentation verifying residency, a code is entered on the student’s computer record indication verification of residency. The student is automatically coded as the appropriate residence status within the Ellucian Colleague system.

Students who live out-of-district and work at least 35 hours per week in-district are eligible to receive the in-district tuition rate. The College requires documentation from the student’s employer to be eligible. While the College serves very few students who meet the following criteria, these students also qualify for in-district status if the appropriate documentation is provided: Federal job corps workers stationed in Illinois; members of the armed forces stationed in Illinois; and inmates of state correctional/rehabilitation institutions located in Illinois.

The College periodically updates staff training to properly administer the residency policies and procedures.

Part V – Federal Awards

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Expenditures
<u>Department of Education:</u>				
Direct Programs:				
<u>Student Financial Assistance Cluster:</u>				
S.E.O.G.	84.007		186,771	\$ 186,771
Federal Direct Student Loans	84.268		N/A	2,525,775
Federal Work Study	84.033		132,020	105,566
PELL	84.063		N/A	4,716,720
PELL Admin	84.063		N/A	7,225
Total Student Financial Assistance Cluster				<u>7,542,057</u>
<u>TRIO Cluster:</u>				
Talent Search 2018	84.044A		312,420	44,788
Talent Search 2019	84.044A		325,698	280,345
Upward Bound 2018	84.047A		328,496	64,331
Upward Bound 2019	84.047A		342,457	267,235
Total TRIO Cluster				<u>656,699</u>
Passed Through Illinois Community College Board:				
Career & Technical Ed Program- Perkins Postsecondary Grant	84.048	CTE53618	306,805	306,805
Career & Technical Ed Program- Leadership Grant (Dual Credit CNA to RN)	84.048	LEAD53619	46,838	9,463
Career & Technical Ed Program- Perkins Postsecondary Grant (East St. Louis)	84.048	ESTL53619	200,000	65,959
Total CFDA 84.048				<u>382,227</u>
Passed Through Illinois Community College Board:				
Adult Education & Family Literacy (Federal Basic)	84.002	5360119	145,590	145,590
Adult Education & Family Literacy (EL/Civics)	84.002	5360119	39,000	39,000
Total CFDA 84.002A				<u>184,590</u>
Total Department of Education				<u>8,765,573</u>

See accompanying notes to schedule of expenditures of federal awards

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Expenditures
<u>Corporation for National and Community Service</u>				
Direct Program:				
YouthBuild USA Americorps	94.006		85,725	41,128
YouthBuild USA Americorps	94.006		81,139	54,150
Total Corporation for National and Community Service				<u>95,278</u>
<u>Department of Health and Human Services:</u>				
Passed Through Illinois Council on Developmental Disabilities:				
Southern Illinois Transition Project	93.630	1125	272,859	48,449
Passed Through Madison County Community Development:				
Community Services Block Grant - Skills Training - Certified Nursing Assistant	93.569	2019-CSBG-003	5,000	3,643
Community Services Block Grant - Skills Training - Vocational Training	93.569	2018-CSBG-003	10,000	2,966
Community Services Block Grant - Skills Training - Youthbuild	93.569	2018-CSBG-003	10,000	8,000
Passed Through Illinois Valley Economic Dev Corp:				
IVEDC Grant - CNA			39,236	15,023
Total CFDA 93.569				<u>29,632</u>
Passed Through Illinois Department of Public Health:				
Dental Sealant Grant	93.994	93489017G	2,000	472
Total Department of Health and Human Services				<u>78,553</u>
<u>Department of Labor:</u>				
Passed Through ETA:				
YouthBuild	17.274	YB-27779-15-60-A-17	1,100,000	12,286
YouthBuild	17.274	YB-31072-17-60-A-17	1,100,000	433,805
				<u>446,091</u>
Passed Through DCEO:				
Youth Career Pathway	17.259	2018-YEEP-003	65,456	65,313
MCETD Youth Employment	17.278	16-634003	441,176	313,243
MCETD Career Pathway Training	17.278	2018-CPT-001	2,847	2,847
				<u>316,090</u>

See accompanying notes to schedule of expenditures of federal awards

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Expenditures
MCETD Career Pathway Training	17.258		82,198	<u>82,198</u>
Total Department of Labor				<u>909,692</u>
<u>National Science Foundation:</u>				
Passed Through National Science Foundation:				
Noyce Scholars	47.076	761562-01-001	108,550	<u>17,131</u>
RoL: FEL: EAGER	47.074	1838346	297,582	<u>62,327</u>
Total National Science Foundation				<u>79,458</u>
<u>United States Department of Agriculture:</u>				
Passed Through Natural Resources Conservation Service:				
NRCS/CRP to Landowners	10.902	68-5A12-13-107/002	659,770	<u>1,548</u>
Passed Through Natural Resources Conservation Service:				
NRCS/Skilled Technical Assistant-CRP	10.069	68-5A12-18-001	419,004	<u>239,468</u>
Passed Through Illinois Department of Natural Resources:				
IDNR-Southern Illinois Strike Team	10.903	R16894005	400,964	<u>86,071</u>
Total United States Department of Agriculture				<u>327,087</u>
<u>Department of Energy:</u>				
Direct Program:				
Expanding the Solar Workforce	81.087	DE-EE0008576	598,283	<u>2,564</u>
Total Department of Energy				<u>2,564</u>
<u>Department of Defense:</u>				
Passed Through US Army Corps of Engineers,				
ERDC Contracting Office:				
CESU: Forest Resources Inventory and Analysis	12.630	W912HZ-17-2-0021	114,771	<u>29,422</u>
Total Department of Defense				<u>29,422</u>

See accompanying notes to schedule of expenditures of federal awards

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Expenditures
<u>Environmental Protection Agency</u>				
Passed Through Heartland Conservancy:				
Wood River and Piasa Creek Watershed	66.454	604182	24,999	<u>5,355</u>
Upper Silver Creek Watershed	66.460	3191613	25,820	<u>10,286</u>
Total Environmental Protection Agency				<u>15,641</u>
<u>Department of the Interior</u>				
Passed Through US Geological Survey Office:				
Floodplain Forest Canopy Gap	15.808	G19AC00028	34,452	<u>1,288</u>
Passed Through Illinois Department of Natural Resources:				
IDNR Living with Wildlife (Wildlife Restoration)	15.611	W-147-T-10	300,000	47,023
IDNR Living with Wildlife (Wildlife Restoration)	15.611	W-147-T-11	325,000	<u>325,000</u>
				<u>372,023</u>
IDNR Assessment of Herpetological Species	15.634	T-112-R-1	81,360	<u>14,698</u>
Total Department of the Interior				<u>388,009</u>
Total Federal Award Programs				<u>\$ 10,691,277</u>
The College did not pass-through any funds to sub-recipients				

See accompanying notes to schedule of expenditures of federal awards

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Lewis and Clark Community College District 536 (College). The College's reporting entity is defined in Note 1 to the College's financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

Relationship to General Purpose Financial Statements

Federal awards received are reflected in the College's financial statements within the Restricted Purposes Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in financial claim reports for programs that have filed final reports as of June 30, 2019, with various funding agencies.

Noncash Assistance, Federal Insurance and Loans/Loan Guarantees

The College did not receive any noncash assistance for the year ended June 30, 2019. The College also did not receive any federal guaranteed loans or federal insurance for any of its programs for the year ended June 30, 2019.

Subrecipient Monitoring

The College did not have any federal funds that were passed through to subrecipients during the year ended June 30, 2019.

Indirect Cost Rate

The College has developed and used an indirect cost rate of 37% for On-campus programs and 16% for Off-campus programs.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Part 1 – Summary of Auditor’s Results

- a) An unmodified opinion was issued in the report on the financial statements.
- b) No significant deficiencies or material weaknesses in internal control were reported in the audit of the financial statements of Lewis and Clark Community College District 536.
- c) The audit did not disclose any noncompliance that is material to the financial statements of Lewis and Clark Community College District 536.
- d) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements of Lewis and Clark Community College District 536.
- e) An unmodified opinion was issued in the report on compliance for major programs.
- f) The audit disclosed no findings that are required to be reported in accordance with 2 CFR Section 200 516(a).
- g) Lewis and Clark Community College District 536’s major program is the Student Financial Assistance Cluster.

Federal Pell Grant

Sample		Population from which the Sample was drawn			
Sample Description	OPEID	Students Receiving Pell (#)	Pell Disbursed (\$)	Students Receiving Pell (#)	Pell Disbursed (\$)
Eligibility	010020	1,441	4,716,720	42	172,295
Return to Title IV	010020	55	48,769	3	1,710

Federal Direct Student Loan

Sample		Population from which the Sample was drawn			
Sample Description	OPEID	Receiving Direct Loans (#)	Direct Loans Disbursed (\$)	Students Receiving Direct Loans (#)	Direct Loans Disbursed (\$)
Eligibility	G10020	672	2,525,775	18	67,470
Return to Title IV	G10020	25	18,521	2	3,170

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

- h) The dollar threshold to distinguish between Type A and Type B programs is \$750,000.
- i) Lewis and Clark Community College District 536 qualifies as a low-risk auditee.

Part 2 -- Lewis and Clark Community College District 536 has no findings to the financial statements that are required to be reported in accordance with GAGAS.

Part 3 - Lewis and Clark Community College District 536 has no findings or questioned costs for federal awards.

LEWIS AND CLARK COMMUNITY COLLEGE DISTRICT 536

PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

None



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

Chairman and Board of Trustees
Lewis and Clark Community College
District 536
Godfrey, 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 the Lewis and Clark Community College District 536 ("College") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 11, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C. J. Schma & Company LLC

Certified Public Accountants

Alton, Illinois

October 11, 2019



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

Chairman and Board of Trustees
Lewis and Clark Community College
District 536
Godfrey, Illinois

Report on Compliance for Each Major Federal Program

We have audited Lewis and Clark Community College District 536's ("College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative, 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 College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major

federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 College's internal control over compliance.

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

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

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

C. J. Schlarb & Company, LLC

Certified Public Accountants
Alton, Illinois
October 11, 2019

Part VI – Certificate of Chargeback Reimbursement

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2020**

College or District Name: Lewis & Clark Community College
District #: 0536

ALL FISCAL YEAR 2019 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	22,914,750
2. Operations and Maintenance Fund	6,886,852
3. Public Building Commission Operation and Maintenance Fund	-
4. Bond and Interest Fund	6,257,697
5. Public Building Commission Rental Fund	-
6. Restricted Purposes Fund	18,268,454
7. Audit Fund	55,300
8. Liability, Protection, and Settlement Fund	3,007,358
9. Auxiliary Enterprises Fund (subsidy only)	-
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	57,390,411
11. Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) from Sources other than State and Federal Funds	3,579,420
12. TOTAL COSTS INCLUDED (line 10 plus line 11)	60,969,831
13. Total certified semester credit hours for FY 2019	94,613
14. PER CAPITA COST (line 12 divided by line 13)	644.41
15. All FY 2019 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	11,169,021
16. FY 2019 state and federal grants per semester credit hour (line 15 divided by line 13)	118.05
17. District's average ICCB grant rate (excluding equalization grants) for FY 2020	34.46
18. District's student tuition and fee rate per semester credit hour for FY 2020	131.00
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	360.90

Approved: Nancy L Kaiser 10/11/2019
Associate Vice President, Accounting and Chief Budget Officer Date

Approved: [Signature] 10/11/2019
Chief Executive Officer Date