

Lake County Community College District d/b/a Lakeland Community College

Notes to Financial Statements June 30, 2017 and 2016

Note 12: Lake County Schools' Health Care Consortium (continued)

ciencies during that fiscal year. The LCSC has purchased a stop-loss insurance policy with a maximum loss of \$500,000 per claimant. LCSC net assets at June 30, 2017 (unaudited) amounted to \$6.5 million. The LCSC audit report is available at the Ohio Auditor of State website (<https://ohioauditor.gov>) or upon request.

Note 13: Risk Management

On November 1, 2011, the College joined with seven other state-assisted community colleges in Ohio to form an insurance-purchasing pool for the acquisition of commercial property, casualty, and general liability insurance. The College pays annual premiums to the pool for coverage based on its percentage of the total insurable value to the pool. There are twelve members in the pool as of June 30, 2017 and June 30, 2016.

Through the normal course of operations, the College is occasionally named as a defendant in legal actions and claims. In the opinion of management and legal counsel, any liability which may ultimately be incurred will not have a material adverse effect on the financial condition of the College. The College purchases commercial insurance to cover general liability losses.

Note 14: Subsequent Event

On June 1, 2017, the College's Board of Trustees approved a Resolution authorizing the College to issue up to \$10 million in ten-year tax anticipation notes. The proceeds will be used for the Health Technologies Building renovation and expansion project. The College closed this transaction on July 19, 2017.

Note 15: Discretely Presented Component Unit

Note 1: Nature of Activities

The Lakeland Foundation (the "Foundation") was formed in 1981 to obtain private financing support for the promotion of excellence at Lakeland Community College (the "College") and operates for the benefit and is a component unit of the College. The Foundation provides scholarships, support, and loans to financially disadvantaged students, students demonstrating excellent academic abilities, and students meeting criteria of specific donor stipulations. The Foundation also provides support to specific educational departments and programs of the College. The accounting records for the Foundation are maintained at the College in Kirtland, Ohio. Certain administrative expenses of the Foundation are paid directly by the College.

The Foundation serves as fiscal agent for Partners in Science Excellence (PSE). PSE is a separate organization with its own board. The cash on hand and due to PSE is reflected on the statement of financial position as "Cash held for others" and "Due to custodial funds."