Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2018 and 2017

Community College District No. 532
Grayslake, Illinois

College Lake County
Connect to Your Future

College of Lake County
Community College District No. 532

Grayslake, Illinois

Comprehensive Annual Financial Report
June 30, 2018 and 2017

Prepared by:

Kenneth C. Gotsch
Vice President, Administrative Affairs

Constance M. Kravitz, CPA
Controller

College of Lake County
Community College District No. 532

Table of Contents

College of Lake County

Grayslake Campus

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October 11, 2018

To Members of the Board of Trustees and Residents of Illinois Community College District 532:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the College of Lake County, Community College District No. 532 (the College). It has been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America, as set forth by the Governmental Accounting Standards Board (GASB). State law, as enacted in the Public Community College Act requires Community Colleges to submit audited financial statements with the Illinois Community College Board (ICCB) by December 30th or thirty days after it is completed. The report includes the College of Lake County Foundation as a component unit in compliance with GASB Statement No. 39 and GASB Statement No. 61. A more detailed description of the legal entity is contained in the notes to the financial statements in the financial section.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls it has established for this purpose. Because the costs of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, changes in financial position, and cash flows of the College.

RSM US LLP, a firm of licensed public accountants, has audited the financial statements of the College and has issued an unmodified ("clean") opinion on the College's CAFR for the fiscal year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of the report.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (MD&A). The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and focuses on current activities, accounting changes, and currently known facts.

The fiscal management manual of the ICCB provides the framework for accounting codes, appropriate use of funds and ICCB reporting requirements and serves as a handbook for external auditors. The College also maintains its accounts in accordance with guidelines set forth by the Government Finance Officers Association (GFOA), and the National Association of College and University Business Officers (NACUBO). The financial records are maintained on the full accrual basis of accounting, whereby revenues are recorded when earned, and expenses are recorded when incurred.

The College is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including a schedule of expenditures of federal awards, the 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*, the independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance, and a schedule of findings and questioned costs are included in a separately issued single audit report.

PROFILE OF THE COLLEGE

Established by the citizens of Lake County in 1969 within a framework of the Illinois Master Plan for Higher Education, the College of Lake County is a comprehensive community college dedicated to meeting the post-secondary educational and training needs of individuals within District No. 532. The College of Lake County is accredited by the Higher Learning Commission (HLC) under the Academic Quality Improvement Program (AQIP) model of accreditation and is a member of the North Central Association of Colleges and Schools (NCA).

Illinois has 48 community colleges and one multi-community college center in 39 community college districts. The College of Lake County's district is located in Lake County, Illinois, north of Chicago, bordering Cook County on the south, and Lake Michigan on the east, and Wisconsin on the north. In the 2010 census, the population of Lake County reached 704,034 for a 9% increase over the 2000 census level. As of 2018, the Lake County population was estimated to be 704,119. *Economic Modeling Specialists International (EMSI)* projects that Lake County's population will increase to 708,490 by 2028.

The College is recognized by the ICCB and governed by a locally elected seven-member Board of Trustees and one appointed, non-voting (advisory) student representative to ensure accountability. The College employs more than 660 full-time and 1,400 part-time staff members, including administrators, faculty members, counselors and advisors, specialist and classified staff members, other professionals, and student employees.

As a public institution of higher learning, the College of Lake County serves its students and the larger community through its mission, vision, and values of learning, integrity, quality, service, accountability, and diversity. The College's mission statement is as follows: The College of Lake County is a comprehensive community college that delivers high quality, accessible learning opportunities to advance student success and strengthen the diverse communities we serve.

Over the past decade, the College of Lake County has prioritized the following objectives:

- Advance student learning, success and completion.
- Maximize educational opportunity and equity in student outcomes.
- Promote excellence in the areas of Diversity, Global Engagement, Sustainability, and Wellness as strengths within the College and Lake County community.
- Enable a culture of innovation, excellence, and continuous improvement.

The College is embarking on the development of its next strategic plan and preparing for its launch during the College's 50th anniversary celebration in 2019.

The College serves Lake County by providing a wide range of liberal arts and career credentials, including developmental education. The College also supports businesses and economic development through incumbent workforce contract training, professional development, seminars, international trade, and small business development.

Beyond academic credentials and workforce training, the College enhances the community by providing personal enrichment and continuing education courses, as well as music, theater, and multicultural events.

The College also strives to ensure that its students are prepared to engage in today's diverse and global society, by offering international, multicultural, and robust student life experiences.

The College is committed to equity in access and success for every student. Thus, the College provides academic support and flexible student services that include advising, counseling, financial aid, and placement. Throughout all of its work, the College maintains academic standards that will lead to competence and encourage the pursuit of excellence.

Through these efforts, the College ensures opportunities for all people, regardless of race, ethnic origin, creed, gender, age, veteran status, sexual orientation, or non-disqualifying disability.

A component unit of the College is the College of Lake County Foundation (the Foundation). The Foundation was established in 1974 for the purpose of providing resources for projects that are not funded through the regular operating budget of the College, but that support the mission and goals of the College. Funds raised through donations, grants, and benefit events are used to fund scholarships and grants that provide College of Lake County students with opportunities for a better future. Through these efforts, the Foundation strengthens the vitality and well-being of the diverse communities the College and Foundation serves. Essentially all of the Foundation's revenue and expenses are for the benefit of the College. The Foundation is a private, not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) guidance. There are no other potential component units that were excluded from this report.

The College's annual budget is established following Illinois Statutes and the ICCB Fiscal Management Manual. The process begins with the establishment of goals and objectives incorporating input from all levels of the College and the community. Next, revenues are projected to set the parameters for a balanced budget for the fiscal year (FY), and a detailed financial plan, including three-year projections, is presented to the Board of Trustees for its review. College departments then prepare budget requests, which are reviewed by the College's executive team, and the final budget document is submitted to the Board of Trustees for approval. The entire budget preparation process encourages input and involvement at all levels of the College.

The annual budget ensures that the College is in compliance with all legal provisions, as defined by state statutes, and the budget is used to set the annual appropriated limits for expenditures approved by the Board of Trustees. The administration, with Board approval, makes transfers between various items if changes are necessary during the year. The level of budgetary control is established for each individual fund, and funds are categorized as follows:

Fund Types	Fund Groups	Fund
Government Fund Types	General	Educational and Operations and Maintenance
	Special Revenue	Audit, Restricted Purpose, Liability Protection and Settlement, Insurance Reserve
	Debt Service	Bond and Interest
	Capital Project	Operations and Maintenance (Restricted)
Proprietary Fund Types	Enterprise	
Fiduciary Fund Types	Nonexpendable Trust	Working Cash

An encumbrance accounting system is used to maintain budgetary control. Expenditures are encumbered as they incur; whereas online financial reports track accurate budget balances throughout the year. The financial statements and schedules included in the financial section of this report provide support that the College meets its responsibilities for sound financial management.

ECONOMIC CONDITION

Local economy. Although primarily a residential area, Lake County is home to some of the largest businesses in Illinois, including Aon-Hewitt Associates, W.W. Grainger, CDW, Walgreen's, Baxter International, Mondelez International, Medline Industries, Advocate Condell Medical Center, AbbVie, and Abbott Laboratories. Great Lakes Naval Station is the largest military installation in Illinois, with approximately 20,000 sailors, Marines and soldiers assigned to its 1,600-acre campus. In addition, Lake County has tourist attractions such as Gurnee Mills (The Mills Group), Six Flags Great America, and Great Wolf Lodge water resort. The new Northwestern Medicine Lake Forest Hospital opened in 2018 on a redesigned campus at a cost of $392 million. The facility is expected to stimulate economic growth in the surrounding area. Also in 2018, Caterpillar opened its new world headquarters in Lake County.

The local economy continues to improve. Unemployment reached a high of 10.5% in 2010 and dropped to a ten-year low of 4.9% in 2017. U.S. Bureau of Labor Statistics reports an increase in consumer prices (1.9%) for the Chicago-Gary-Kenosha area for 2016 after experiencing virtually no change (0.0%) in 2015. The Illinois Association of Realtors reports homes prices in Lake County are increasing as well, as demonstrated by the increase in median sales price for homes in the county from $220,000 as of second quarter 2016 to $245,000 in second quarter of 2017 (most recent data available to report).

There is a direct, inverse correlation between unemployment and community college enrollment. The College's enrollment trend in the last five years has declined, which is similar to the experience of local peer colleges. Enrollment of college-level students decreased annually from

2013 to 2017 (headcount declined 2.6% in 2013, 6.0% in 2014, 4.5% in 2015, 1.3% in 2016, and 1.3% in 2017).

Despite the projected population growth, the projected number of high school graduates in the area is expected to decline 15% by 2028, compared with the number of high school graduates in 2017 (source: College of Lake County Office of Institutional Effectiveness, Planning & Research). As this trend continues, and if the College's yield of local high school students remains static, a 16% decline is expected in the number of public high school students who enroll at the College in the fall semester of 2028 compared with the number enrolled in fall 2017. The College has already experienced a decline in college-level student enrollment, which began in FY 2011.

The State of Illinois continues to experience fiscal challenges. After going for over two years without a full State budget, the House and Senate approved a package of legislation (Senate Bills 6, 9 and 42) that provides appropriations for FY 2017 and FY 2018 as well as a permanent income tax increase, pension reform and other changes necessary to support the spending levels. On July 4, 2017, the package was vetoed in its entirety by Governor Rauner, and in turn, the Senate took action to override the veto. On July 5, 2017, the House voted to override the governor's veto of all three bills, thus enacting the legislation into law. The College had received $3.4 million from the 1st semester State budget for FY 2017. The State's veto override budget, approved in early July, authorized an additional $4.8 million for FY 2017; however; the State Controller, as well as the GASB, determined that State colleges and universities must record this 2nd semester revenue in FY 2018. In addition to the unexpected 100% funding of the State grant for FY 2017, the State approved an operating grant of $6.8 million (a 15.5% reduction from FY 2015) for FY 2018; whereas the College had budgeted $6.5 million (a 20% reduction from FY 2015) for FY 2018. For FY 2019, the College had conservatively budgeted $6.5 million (a 20% reduction from FY 2015). The State approved the FY 2019 budget on June 4, 2018, for $7.2 million (an 11% reduction from FY 2015).

Although State funding continues to be uncertain, the College remains focused on providing an affordable quality education to students by continuously looking for ways to increase revenue and cut costs.

Long-term financial planning. The College issues a three-year financial plan, which ensures that the College's financial projections are consistent with the overall vision, strategic plan, master plan, and core values of the institution. The plan will be utilized to identify the priorities, resources, and time frames for preparing budgets and projecting revenues used in financial planning. It will be updated annually to ensure that the College is current with financial trends, enrollment changes, property tax variables, and the needs of the internal and external community that may financially impact the College.

The financial plan includes three years of financial projections, four years of revenue and expense history, and the current year budget totals. The financial plan sets forth a framework for the Board of Trustees and the administration to examine future implications of major financial decisions. The plan is part of the annual planning cycle that integrates college improvement projects with the financial resources necessary to meet strategic planning objectives.

Strategic planning is a systematic and ongoing activity that the College uses to define its direction and to anticipate major financial issues during a defined time period. Strategic planning looks at the organization as a whole, orients it toward the future, supports the mission, is externally directed, spans organizational boundaries, addresses levels of uncertainty, and demonstrates public value. The goal of the strategic planning process is to provide the College with tools and plans to anticipate and respond to change externally and internally. The strategic planning process at the College coincides with the Facilities Department's Master Planning process and the budgeting process. In 2018, the College completed an environmental scan, the results of which will inform the development of an updated institutional four-year strategic plan to be adopted in the summer of 2019.

The College is implementing its comprehensive master plan for facilities, which was approved in FY 2013. Local projects are being funded from $60 million in bonds issued in September 2013. Total funding for local projects is $89.7 million, with $62.2 million in bond funding and $27.5 million from accumulated fund balance in the Operations and Maintenance (Restricted) Fund.

In Fiscal Year 2011, the state of Illinois passed a capital bill for infrastructure statewide. In this bill, the College will receive state funding for a new science building in Grayslake and a new student center in Waukegan. The total funds appropriated by the state are $53.5 million, and the College will contribute an additional $24.4 million. The College issued non-referendum bonds in Fiscal Year 2012 to cover a large portion of the match. These two new buildings will allow the College to grow and meet the expanding needs of Lake County. Local projects and these two buildings are estimated to cost $167.6 million and will take five years to complete. In FY 2018 the science building was placed in service at a cost of $25.2 million with additional phases still in process. The Waukegan project is now proceeding in the design stage, after the State's fiscal stress had placed the project on hold for several years.

In December 2017, anticipating changes in the Federal Tax Law that were going into effect in January 2018, the College, with assistance of Financial Advisors and Bond Council, reviewed all outstanding debt to find opportunities for debt restructuring that could benefit the College. In November, the Federal Tax Law indicated the removal of the tax benefits of Private Placement Bonds as well as advance refunding. In December 2017, the College advance refunded its General Obligation (Alternate Revenue Source), Series 2013B, with a Private Placement General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017. The final maturity date remained at June 1, 2034, but realized savings, as interest rates were reduced to 3.1%, saving approximately $100,000 each year.

Relevant financial policies. The College has an established policy that provides for the prudent, conservative, timely investment of excess funds. This policy, approved by the Board, follows the Illinois Community College Act (Chapter 110 of Illinois Compiled Statutes Act 805) and the Illinois Public Funds Investment Act (Chapter 30 of the Illinois Compiled Statutes Act 235). The Treasurer, as appointed by the Board of Trustees, is responsible for managing College investments. In FY 2018, the College's new investment advisor completed a review and recommended updates to the Board's investment policy to enhance its investment policy and portfolio management strategy. These recommendations were based on a comparison of the Board's investment policy to current State investment regulations (the Illinois Public Funds

Investment Act, 30 ILCS 235/0.01 et seq., as amended), their experience with similar governmental investment policies, and suggestions made by the College's bank.

The typical College property and casualty losses are insured through a conventional insurance program, providing coverage for these losses under policies such as workers' compensation, building and property insurance, tort liability, school leaders' professional liability, and a $20 million umbrella policy that provides excess insurance coverage to extend the basic limits of these policies. A special tax levy authorized by state statute allows the issuance of a property tax to pay for these risks, excluding those with elements for property coverage. To minimize the risk of loss, the College has a Campus Police Department on duty 24 hours, seven days per week, a Health Services Department and an active Safety Committee to review and make recommendations for improving and/or mitigating risk to property, employees and students.

Major initiatives. The College is implementing its strategic and operational plans, including the master plan, financial plan, information technology plan, sustainability plan, capital investment plan, and safety and emergency response plan. For Fiscal Year 2019, College of Lake County continues its focus on planning for the future.

The College undertakes various projects related to its strategic and operational plans. One cluster of projects includes the College's annual institutional improvement projects. In the past, these annual projects were required under the College's Academic Quality Improvement Program (AQIP) accreditation pathway. However, as of fall 2018 the Higher Learning Commission (HLC) no longer requires these projects. The College is committed to continuous improvement and is continuing with these projects internally. For 2018-2019, the College is conducting projects to improve the effectiveness of course evaluations, promote employee satisfaction and engagement, and revise and adopt the strategic plan.

AWARDS AND ACKNOWLEDGMENTS

GFOA Certificate of Achievement. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to College of Lake County for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the seventeenth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and the College is submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Distinguished Budget Presentation Award. The College of Lake County received the GFOA Distinguished Budget Presentation Award for its annual budget documents for the years ended June 30, 2013, through 2017. In 2018, the College applied for the Award for Best Practices in Community College Budgeting (a new set of criteria specifically related to community colleges); however, GFOA has not yet completed the review of its application and has provided a certificate to acknowledge that the College has made efforts to implement the new budget guidelines. To receive this award, a community college's budget processes are evaluated according to a number of criteria that focus on aligning resources toward student achievement, including collaboration, communication, and rigorous development, evaluation, and prioritization of strategies, to achieve a college's goals and objectives. In addition, the criteria includes recommendations for conveying the results of the budget process through the budget presentation and utilizing continuous improvement approaches to monitor outcomes. The College plans to submit its FY 2019 budget document for consideration to receive the Best Practices in Community College Budgeting award, as this certificate is only valid for a period of one year.

Acknowledgments. The CAFR represents the work of several dedicated finance office administrators and staff members. It could not have been completed without the considerable effort of the RSM US LLP audit team, utilizing their extensive professional experience garnered from work with community colleges throughout the State of Illinois and the nation. Credit must also be given to the College Board of Trustees and the College Leadership Team for providing the time and resources required for producing such an extensive report.

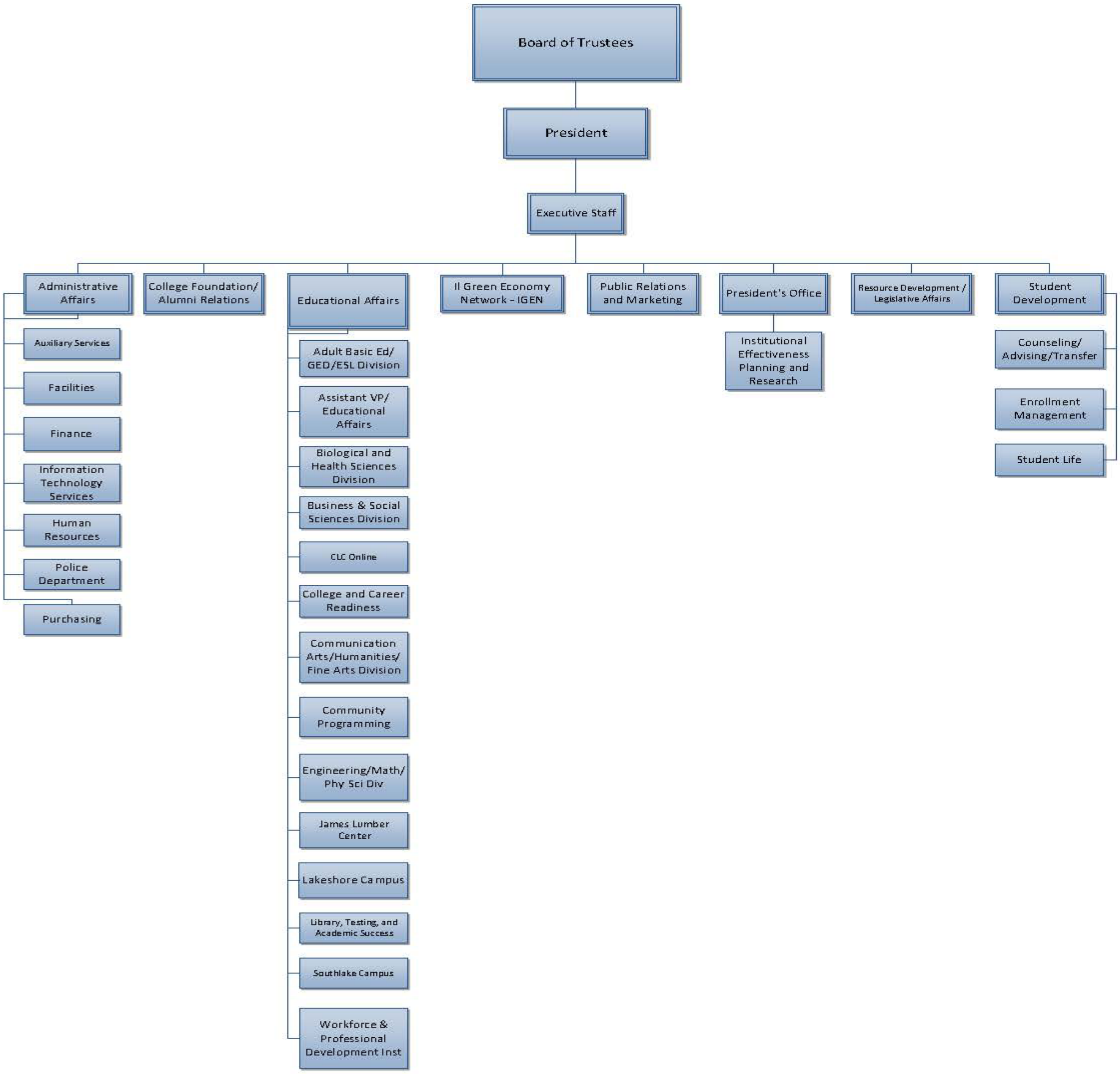
Respectfully submitted,

Kenneth Gotsch,
Vice President of Administrative Affairs

Constance M. Kravitz, CPA,
Controller

College of Lake County
Community College District No. 532

Organization Chart



College of Lake County
Community College District No. 532

Principal Officials

Year ended June 30, 2018

BOARD OF TRUSTEES

OFFICERS OF THE COLLEGE OF LAKE COUNTY

Dr. Lori Suddick	President
Dr. Alyssa O'Brien	Vice President, Educational Affairs
Karen Hlavin	Interim Vice President, Student Development
Kenneth C. Gotsch	Vice President, Administrative Affairs/Treasurer

OFFICIALS ISSUING REPORT

Kenneth C. Gotsch	Vice President, Administrative Affairs
Constance M. Kravitz	Controller

DIVISION ISSUING REPORT

Administrative Affairs
Finance Department

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

College of Lake County
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Independent Auditor's Report

To the Board of Trustees
College of Lake County
Community College District No. 532
Grayslake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the College of Lake County, Community College District No. 532, Illinois (the College) as of and for the years ended June 30, 2018 and 2017, 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 audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College of Lake County, Community College District No. 532, as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 13 to the financial statements, during the year ended June 30, 2018, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which required a restatement to the July 1, 2017 net position. 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 the management's discussion and analysis (pages 4-13), schedules of funding progress, net pension and postemployment benefit (OPEB) liabilities, employer contributions, and related notes on pages 57-64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Uniform Financial Statements, as required by the Illinois Community Colleges Board, and the other information, such as the Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Uniform Financial Statements (schedules 1 through 5), as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Uniform Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
October 11, 2018

This section of the College of Lake County's (the College) Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2018 and 2017. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The financial statements focus on the College as a whole. This presentation is designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the statements of net position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short term spendable resources) with capital assets. The statements of revenues, expenses, and changes in net position focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to the students and the public.

Financial Highlights Fiscal Year 2018

Total operating revenues were $32,654,089 and total operating expenses were $169,993,379 for the year ended June 30, 2018. The difference produced an operating loss of $137,339,290.

Net non-operating revenues of $144,409,862 for the year ended June 30, 2018 offset the operating loss and resulted in an overall increase in net position (before state capital appropriations and capital contributions) of $7,070,572. Non-operating revenues included local property taxes of $68,268,042, replacement tax of $1,054,387, state appropriations of $61,287,667, federal grants and contracts of $13,006,462, local grants and contracts of $1,365,480 and investment income of $866,590; offset by interest expense of $1,438,766.

Operating revenue accounted for 17.0% of the College's total revenue and non-operating revenue accounted for 75.9% of the College's total revenue. The remaining 7.1% pertains to capital contributions. Operating revenue consisted of tuition and fees, net of scholarships, totaling $23,755,295, auxiliary enterprise revenues totaling $7,792,791, and other operating revenues of $1,106,003.

Total net position increased from $146,158,586 at the beginning of the year (as restated) to $166,821,785 at the end of the year. See Note 13 of the basic financial statements for information on the restatement of $(59,646,775) due to the College's implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Financial Highlights Fiscal Year 2017

Total operating revenues were $36,925,362 and total operating expenses were $151,865,921 for the year ended June 30, 2017. The difference produced an operating loss of $114,940,559.

Net non-operating revenues of $124,574,624 for the year ended June 30, 2017 offset the operating loss and resulted in an overall increase in net position of $9,634,065. Non-operating revenues included local property taxes of $66,976,264, replacement tax of $1,280,857, state appropriations of $44,951,735, federal grants and contracts of $11,361,992, local grants and contracts of $1,167,546 and investment income of $534,166; offset by loss on disposition of assets of $423,435 and interest expense of $1,274,501.

Operating revenue accounted for 22.6% of the College's total revenue and non-operating revenue accounted for 77.4% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling $27,013,124, auxiliary enterprise revenues totaling $8,381,236, and other operating revenues of $1,531,002.

Total net position increased from $196,171,296 at the beginning of the year to $205,805,361 at the end of the year.

Overview of the Financial Statements

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the basic financial statements, and required supplementary information.

The financial statements provide both long-term and short-term information about the College's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The College's financial statements are prepared on an accrual basis in conformity with U.S. generally accepted accounting principles (U.S. GAAP) as applicable to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in net position.

The statement of net position reports the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position, the difference between the College's total of assets and deferred outflows and the total of liabilities and deferred inflows, are one way to measure the College's financial health or position. An increase in the College's net position during the year is an indicator of the change in assets acquired less assets consumed.

Financial Analysis

Net Position

The College's net position at June 30, 2018, 2017 and 2016 was $166.8 million after restatement of ($59.6 million), $205.8 million, and $196.2 million, respectively, an increase of $20.7 million, $9.6 million and $6.2 million, respectively. Total assets and deferred outflows of resources were $353.2 million, $325.3 million and $324.7 million, and total liabilities and deferred inflows of resources were $186.4 million, $119.5 million and $128.5 million at June 30, 2018, 2017 and 2016, respectively. The change in net position is an indicator of whether the financial condition has improved or worsened during the year. Assets and liabilities are measured using current values with the exception of capital assets. Capital assets are stated as historical cost, reduced by depreciation.

A summary of the statements of net position at June 30, 2018, 2017, and 2016 are as follows:

Statements of Net Position

June 30,
(in Thousands)

	2018	2017	2016
Current assets	$ 113,220	$ 148,997	$ 162,449
Restricted assets	218	199	1,470
Other noncurrent assets	42,321	-	7,173
Capital assets, net of depreciation	193,309	176,018	153,474
Total assets	349,068	325,214	324,566
Deferred outflows of resources	4,110	122	145
Current liabilities	24,961	22,993	26,581
Long-term liabilities	122,167	63,131	68,996
Total liabilities	147,128	86,124	95,577
Deferred inflows of resources	39,228	33,407	32,963
Net position:			
Net investment in capital assets	133,659	110,607	93,243
Restricted	2,935	2,879	3,990
Unrestricted	30,228	92,319	98,938
Total net position	$ 166,822	$ 205,805	$ 196,171

The College had a current ratio of 4.5, 6.5, and 6.1 times at June 30, 2018, 2017 and 2016, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2018, for every dollar of current liabilities, the College has $4.5 in current assets. This ratio is one indicator of the College's ability to pay its debts as they become due.

Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness, net of unspent bond proceeds, attributable to the acquisition, construction, or improvement of those assets. The principal liabilities for capital assets are bonds which were used to construct and improve buildings.

Net Position - Fiscal Year 2018 compared to 2017

Current assets decreased by $35.8 million primarily due to a decrease in cash, cash equivalents and investments of $32.9 million and a decrease in receivables of $2.9 million.

Deferred outflows increased by $4.0 million due to implementation of GASB Statement No. 75 and recording a deferred refunding cost. Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent assets increased by $59.6 million due to an increase in other long-term investments of $42.3 million. Additionally, capital assets increased by $17.3 million due to the fact that capital additions were greater than depreciation and deletions during the year.

Current liabilities increased by $2.0 million primarily due to an increase in accounts payable of $4.2 million, a decrease in accrued expenses of $1.8 million and decrease in unearned tuition and rent of $0.4 million.

Deferred inflows increased by $5.8 million mainly due to implementation of GASB Statement No. 75 Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent liabilities increased $59.0 million due mainly to implementation of GASB 75, where a prior period restatement of $59.6 million was recorded to reflect the adjusted OPEB liability as of June 30, 2017. The OPEB liability increased $4.2 million during Fiscal Year 2018. Additionally other long-term obligations decreased by $4.8 million, which included principal payments and debt refunding made in Fiscal Year 2018 that reduced outstanding debt including general obligation limited tax bonds to fund the College's master plan.

Net Position - Fiscal Year 2017 compared to 2016

Current assets decreased by $13.5 million primarily due to a decrease in cash and investments of $9.6 million and a decrease in receivables of $4.0 million.

Noncurrent assets increased by $14.1 million based on a decrease in restricted cash and cash equivalents of $1.3 million and a decrease in other long-term investments of $7.2 million. Additionally, capital assets increased by $22.5 million due to the fact that capital additions were greater than depreciation and deletions during the year.

Current liabilities decreased by $3.6 million primarily due to a decrease in accounts payable of $5.6 million and an increase in accrued expenses of $1.8 million. Noncurrent liabilities decreased $5.9 million due to principal payments made in Fiscal Year 2017 that reduced outstanding debt including general obligation limited tax bonds to fund the College's master plan.

Changes in Net Position

Summary of the change in net position, total revenues less total expenses, for the years ended June 30, 2018, 2017 and 2016 is as follows:

Changes in Net Position
Years ended June 30,
(in thousands)

	2018	2017	2016
Total revenues	$ 192,095	$ 163,197	$ 152,703
Total expenses	171,432	153,563	146,468
Increase in net position	20,663	9,634	6,235
Net position at the beginning of the year (as previously reported)	205,805	196,171	189,936
Prior period restatement	(59,646)	-	-
Net position at the beginning of the year (as restated)	146,159	-	-
Net position at the end of the year	$ 166,822	$ 205,805	$ 196,171

Revenues

Summaries of revenues for the years ended June 30, 2018, 2017 and 2016 are as follows:

Revenue Summary
Years ended June 30,
(in thousands)

	2018	2017	2016
Operating:			
Student tuition and fees, net	$ 23,755	$ 27,013	$ 24,702
Auxiliary enterprise	7,793	8,381	9,459
Other operations	1,106	1,531	1,052
Total operating revenues	32,654	36,925	35,213
Nonoperating:			
Local property taxes	68,268	66,976	66,153
Personal property replacement taxes	1,054	1,281	1,160
State appropriations	61,288	44,951	34,646
Federal and local grants and contracts	14,372	12,530	15,123
Investment income, net	867	534	408
Total nonoperating revenues	145,849	126,272	117,490
State capital appropriations	12,433	-	-
Capital contributions	1,159	-	-
Total revenues	$ 192,095	$ 163,197	$ 152,703

Revenues - Fiscal Year 2018 Compared to 2017

Operating revenue decreased by $4.3 million. This reflects a decrease in tuition and fees of $3.3 million, a decrease in auxiliary enterprise revenue of $0.6 million and a decrease in revenue from other operations of $0.4 million.

Non-operating revenue increased by $19.6 million primarily due to increases of state appropriations by $16.3 million, increases in Federal and local grants and contracts of $1.8 million and increases in local property taxes of $1.3 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5 percent, whichever is lower. The increase in state appropriations was due mainly to two factors. Appropriations of $6.6 million from the base operating and other grants were not recorded as a receivable on the College's Fiscal Year 2017 statement as the State of Illinois did not approve its budget for fiscal year ending June 30, 2017 until July 6, 2017. Therefore, as the State did not record the payable as of June 30, 2017, the College did not record the receivable. This resulted in an increase for Fiscal Year 2018 of $13.2 million over Fiscal Year 2017 as the majority of Fiscal Year 2017 as well as all of Fiscal Year 2018 was recorded in Fiscal Year 2018. The College also implemented GASB Statement No. 75 during Fiscal Year 2018, which required recording an additional on behalf payment from the State of $4.7 million for postemployment benefits other than pensions. Other decreases to state appropriations include a reduction in the base operating grant from Fiscal Year 2017 to 2018 of $1.3 million and a decrease in the State Universities Retirement System of Illinois (SURS) contribution made by the state of $0.4 million. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the

College at an actuarially determined rate. Contribution requirements are established and may be amended by the Illinois General Assembly.

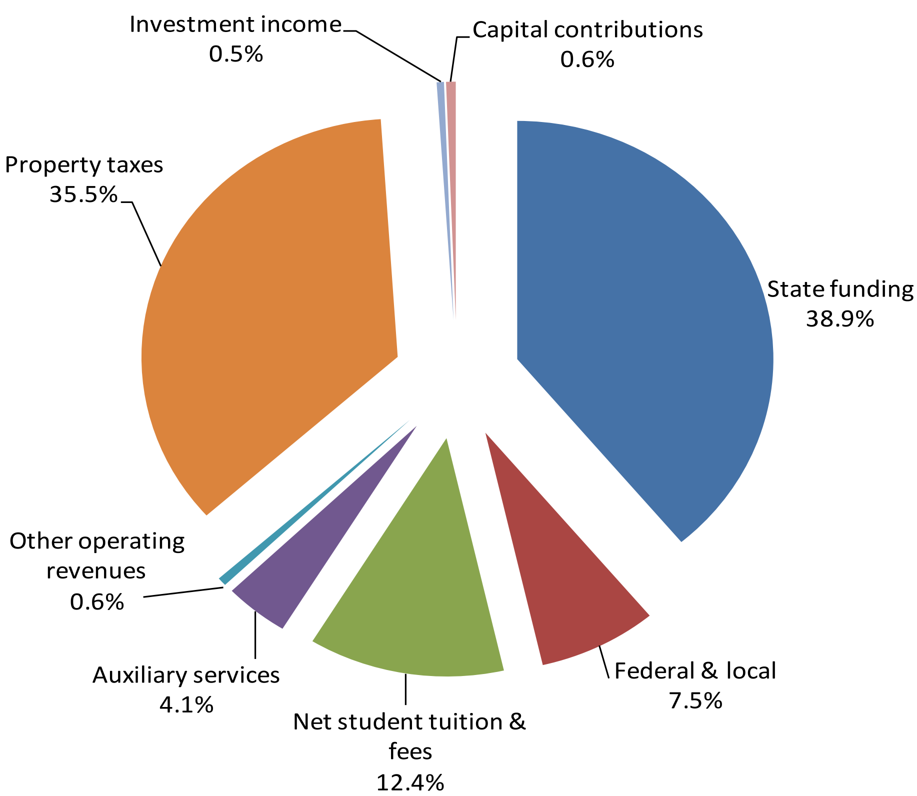
Fiscal Year 2018 State capital contributions consist of $11.5 million for the State portion of the College's Science Building and $0.9 million for an HVAC project, which was State funded.

The pie chart shows all revenue from both operating and non-operating sources. State funding in the pie chart and above includes both capital and noncapital appropriations, which accounts for the largest percentage of the College's revenue at 38.9%. The next highest sources were property taxes of 35.5% and net student tuition and fees at 12.4%.

College of Lake County

Revenues

Year ended June 30, 2018



Revenues - Fiscal Year 2017 Compared to 2016

Operating revenue increased by $1.7 million. This reflects an increase in tuition and fees of $2.3 million, a decrease in auxiliary enterprise revenue of $1.1 million and an increase in revenue from other operations of $0.5 million.

Non-operating revenue increased by $8.8 million primarily due to increases of state appropriations by $10.3 million and decreases in Federal and local grants and contracts of $2.6 million, offset by increases in local property taxes of $0.8 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5%, whichever is lower. The increase in state appropriations was due mainly to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of $9.1 million as well as an increase of the base operating grant of $0.9 million and an increase of $0.3 million in other state funded programs. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Contribution requirements are established and may be amended by the Illinois General Assembly. The decrease in federal grants was due primarily to less revenue recorded for the College's Trade Adjustment Assistance Community College and Career Training Grant (TAACCCT) from the U.S. Department of Labor, which ended September 30, 2015.

Expenses

Summaries of expenses for the years ended June 30, 2018, 2017 and 2016 are as follows:

Expenses

Years ended June 30,
(in thousands)

	2018	2017	2016
Instruction	$ 75,019	$ 68,660	$ 62,300
Academic support	6,769	6,295	6,235
Student services	13,533	12,133	10,711
Public service	7,662	6,804	8,774
Institutional support	31,350	26,829	28,290
Operations and maintenance of plant	12,445	10,918	10,755
Financial aid	5,970	5,004	4,857
Depreciation	9,587	7,503	5,339
Loss on disposition of assets	-	423	-
Auxiliary enterprises	7,658	7,720	9,010
Interest expense	1,439	1,274	197
Total	$ 171,432	$ 153,563	$ 146,468

Expenses - Fiscal Year 2018 Compared to 2017

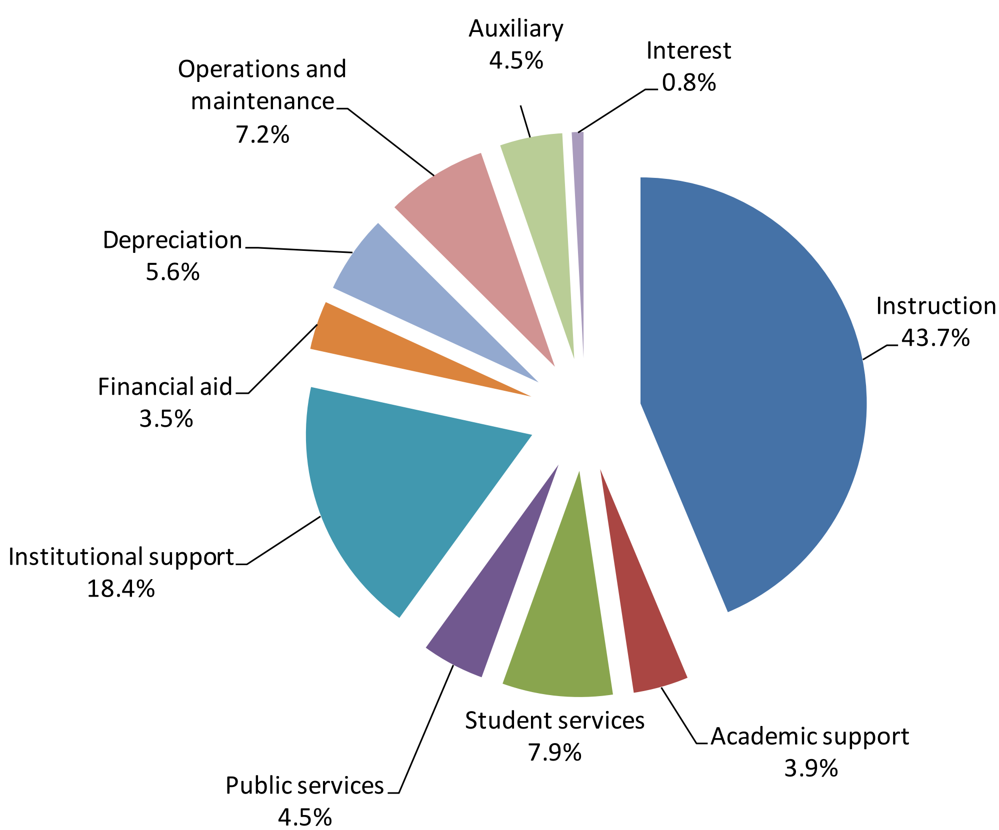
Total expenses increased by $17.9 million. The College implemented GASB Statement No. 75, post retirement benefits other than pensions, during Fiscal Year 2018, which required recording an expense of $5.8 million for the State's College Insurance Program (CIP) and $0.6 million for the College Plan. This also required reporting an additional on behalf payment from the State for postemployment benefits other than pensions. This increased expenses by $4.7 million, which is offset by an increase in state appropriation revenue. This State Universities Retirement Systems of Illinois (SURS) had a decrease of contributions made by the State of Illinois that decreased the expenses by $0.4 million, which is offset by a decrease in state appropriation revenue. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Public service / continuing education and Financial aid each increased by $0.9 million.

Depreciation increased by $2.1 million due to the increase in assets placed in service as several of the Master Plan projects were placed in service during Fiscal Year 2018 and mid-way through Fiscal Year 2017. There was an increase in capital outlay expense of $1.1 million. These are for acquisitions that do not meet the criteria for being capitalized. There was no loss on disposition of assets during Fiscal Year 2018; however, there was a loss of $0.4 million during Fiscal Year 2017 due to removing from service buildings and equipment that were not fully depreciated and were replaced during the fiscal year.

Operating Expenses

The pie chart shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 68.0% of total operating expenses. Direct services to students include instruction at 43.7%, academic support at 3.9%, student services at 7.9%, public services at 4.5%, financial aid at 3.5%, and auxiliary enterprises at 4.5%. Indirect services to students accounted for 32.0% of total expenses. Indirect services to students include operations and maintenance at 7.2%, institutional support at 18.4%, depreciation at 5.6% and interest at 0.8%.

College of Lake County
Operating Expenses
Year ended June 30, 2018



Expenses - Fiscal Year 2017 Compared to 2016

Total expenses increased by $7.1 million. State Universities Retirement Systems of Illinois (SURS) had an increase of contributions made by the State of Illinois that increased the expenses by $9.1 million, which is offset by an increase in state appropriation revenue. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Public service / continuing education decreased by $2.0 million. Auxiliary enterprises had decreased expense of $1.3 million dollars due to the decrease in related revenues. Interest expense increased by $1.1 million due to less capitalization of interest expense associated with the College's major construction projects as several of the Master Plan projects were placed in service during the fiscal year. For the same reason, depreciation increased by $2.2 million due to the increase in assets placed in service. Loss on disposition of assets of $0.4 million was due to removing from service buildings and equipment that were not fully depreciated and were replaced during the fiscal year.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2018, 2017 and 2016, the College investment in capital assets totaled $289.6 million, $263.0 million and $235.3 million, respectively. Capital assets, net of accumulated depreciation of $96.3 million, $87.0 million and $81.9 million, totaled $193.3 million, $176.0 million and $153.5 million, respectively.

Capital Assets

Years ended June 30,
(in thousands)

	2018	2017	2016
Capital assets:			
Construction in progress	$ 4,295	$ 26,108	$ 54,349
Land	12,488	12,488	12,488
Capitalized collections	1,041	-	-
Land improvements	13,158	12,010	7,166
Buildings and improvements	217,928	178,203	131,082
Furniture and equipment	40,735	34,188	30,253
Total capital assets	289,645	262,997	235,338
Less accumulated depreciation	96,336	86,979	81,864
Capital assets, net	$ 193,309	$ 176,018	$ 153,474

Construction Projects

Major construction projects in progress as part of the College's master plan as of June 30, 2018 included:

- Grayslake library renovation
- Lakeshore Student Services Center and Bookstore

The total cost of construction in progress as of June 30, 2018 was $4.3 million.

Capital Asset Additions (being depreciated)

Capital assets added during fiscal year 2018 include:

- New Science building
- A&B wings remodel
- E building remodel for police
- Rebuild Lots 2 & 3
- HVAC and fire protection upgrades for IT servers

The total cost of capital asset additions (being depreciated) in fiscal year 2018 was $47.7 million.

More detailed information on capital asset activity can be found in Note 3 to the basic financial statements.

Debt Payments

For the years ended June 30, 2018, 2017 and 2016, the College paid $5.5 million, $5.2 million and $5.1 million, respectively, in principal on bonds and certificates of indebtedness. In fiscal year 2018, the College refunded $21.0 million in bond principal with $22.3 million of new bonds to reduce total debt service costs by $1.7 million. More detailed information on long-term debt activity can be found in Note 5 in the basic financial statements.

Contacting The College's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to: Finance Department, College of Lake County, 19351 West Washington Street, Grayslake, IL 60030-1198.

College of Lake County
Community College District No. 532

Statements of Net Position
June 30, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents (notes 1 and 2)	$ 31,286,172	$ 103,710,329
Investments (note 2)	46,666,685	7,164,349
Receivables:		
Property taxes, net of allowance of $342,495 in 2018 and $334,869 in 2017	30,003,687	32,734,431
Government claims	179,653	202,389
Tuition, net of allowance of $2,328,483 in 2018 and $2,407,670 in 2017	2,329,526	2,657,950
Other	1,822,545	1,606,981
Inventories	778,470	751,151
Prepaid expenses	153,176	169,535
Total current assets	113,219,914	148,997,115
Noncurrent assets:		
Restricted cash and cash equivalents (notes 1 and 2)	218,533	198,883
Other long-term investments (note 2)	42,320,815	-
Capital assets, not being depreciated (note 3)	17,824,365	38,596,842
Capital assets being depreciated, net (note 3)	175,484,957	137,421,531
Total noncurrent assets	235,848,670	176,217,256
Total assets	349,068,584	325,214,371
Deferred outflows of resources (note 1)	4,109,830	121,581
Liabilities		
Current liabilities:		
Accounts payable	7,286,086	3,036,673
Accrued expenses (note 4)	7,637,838	9,478,842
Tuition refunds payable	55,476	62,799
Unearned tuition and rent	2,886,982	3,248,339
Current portion of long-term obligations (note 5)	5,415,000	5,400,000
Amounts held in custody for others	857,586	829,160
Other current liabilities	821,848	936,901
Total current liabilities	24,960,816	22,992,714
Noncurrent liabilities:		
Long-term obligations (notes 5 and 9)	121,467,636	62,410,763
Unearned rent revenue (note 10)	700,000	720,000
Total noncurrent liabilities	122,167,636	63,130,763
Total liabilities	147,128,452	86,123,477
Deferred inflows of resources (note 1)	39,228,177	33,407,114
Net Position		
Net investment in capital assets	133,659,285	110,606,958
Restricted for:		
Debt service	1,742,884	1,699,027
Capital projects	218,533	198,883
Other	972,947	981,553
Unrestricted	30,228,136	92,318,940
Total net position	$ 166,821,785	$ 205,805,361

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Student tuition and fees	$ 33,337,717	$ 33,337,854
Less scholarship allowances	(9,582,422)	(6,324,730)
Net student tuition and fees	23,755,295	27,013,124
Auxiliary enterprises	7,792,791	8,381,236
Other operations	1,106,003	1,531,002
Total operating revenues	32,654,089	36,925,362
Operating expenses:		
Education and general:		
Instruction	75,018,758	68,660,469
Academic support	6,769,502	6,294,811
Student services	13,532,836	12,132,575
Public service	7,662,649	6,803,924
Institutional support	31,349,783	26,829,298
Operations and maintenance of plant	12,445,257	10,918,085
Financial aid	5,969,760	5,003,653
Depreciation	9,586,974	7,503,136
Auxiliary enterprises	7,657,860	7,719,970
Total operating expenses	169,993,379	151,865,921
Operating loss	(137,339,290)	(114,940,559)
Nonoperating revenues (expenses):		
Local property taxes	68,268,042	66,976,264
Personal property replacement tax	1,054,387	1,280,857
State appropriations	61,287,667	44,951,735
Federal grants and contracts	13,006,462	11,361,992
Local grants and contracts	1,365,480	1,167,546
Investment income	866,590	534,166
Loss on disposition of assets	-	(423,435)
Interest expense	(1,438,766)	(1,274,501)
Total nonoperating revenues (expenses), net	144,409,862	124,574,624
Increase before capital contributions	7,070,572	9,634,065
State capital appropriations	12,433,308	-
Capital contributions	1,159,319	-
Total capital contributions	13,592,627	-
Increase in net position	20,663,199	9,634,065
Net position at the beginning of the year (as previously reported)	205,805,361	196,171,296
Prior period restatement (see Note 13)	(59,646,775)	-
Net position at the beginning of the year (as restated)	146,158,586	196,171,296
Net position at the end of the year	$ 166,821,785	$ 205,805,361

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Tuition and fees	$ 23,743,465	$ 26,752,623
Payments to suppliers	(42,029,330)	(42,473,100)
Payments to employees	(66,734,715)	(66,538,013)
Auxiliary enterprise charges	7,792,791	8,381,236
Chargeback revenue	-	2,192
Other	852,771	5,467,711
Net cash (used in) operating activities	(76,375,018)	(68,407,351)
Cash flows from noncapital financing activities:		
Local property taxes	71,924,012	67,245,898
Personal property replacement tax	1,077,123	1,287,269
State appropriations	17,805,222	5,692,914
Federal grants and contracts	13,001,273	11,312,457
Local grants and contracts	1,365,480	1,167,546
Net cash provided by noncapital financing activities	105,173,110	86,706,084
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	22,325,000	—
Principal paid on debt	(26,535,000)	(5,195,000)
Interest paid on debt	(2,208,594)	(2,527,960)
Proceeds from sale of capital assets	-	5,125
Purchases of capital assets	(13,792,384)	(29,316,271)
Net cash (used in) capital and related financing activities	(20,210,978)	(37,034,106)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	59,464,409	38,925,116
Purchases of investments	(141,700,215)	-
Interest on investments	1,244,185	699,507
Net cash (used in) provided by investing activities	(80,991,621)	39,624,623
Net (decrease) increase in cash and cash equivalents	(72,404,507)	20,889,250
Cash and cash equivalents, beginning of year	103,909,212	83,019,962
Cash and cash equivalents, end of year	$ 31,504,705	$ 103,909,212
Reconciliation to Statements of Net Position:		
Unrestricted cash and cash equivalents	$ 31,286,172	$ 103,710,329
Restricted cash and cash equivalents	218,533	198,883
Total cash and cash equivalents	$ 31,504,705	$ 103,909,212

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	2018	2017
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	$ (137,339,290)	$ (114,940,559)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	9,586,974	7,503,136
On-behalf expense for pension system payment	38,748,674	39,179,367
On-behalf expense for OPEB system payment	4,956,426	270,390
Net College OPEB related deferred outflows	(354,576)	-
Net CIP OPEB related deferred outflows/inflows	2,277,380	-
Loss on refunding of debt	(1,046,719)	-
Unamortized premium on refunded debt	(233,281)	-
Changes in assets and liabilities:		
Receivables (net)	(77,247)	3,861,899
Inventories and prepaid expenses	(10,960)	(105,250)
Accounts payable	4,249,413	(5,594,526)
Accrued expenses	3,336,172	1,450,507
Other current liabilities	(135,053)	(88,084)
Amounts held in custody for others	28,426	67,323
Deferred tuition and fees	(361,357)	(11,554)
Net cash (used in) operating activities	$ (76,375,018)	$ (68,407,351)

Supplemental schedule of noncash capital and related financing activities:		
Capital contributions	$ 13,592,627	$ -
Gain/loss on investments	(412,655)	-

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Component Unit – College of Lake County Foundation
Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 225,808	$ 1,121,562
Pledges receivables	54,000	95,000
Other receivables	23,805	36,335
Prepaid expenses	980	34,529
Accrued investment income	4,812	-
Beneficial interest in charitable remainder trust, net	44,767	140,000
Investments	4,293,933	3,045,780
Total assets	$ 4,648,105	$ 4,473,206
Liabilities		
Accounts payable	$ 78,767	$ 56,787
Grants and scholarships payable	76,025	545
Deferred revenue	22,960	6,150
Total liabilities	177,752	63,482
Net Assets		
Unrestricted	622,056	415,656
Temporarily restricted	2,319,460	2,592,907
Permanently restricted	1,528,837	1,401,161
Total net assets	4,470,353	4,409,724
Total liabilities and net assets	$ 4,648,105	$ 4,473,206

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Component Unit – College of Lake County Foundation
Statements of Activities
Years Ended June 30, 2018 and 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at June 30, 2016	$ 470,914	$ 2,471,359	$ 1,397,666	$ 4,339,939
Public support and revenue:				
Contributions and gifts	101,098	816,877	10,300	928,275
Special events revenue	364,396	-	-	364,396
Special events expense	(154,736)	-	-	(154,736)
Donated services	648,445	-	-	648,445
Other noncash donations	105,490	-	-	105,490
Net assets released from restrictions	829,392	(829,392)	-	-
Total public support	1,894,085	(12,515)	10,300	1,891,870
Other income:				
Investment income	72,354	124,302	2,956	199,612
Total public support and revenue	1,966,439	111,787	13,256	2,091,482
Expenses:				
Program services:				
Grants and scholarships	1,346,698	-	-	1,346,698
Noncash donations to College of Lake County	105,490	-	-	105,490
General and administrative:				
Management and general	213,684	-	-	213,684
Travel/meeting	11,159	-	-	11,159
Fundraising:	344,666	-	-	344,666
Total expenses	2,021,697	-	-	2,021,697
(Decrease) increase in net assets before other item	(55,258)	111,787	13,256	69,785
Other item:				
Change in donor designation	-	9,761	(9,761)	-
(Decrease) increase in net assets	(55,258)	121,548	3,495	69,785
Net assets at June 30, 2017	415,656	2,592,907	1,401,161	4,409,724
Public support and revenue:				
Contributions and gifts	98,848	548,943	104,508	752,299
Special events revenue	341,608	-	-	341,608
Special events expense	(136,524)	-	-	(136,524)
Donated services	615,896	-	-	615,896
Other noncash donations	228,333	-	-	228,333
Net assets released from restrictions	952,942	(952,942)	-	-
Total public support	2,101,103	(403,999)	104,508	1,801,612
Other income:				
Change in value of split-interest agreements	-	24,204	-	24,204
Investment income	44,133	123,030	2,986	170,149
Total other income	44,133	147,234	2,986	194,353
Total public support and revenue	2,145,236	(256,765)	107,494	1,995,965
Expenses:				
Program services:				
Grants and scholarships	1,153,960	-	-	1,153,960
Noncash donations to College of Lake County	228,333	-	-	228,333
General and administrative:				
Management and general	241,109	-	-	241,109
Travel/meeting	4,930	-	-	4,930
Fundraising:	307,004	-	-	307,004
Total expenses	1,935,336	-	-	1,935,336
Increase (decrease) in net assets before other item	209,900	(256,765)	107,494	60,629
Other item:				
Change in donor designation	(3,500)	(16,682)	20,182	-
Increase (decrease) in net assets	206,400	(273,447)	127,676	60,629
Net assets at June 30, 2018	$ 622,056	$ 2,319,460	$ 1,528,837	$ 4,470,353

See accompanying notes to basic financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

Organization: College of Lake County, Community College District No. 532 (the College), established in 1969 under the Illinois Public Community College Act, provides postsecondary educational and training for individuals within District 532. The Board of Trustees is elected by the residents of the District, and is responsible for establishing the policies and procedures by which the College is governed.

Reporting entity: The accompanying financial statements include all accounts and transactions of the College and its discretely presented component unit, the College of Lake County Foundation (the Foundation).

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2. Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or burden is created if any one of the following relationships exists:

1. The primary government is legally entitled to or has access to the component unit's resources.

2. The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.

3. The primary government is obligated in some manner for the other component unit's debt.

Basis of accounting: 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-entity transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include 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 are 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.

Cash and cash equivalents: Cash includes petty cash on hand and deposits in the College's bank accounts. The College considers money market accounts, savings accounts and any highly liquid debt instruments purchased, with an original maturity of three months or less to be cash equivalents.

Investments: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in the carrying value of investments, resulting in realized and unrealized gains or losses, are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term that could materially affect the amounts reported in the statement of net position and in the statement of revenues, expenses and changes in net position.

Receivables: Receivables include (1) property taxes, net of allowance, (2) government claims associated with state and federal funding, (3) tuition and fees, net of allowance and (4) other receivable balances associated with accounts receivable from vendors, traffic court tuition, and accrued interest.

Inventories: Inventories are reported at the lower of cost or market on the FIFO (first-in, first-out) basis. Inventories represent items held for resale by the College's auxiliary enterprises.

Restricted cash: Cash that is externally restricted to make debt service payments, or to purchase or construct capital or other noncurrent assets, is classified as noncurrent assets in the statements of net position.

Capital assets: Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the College's capitalization policy includes all items with a unit cost of $5,000 or more, or computer assets with a unit cost of $500 or more, and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Donated capital assets, donated works of art and similar items (capitalized collections) and capital assets received in a service concession arrangement, if any, are reported at acquisition value. The College capitalizes interest related to construction in progress on self-constructed capital assets. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Capital assets are depreciated using the straight-line method over the estimated useful life of the assets, generally 15 to 50 years for buildings and building improvements, 15 to 25 years for depreciable land improvements, 3 years for computer equipment, and 5 to 20 years for all other furniture and equipment. Land and capitalized collections are not depreciated.

Accrued expenses: Included in accrued expenses are compensated absences for vacation. In the event of job termination, an employee is reimbursed for an accumulated maximum number of vacation days, which range from 40 to 52 days, depending on the classification of the employee. Vacation days earned in one vacation year may not be carried forward beyond the end of the following year. Therefore, the entire accrued vacation liability on the statement of net position is considered a current liability. See Note 4 for further information on accrued expenses.

Premiums, discounts, and issuance costs: Bond premiums are deferred and amortized over the life of the bonds using the sum of the bonds outstanding method, which approximates the effective interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium. Bond issuance costs are expensed at the time the debt is issued.

Deferred outflows of resources: Deferred outflows are a consumption of net assets by the College that is applicable to a future reporting period, and should be reported as having a similar impact on net position as assets.

Pension payments related to federal grants and made subsequent to the pension liability measurement date are considered to be deferred outflows. See Note 6 for further discussion of the College's deferred outflows of resources.

Changes in assumptions and differences between expected and actual experience of the College's other postemployment benefit plan made subsequent to the pension liability measurement date are considered to be deferred outflows. See Note 7 for further discussion of the College's deferred outflows of resources.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Changes in proportion and differences between employer contributions and share of contributions of the College's allocation of the State of Illinois' College Insurance Program (CIP) other postemployment benefit (OPEB) plan made subsequent to the pension liability measurement date are considered to be deferred outflows. See Note 7 for further discussion of the College's deferred outflows of resources.

Loss on refunding of the College's bonds are reported as deferred outflows of resources. The loss is amortized over the life of the debt using the straight-line method.

Deferred Outflows of Resources are summarized below:

Deferred Outflows of Resources	2018	2017
Deferred grant-related pension contributions	$ 121,959	$ 121,581
Deferred charges - College OPEB plan	354,576	-
Deferred charges - CIP OPEB plan	2,618,457	-
Deferred refunding cost	1,014,838	-
Total deferred outflows of resources	$ 4,109,830	$ 121,581

Unearned revenues and deferred inflows of resources: Deferred inflows are acquisitions of net position that are applicable to a future reporting period, and should be reported as having a similar impact on net position as liabilities.

Property tax revenues levied for the subsequent fiscal year are considered to be deferred inflows. Unearned revenues include (1) amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that are related to the subsequent accounting period, (2) amounts received from grant and contract sponsors that have not yet been earned, and (3) building rentals received in advance.

Changes in assumptions, differences between expected and actual experience and net difference between projected and actual investment earnings on plan investments of the College's CIP plan and contributions made subsequent to the OPEB liability measurement date are considered to be deferred inflows. See Note 7 for further discussion of the College's deferred outflows of resources.

Deferred Inflows of Resources are summarized below:

Deferred Inflows of Resources	2018	2017
Deferred property tax revenue	$ 34,332,340	$ 33,407,114
Deferred credits - CIP OPEB plan	4,895,837	-
Total deferred inflows of resources	$ 39,228,177	$ 33,407,114

Noncurrent liabilities: Noncurrent liabilities include (1) principal amounts of bond obligations with maturities greater than one year, (2) net post-employment benefit obligations and (3) a portion of unearned rental revenue.

Pensions: The net pension liability, deferred outflows and inflows of resources related to pensions, contributions and pension expense have been determined on the same basis as they are determined and reported by SURS. See Note 6 for additional discussion.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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 reduced by outstanding debt obligations (net of unspent bond proceeds) related to acquisition, construction, or improvement of those capital assets.

Restricted Net Position

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

Unrestricted Net Position

Unrestricted net position represent 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.

On June 26, 2018, the Board of Trustees has designated $2,400,000 of the College's unrestricted net position for the future payment of Other Post Employment Benefits (OPEB) costs and claims.

Classification of revenues: The College classifies its revenues as either operating or nonoperating in the statements of revenues, expenses, and changes in net position according to the following criteria:

Operating Revenue

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises.

Nonoperating Revenue

Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, (4) gifts and contributions and (5) investment income.

Classification of expenses: The College classifies all expenses as operating in the statements of revenues, expenses, and changes in net position, except for interest expense which is classified as nonoperating.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Property taxes: The College's property taxes are levied each calendar year on all taxable real property located in the College's district. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the entities their respective share of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 of the following year.

Taxes must be levied by the fourth Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

In accordance with a College Board resolution, 50 percent of the property taxes extended for the 2017 tax year are recorded as revenue in the fiscal year ended June 30, 2018. The remaining revenue related to the 2017 tax year extension has been deferred and will be recorded as revenue in fiscal year 2019. Based upon collection histories, the College records real property taxes at approximately 100 percent of the extended levy.

Elimination and reclassifications: Certain prior year amounts have been reclassified to conform with current year presentation. The reclassifications had no impact on the change in net position or total net position reported for the year ended June 30, 2017. Interfund activities between the College and its auxiliary enterprise are eliminated for purposes of preparing the statements of revenues, expenses and changes in net position, and the statements of net position.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

Pending accounting pronouncements:
GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the College beginning with its year ended June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the College beginning with its year ended June 30, 2020. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, will be effective for the College beginning with its year ended June 30, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period*, will be effective for the College beginning with its year ended June 30, 2021. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for the College beginning with its year ended June 30, 2020. This Statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in

Note 2. Deposits and Investments

As of June 30, 2018 and 2017, the College had the following cash, cash equivalents and investments:

	2018	2017
	Carrying Value	
Cash and cash equivalents:		
Cash accounts	$ 7,764,624	$ 19,837,188
Restricted accounts - money market	218,533	198,883
ISDLAF Plus savings accounts	-	74,225,481
ISDLAF Plus money market accounts	-	9,647,660
Illinois Trust IIIT Class money market accounts	16,784,582	-
Illinois Funds	749,889	-
Commercial paper	5,987,077	-
Total cash and cash equivalents	31,504,705	103,909,212
Investments:		
Certificates of deposit	741,000	7,164,349
U.S. Treasury Bond/Note	41,945,056	-
U.S. Agency Collat. Mortgage Obligation	1,841,059	-
U.S. Agency Bond/Note	11,887,517	-
U.S. Mortgage-Backed Security	1,137,138	-
Commercial Paper	28,741,191	-
Supra-National Agency Bond/Note	1,875,363	-
Municipal Bond/Note	819,176	-
Total investments	88,987,500	7,164,349
Total cash, cash equivalents and investments	$ 120,492,205	$ 111,073,561
Current assets:		
Cash and cash equivalents	$ 31,286,172	$ 103,710,329
Investments	46,666,685	7,164,349
Noncurrent assets:		
Restricted cash and cash equivalents	218,533	198,883
Other long-term investments	42,320,815	-
Total cash, cash equivalents and investments	$ 120,492,205	$ 111,073,561

Note 2. Deposits and Investments (Continued)

As of June 30, 2018 and 2017, the College' investments had the following maturities:

	2018 Maturities Less than 1 year	2018 Maturities 1 to 5 years	2018 Maturities 6 to 10 years	2017 Maturities Less than 1 year
Certificates of deposit	$ 741,000	$ -	$ -	$ 7,164,349
U.S. Treasury Bond/Note	14,482,821	27,462,235	-	-
U.S. Agency Collat. Mortgage Obligation	-	1,841,059	-	-
U.S. Agency Bond/Note	2,701,673	9,185,844	-	-
U.S. Mortgage-Backed Security	-	-	1,137,138	-
Commercial Paper	28,741,191	-	-	-
Supra-National Agency Bond/Note	-	1,875,363	-	-
Municipal Bond/Note	-	819,176	-	-
Total investments	$ 46,666,685	$ 41,183,677	$ 1,137,138	$ 7,164,349

Interest Rate Risk. Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College's investment policy does not limit the maturities of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

The College is also authorized to invest in short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if such obligations are rated at the time of purchase within the three highest classifications established by two or more standard rating services, the obligations mature within 270 days, no more than 1/3 of the total average balances from all funds available at the end of each month is invested in such obligations at any time and such purchases do not exceed 10% of a corporation's outstanding obligations. Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation (FDIC).

The College's investment policy specifically prohibits investment in derivative products.

Credit ratings for the College's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2018 (excluding investments in U.S. Treasuries and FDIC Insured Bank Certificates of Deposit which are not considered to have credit risk) are as follows:

Disclosure Rating for Debt Securities (S&P/Moody's)
(As a percentage of total fair value for debt securities)

Investment Type	AAA/Aaa	A-1+/P-1	A-1/P-1	AA+/Aaa	AA/Aa2	AA-/Aa3
U.S. Agency Collat. Mortgage Obligation	0%	0%	0%	100%	0%	0%
U.S. Agency Bond/Note	0%	0%	0%	100%	0%	0%
U.S. Mortgage-Backed Security	0%	0%	0%	100%	0%	0%
Commercial Paper	0%	16%	84%	0%	0%	0%
Supra-National Agency Bond/Note	100%	0%	0%	0%	0%	0%
Municipal Bond/Note	0%	0%	0%	0%	40%	60%

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College's investment policy does not limit the amount the College may invest in any one issuer. The College is considered to have a concentration of credit risk if its investment in any one single issuer is greater than 5 percent of the total fixed income investments. At June 30, 2018, the College held $4,941,955 in a single commercial paper, which represents 5.5% of the investment portfolio. At June 30, 2017, the College did not have a concentration of credit risk.

Custodial Credit Risk. With respect to deposits, custodial credit risk refers to 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 limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2018 and June 30, 2017, the bank balance of the College's deposits with financial institutions were all fully collateralized and insured. There were no investments exposed to custodial credit risk.

The College adopted GASB Statement No. 72, *Fair Value Measurement and Application,* in fiscal year 2016. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs
- Level 3 inputs are significant unobservable inputs

Investments measured at fair value on a recurring basis as of June 30, 2018 are summarized below:

		Fair Value Measurements Using		
Investment		Level 1	Level 2	Level 3
U.S. Treasury Bond/Note	$ 41,945,056	$ 41,945,056	$ -	$ -
U.S. Agency Collat. Mortgage Obligation	1,841,059	-	1,841,059	-
U.S. Agency Bond/Note	11,887,517	-	11,887,517	-
U.S. Mortgage-Backed Seurity	1,137,138	-	1,137,138	-
Commercial Paper	28,741,191	-	28,741,191	-
Supra-National Agency Bond/Note	1,875,363	-	1,875,363	-
Municipal Bond/Note	819,176	-	819,176	-
Total	$ 88,246,500	$ 41,945,056	$ 46,301,444	$ -

Investments measured at fair value on a recurring basis as of June 30, 2017 are summarized below:

		Fair Value Measurements Using		
Investment		Level 1	Level 2	Level 3
Participating certificates of deposit	$ 249,000	$ -	$ 249,000	$ -

Participating certificates of deposit classified as Level 2 investments are valued using quoted prices for similar assets in active markets.

Note 2. Deposits and Investments (Continued)

The College has cash equivalents and investments as of June 30, 2018 measured at amortized cost or net asset value (NAV) based on amortized cost as follows:

Illinois Trust IIIT Class money market accounts	$ 16,784,582
Illinois Funds	749,889
Participating certificates of deposit	741,000
Commercial Paper	5,987,077
	$ 24,262,548

The College has cash equivalents as of June 30, 2017 measured at NAV based on amortized cost as follows:

ISDLAF Plus money market accounts	$ 9,647,660

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Construction in progress	$ 26,108,965	$ 5,064,399	$ 26,878,195	$ 4,295,169
Land	12,487,877	-	-	12,487,877
Capitalized collections	-	1,041,319	-	1,041,319
Total capital assets not being depreciated	38,596,842	6,105,718	26,878,195	17,824,365
Capital assets being depreciated:				
Land improvements	12,010,240	1,147,884	-	13,158,124
Buildings and improvements	178,202,926	39,725,568	-	217,928,494
Furniture and equipment	34,187,439	6,777,959	230,644	40,734,754
Total capital assets being depreciated	224,400,605	47,651,411	230,644	271,821,372
Less accumulated depreciation:				
Land improvements	5,976,575	713,140	-	6,689,715
Buildings and improvements	59,420,440	5,967,532	-	65,387,972
Furniture and equipment	21,582,059	2,906,302	229,633	24,258,728
Total accumulated depreciation	86,979,074	9,586,974	229,633	96,336,415
Total capital assets being depreciated, net	137,421,531	38,064,437	1,011	175,484,957
Total capital assets, net	$ 176,018,373	$ 44,170,155	$ 26,879,206	$ 193,309,322

Note 3. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Construction in progress	$ 54,349,101	$ 19,420,227	$ 47,660,363	$ 26,108,965
Land	12,487,877	-	-	12,487,877
Total capital assets not being depreciated	66,836,978	19,420,227	47,660,363	38,596,842
Capital assets being depreciated:				
Land improvements	7,165,984	5,090,280	246,024	12,010,240
Buildings and improvements	131,082,221	48,705,516	1,584,811	178,202,926
Furniture and equipment	30,252,591	4,919,668	984,820	34,187,439
Total capital assets being depreciated	168,500,796	58,715,464	2,815,655	224,400,605
Less accumulated depreciation:				
Land improvements	5,562,681	531,439	117,545	5,976,575
Buildings and improvements	56,588,307	4,329,397	1,497,264	59,420,440
Furniture and equipment	19,712,045	2,642,300	772,286	21,582,059
Total accumulated depreciation	81,863,033	7,503,136	2,387,095	86,979,074
Total capital assets being depreciated, net	86,637,763	51,212,328	428,560	137,421,531
Total capital assets, net	$ 153,474,741	$ 70,632,555	$ 48,088,923	$ 176,018,373

Note 4. Accrued Expenses

Accrued expenses consisted of the following at June 30:

	2018	2017
Accrued payroll and benefits	$ 2,619,400	$ 2,429,588
Accrued vacation	2,008,127	2,090,004
Accrued construction retainage	1,732,942	2,707,711
Accrued health insurance claims	920,543	664,701
Accrued workers' compensation claims	77,047	66,411
Accrued expenses - other	279,779	1,520,427
Total accrued expenses	$ 7,637,838	$ 9,478,842

Note 5. Long-Term Obligations

The College has the following outstanding bonds payable as of June 30, 2018 and 2017:

General Obligation Limited Tax Bonds, Series 2012 with a yield of 2.00% to 3.00% depending on the date of serial maturity through 2027. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $19,850,000. The College received a premium of $654,118 and paid issue costs of $62,865. The principal balance at June 30, 2018 and 2017 was $14,685,000 and $15,025,000, respectively.

General Obligation Limited Tax Refunding Certificates, Series 2012 with a yield of 1.125% to 1.5% depending on the date of serial maturity through 2018. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments. The original liability upon issuance was $1,470,000. The College received a premium of $29,129 and paid issue costs of $39,750. The principal balance at June 30, 2018 and 2017 was $0 and $305,000, respectively.

General Obligation Limited Tax Bonds, Series 2013A with a yield of 2% to 4% depending on the date of serial maturity through 2024. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments. The original liability upon issuance was $31,690,000. The College received a premium of $2,076,140 and paid issue costs of $326,140. The principal balance at June 30, 2018 and 2017 was $22,940,000 and $26,735,000, respectively.

General Obligation Limited Tax Bonds, Series 2013B with a yield of 3.5% to 4.75% depending on the date of serial maturity through 2034. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments. The original liability upon issuance was $26,790,000. The College received a premium of $329,595 and paid issue costs of $559,595. These bonds were refunded in December 2017. The principal balance at June 30, 2018 and 2017 was $0 and $21,045,000, respectively.

General Obligation Limited Tax Refunding Bonds, Series 2014 with a yield of 2% through 2018. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $2,835,000. The College received a premium of $93,202 and paid issue costs of $55,543. The bonds were issued as an advanced refunding of the Series 2005 General Obligation Limited Tax Funding Bonds. The principal balance at June 30, 2018 and 2017 was $0 and $960,000, respectively.

General Obligation Refunding Bonds, Series 2017 with a yield of 3.1% through 2034. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $22,325,000. The College received no premium, nor incurred any discount and paid issue costs of $121,275. The bonds were issued as an advanced refunding of the Series 2013B General Obligation Limited Tax Bonds. The principal balance at June 30, 2018 was $22,235,000.

Note 5. Long-Term Obligations (Continued)

Defeasance of Debt – December 21, 2017

On December 21, 2017, the College defeased the General Obligation Limited Tax Bonds Series 2013B by placing the proceeds of the General Obligation Refunding Bonds Series 2017 in an irrevocable trust to provide for all future debt service payments on the old bonds. The escrow agent is not authorized to substitute assets that are not essentially risk-free in the trust portfolio. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the College's financial statements. At June 30, 2018, $21,045,000 of bonds outstanding are considered defeased.

The College did not have any additional cash outlay and advance refunded the 2013B bonds to reduce its total debt service through 2034 by $1,706,076, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,341,314.

Changes in long-term obligations during the year ended June 30, 2018 were as follows (refer to Note 14 for information regarding the restatement of postemployment benefits):

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due Within One Year
General obligation bonds:					
Par	$ 64,070,000	$ 22,325,000	$ 26,535,000	$ 59,860,000	$ 5,415,000
Premium	1,341,415	-	536,541	804,874	-
Total general obligation bonds, net	65,411,415	22,325,000	27,071,541	60,664,874	5,415,000
	As restated:				
Postemployment benefits:					
College Plan	9,041,538	340,342	-	9,381,880	-
CIP plan	53,899,845	2,936,037	-	56,835,882	-
Total postemployment benefits	62,941,383	3,276,379	-	66,217,762	-
	$ 128,352,798	$ 25,601,379	$ 27,071,541	$ 126,882,636	$ 5,415,000

Changes in long-term obligations during the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Amounts Due Within One Year
General obligation bonds:					
Par	$ 69,265,000	$ -	$ 5,195,000	$ 64,070,000	$ 5,400,000
Premium	1,725,715	-	384,300	1,341,415	-
Total general obligation bonds, net	70,990,715	-	5,579,300	65,411,415	5,400,000
Postemployment benefits - College plan	2,460,419	581,828	642,899	2,399,348	-
	$ 73,451,134	$ 581,828	$ 6,222,199	$ 67,810,763	$ 5,400,000

Note 5. Long-Term Obligations (Continued)

The following is a schedule of the future debt service payments for general obligation bonds as of June 30, 2018:

	Principal	Interest	Total
Year ending June 30:			
2019	$ 5,415,000	$ 1,996,235	$ 7,411,235
2020	5,630,000	1,807,975	7,437,975
2021	5,860,000	1,604,585	7,464,585
2022	6,105,000	1,385,320	7,490,320
2023	6,365,000	1,156,850	7,521,850
2024-2028	18,705,000	3,143,215	21,848,215
2029-2033	9,660,000	1,245,580	10,905,580
2034	2,120,000	65,720	2,185,720
	$ 59,860,000	$ 12,405,480	$ 72,265,480

Note 6. Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College of Lake County contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2017 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

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 percent 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 2017 and 2018, respectively, was 12.53% and 12.46% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% 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 percent during the final rate of earnings period).

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Note 6. Defined Benefit Pension Plans (Continued)

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

Net Pension Liability
At June 30, 2017, SURS reported a net pension liability (NPL) of $25,481,105,995. The net pension liability was measured as of June 30, 2017.

Employer Proportionate Share of Net Pension Liability
The proportionate share of the State's net pension liability associated with the College of Lake County is $409,201,081 or 1.6059% as of the measurement date. The amount of the proportionate share of the net pension liability to be recognized for College of Lake County as of the measurement date is $0 due to the special funding situation described above. The net pension liability was measured as of June 30, 2017, and total projected pension benefits used to calculate the net pension liability was determined based on the June 30, 2016 actuarial valuation rolled forward to June 30, 2017. The basis of allocation used to determine the College's proportionate share of net pension liability is the actual reported pension contributions made to SURS during fiscal year 2017 as compared to the total actual reported pension contributions of all employers.

Pension Expense
At June 30, 2017, SURS reported a collective net pension expense of $2,412,918,129.

Employer Proportionate Share of Pension Expense
The employer proportionate share of collective pension expense is recognized as on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. The basis of allocation used in the proportionate share of collective pension expense are the actual reported pension contributions made to SURS during fiscal years 2018 and 2017. As a result, College of Lake County recognized on-behalf revenue and pension expense of $38,749,052 and $39,156,000 for the fiscal years ended June 30, 2018 and 2017, respectively.

Deferral of Fiscal Year 2018 Pension Expense

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods. The College paid $121,959 and $121,581 in federal, trust or grant contributions for the fiscal years ended June 30, 2018 and 2017, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2017 and 2016, and are recognized as deferred outflows of resources as of June 30, 2018 and 2017.

Assumptions and Other Inputs

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

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

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

Note 6. Defined Benefit Pension Plans (Continued)

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

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2017, these best estimates are summarized in the following table:

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

Discount Rate. A single discount rate of 7.09% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

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 7. Postemployment Benefits Other Than Pensions

As of the fiscal year ended June 30, 2018, the College was required to implement GASB Statement No. 75 (GASB 75). The College participates in two OPEB plans, the State of Illinois' Community College Health Insurance Program (CIP) and an OPEB plan provided by the College. Implementation resulted in including the recognition of deferred outflows/inflows of resources, restatement of beginning net position and changes to disclosures and required supplementary information. It is not practical to restate June 30, 2017 due to the required inclusion of the State of Illinois' College Insurance Plan as this information is not available for that year.

State of Illinois' Community College Health Insurance Program (CIP)

Plan Description: The College participates in the State of Illinois' Community College Health Insurance Program (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the state. The benefits, employer, employee, retiree and state contributions are dictated by ILCS through the State Group Insurance Act of 1971 (the Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

Benefits Provided: CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating community colleges. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits.

Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

Contributions: The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the state to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The employer contributions to the Plan for the years ending June 30, 2018, 2017, and 2016 were $267,410, $270,390, and $268,416, respectively. The College contributions were equal to the required contributions for each year.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2018, the College reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided for the District. The State's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective net OPEB liability	$	56,835,882
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer		56,087,349
Total CIP net collective OPEB liability associated with the employer	$	112,923,231

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2016 rolled forward to June 30, 2017. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2017 and June 30, 2016, the College's proportions were 3.116623 percent and 2.961604 percent, respectively.

For the year ended June 30, 2018, the College recognized OPEB revenue of $4,956,426 and OPEB expense of $10,707,643 for support provided by the State. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 160,857
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,351,047	598
Net difference between projected and actual investment earnings	-	-
Changes of assumptions	-	4,734,382
Total deferred amounts to be recognized in expense in future periods	2,351,047	4,895,837
Employer contributions subsequent to the measurement date	267,410	-
	$ 2,618,457	$ 4,895,837

Note 7. Postemployment Benefits Other Than Pensions (Continued)

The College reported $267,410 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2019	$ (508,989)
2020	(508,989)
2021	(508,989)
2022	(508,989)
2023	(508,834)
	$ (2,544,790)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.75%
Salary rate increases	3.75% to 10.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00%-9.00% trending to 4.50%
Asset valuation method	Market Value

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

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

The following OPEB-related assumption changes were made since the June 30, 2014 OPEB actuarial valuation date:

- The discount rate was changed from 2.85 percent at June 30, 2016 to 3.56 percent at June 30, 2017;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2016, projected plan cost for plan year end June 30, 2017, premium changes through plan year end 2018, and expectation of future trend increases after June 30, 2017;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2017;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2017, and updated premium rates through plan year 2018;
- The morbidity factors, used to adjust per capita claim cost by age and gender, were updated; and
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

Discount Rate: Since CIP is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2017 was 3.56 percent, which was an increase from the June 30, 2016 rate of 2.85 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, CIP's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Single Discount Rate: The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.56% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Employer's proportionate share of the collective net OPEB liability	$ 65,001,004	$ 56,835,882	$ 49,796,489

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease(a)	Healthcare Cost Trend Rates Assumption	1% Increase(b)
Employer's proportionate share of the collective net OPEB liability	$ 47,151,130	$ 56,835,882	$ 70,850,876

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
(b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CIP financial report.

Payable to the OPEB Plan: The College had no outstanding contributions payable to the CIP plan for the year ended June 30, 2018.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

College of Lake County Single Employer Defined Benefit Postemployment Benefit Healthcare Plan – GASB 75

Plan description: In addition to the pension benefits described in Note 6, the College provides postemployment healthcare benefits (OPEB) to retired employees through a single-employer defined benefit plan (the Plan). The benefit, benefit levels, employee contributions, and employer contributions are governed by the College and can be amended by the College through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a separate report.

Benefits provided: The College provides pre and post Medicare post-retirement health insurance to retirees. To be eligible for benefits, the employee must be continuously employed by the College on or before December 1, 2011, have at least 15 years of service with the College, and qualify for retirement under the State University Retirement System. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the College's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

Employees covered by benefit terms: As of June 30 2018, the following employees were covered by the benefit terms:

Active employees	425
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	363
Total	788

Funding policy: The College is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement. During the year ended June 30, 2018, the College contributed $696,324 to the plan.

Total OPEB Liability: The College's total OPEB liability of $9,381,880 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary rate increase	4.00%
Discount rate	2.98%
Healthcare cost trend rates	5.00% for 2019 decreasing to an ultimate rate of 4.50% for 2028 and later years. Medicare Part B Premium of 3% per year.
Retirees' share of benefit-related costs	Same as healthcare trend

Since the College Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was a 20-year general obligation bond index rate. The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018. The discount rate as of June 30, 2018 was 2.98 percent, which was a decrease from the June 30, 2017 rate of 4.5 percent.

Mortality rates were based on the RP-2014 Combined Healthy Annuitant Mortality Table for males and females, as appropriate.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of 6/30/2017	$ 9,041,538
Changes for the year:	
Service cost	22,516
Interest	270,269
Changes of benefit terms	56,095
Differences by expected and actual experience	203,342
Changes in assumptions or other inputs	344,111
Benefit payments	(624,870)
Other changes	68,879
Net changes	340,342
Balance as of 6/30/2018	$ 9,381,880

The change of benefit terms is due to change in the measurement date for eligibility. In the last valuation, employees must be continuously employed by the College on or before January 1, 2011 to received subsidized retiree medical coverage. The policy changed to employment on or before December 1, 2011. This change added 30 active employees to the valuation. Per GASB Statement No. 75, a change of benefit terms should be immediately recognized in the OPEB Expense.

Changes in assumptions reflect that the discount rate was changed to comply with the GASB Statement No. 75 standard. These changes also reflect that rates of retirement, withdrawal, and disability were changed to those in the State Universities Retirement System of Illinois Actuarial Valuation Report as of June 30, 2017.

Sensitivity of the total OPEB liability to changes in the discount rate. The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 2.98% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.98%) or 1 percentage point higher (3.98%) than the current rate:

	1% Decrease (1.98%)	Current Discount Rate (2.98%)	1% Increase (3.98%)
Net OPEB liability	$ 10,382,762	$ 9,381,880	$ 8,543,821

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 5.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2028 for non-Medicare coverage and 3.00% for Medicare coverage.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

	1% Decrease(a)	Healthcare Cost Trend Rates Assumption	1% Increase(b)
Net OPEB liability	$ 9,244,618	$ 9,381,880	$ 9,533,908

(a) One percentage point decrease in healthcare trend rates are 4.00% in 2018 decreasing to an ultimate trend rate of 3.5% in 2028 for non-Medicare coverage and 3.0% for Medicare coverage.
(b) One percentage point increase in healthcare trend rates are 6.00% in 2018 decreasing to an ultimate trend rate of 5.5% in 2028 for non-Medicare coverage and 3.0% for Medicare coverage.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the College recognized OPEB expense of $610,636. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 116,983	$ -
Net difference between projected and actual investment earnings	-	-
Changes of assumptions	237,593	-
Total deferred amounts to be recognized in expense in future periods	$ 354,576	$ -

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

Fiscal Year Ending June 30:	
2019	$ 261,755
2020	92,821
	$ 354,576

College of Lake County Single Employer Defined Benefit Postemployment Benefit Healthcare Plan - GASB 45

As noted previously, it was not practical for the College to restate the year ending June 30, 2017 to include GASB Statement No. 75. The following disclosures are required under the prior pronouncement, GASB Statement No. 45 for June 30, 2017.

Annual OPEB cost and net OPEB obligation: The College's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funded excess) over a period not to exceed 30 years. The following table shows the College's annual OPEB cost for the current year and two prior years, the amount actually contributed to the plan, and changes in the College's net OPEB obligation for the postemployment healthcare benefits.

Note 7. Postemployment Benefits Other Than Pensions (Continued)

The College's annual OPEB costs, the percentage of annual OPEB costs contributed to the Plan, and the net OPEB obligations for fiscal years 2017, 2016 and 2015 were as follows:

	2017	2016	2015
Annual OPEB Cost	$ 581,828	$ 599,863	$ 599,352
Percentage of OPEB Cost Contributed	110.5%	101.9%	104.7%
Net OPEB Obligation	2,399,348	2,460,419	2,472,103

Funding status: As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $7,762,508 all of which was unfunded. The covered payroll (annual payroll of active employees covered under the plan) was $32,520,316 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 24 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

	2017
Annual required contribution	$ 633,537
Interest on the net OPEB obligation	110,719
Adjustment to annual required contribution	(162,428)
Annual OPEB cost	581,828
Contributions made	642,899
Decrease in net OPEB obligation	(61,071)
Net OPEB obligation, beginning of year	2,460,419
Net OPEB obligation, end of year	$ 2,399,348

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

In the July 1, 2016 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.50 percent healthcare cost trend rate. The actuarial value of assets was not determined as the College has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized using a level dollar method over 24 years on a closed group basis. The inflation rate and discount rate assumptions used were 2.75 percent and 4.5 percent per year, respectively.

Note 8. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The College carries commercial insurance coverage related to these potential risks and believes coverages are adequate to cover such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The College maintains a self-insured plan to cover health and dental benefits and workers' compensation for its employees through third-party administrators. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported, net of the stop loss that is specific to each type of coverage. This liability is the College's best estimate based on available information and is expected to be paid within the next fiscal year. Changes in the College's liability for employee health and workers' compensation claims for the years ended June 30, 2018, 2017, and 2016 are as follows:

	2018	2017	2016
Claims payable – beginning of year	$ 731,112	$ 646,177	$ 637,963
Claims and other expenses incurred	11,537,685	10,602,689	10,467,138
Claims paid	(11,271,207)	(10,517,754)	(10,458,924)
Claims payable – end of year	$ 997,590	$ 731,112	$ 646,177

Note 9. Contingent Liabilities

The College's legal advisor estimates that potential claims not covered by insurance would not materially affect the financial statements or is unable to estimate the effect on the financial statements.

Note 10. Operating Lease Commitments

The College purchased a building in Waukegan, Illinois to house the University Center, an Illinois not-for-profit corporation. The University Center rents approximately 30 percent of the building in perpetuity for $1,000,000, which was prepaid in full. The University Center has the right of first refusal to additional space as it becomes available and will pay current market rates for any additional space leased. The College is amortizing the prepayment to income over the term of the lease (estimated to be 50 years). Lease income recognized during each of the years ended June 30, 2018 and 2017 was $20,000. Unearned revenue related to the lease was $720,000 and $740,000 at June 30, 2018 and 2017, respectively.

Note 11. Commitments

The College has committed to certain architectural services, consulting, and campus construction totaling $9,742,096 related to the master plan as of June 30, 2018. Costs were funded through the issuance of public debt. See Note 5 for further discussion of long-term obligations of the College.

The College has also committed to the construction of student services and adult education facilities at its Lakeshore campus totaling $11,546,366 as of June 30, 2018. Costs were funded through the issuance of public debt. See Note 5 for further discussion of long-term obligations of the College.

Note 12. Expenses by Natural Classification

Expenses are reported in the statements of revenues, expenses, and changes in net position by functional classification. The College's operating expenses by natural classification for the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Natural classification of total expenses:		
Salaries	$ 66,570,961	$ 66,382,241
Benefits	64,389,978	53,240,426
Contractual services	7,184,244	7,315,762
Materials and supplies	7,429,535	7,192,586
Travel and meetings	812,599	707,063
Fixed charges	2,439,512	1,980,120
Utilities	2,686,988	2,523,575
Interest	1,438,766	1,274,501
Depreciation	9,586,974	7,503,136
Other	8,892,588	5,444,447
Total expenses	$ 171,432,145	$ 153,563,857

The totals above differ from the statements of revenues, expenses, and changes in net position operating expenses amount by the amount of interest expense which is classified as nonoperating and proceeds from the sale of capital assets of $0 and $5,125 for the years ended June 30, 2018 and 2017, respectively.

Note 13. Prior period restatement

The College's net position has been restated as of July 1, 2017. The restatement is a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for other postemployment benefits (including medical insurance, dental insurance, and/or long-term care coverage) that are provided to employees through State of Illinois' Community College Health Insurance Program (CIP) and the College's Plan. See Note 7 for additional information about these plans. The impact of implementing this statement resulted in a restatement of the beginning net position to adjust for the OPEB liability and deferred outflows of resources for OPEB contributions made subsequent to the measurement date that would have been reported in previous years. Accounting changes adopted to conform to the provisions of GASB Statement No. 75 were applied retroactively by restating beginning net position as follows:

Net Position, June 30, 2017		$ 205,805,361
Collective net OPEB liability	$ (53,899,845)	
Net OPEB liability under College Plan (GASB 75)	(9,041,538)	
Net OPEB obligation under College Plan (GASB 45)	2,399,348	
Deferred outflow of resources - OPEB contributions subsequent to the measurement date	895,260	
Total restatement		(59,646,775)
Net Position as restated, June 30, 2017		$ 146,158,586

It was not practical to restate the net position as of June 30, 2016 as actuarial information is not available.

Note 14. Component Unit

The Foundation's notes to the Financial Statements were as follows:

Nature of Activities and Significant Accounting Policies

Organization: College of Lake County Foundation (the Foundation) was established in 1974 for the purpose of providing resources for projects that are not funded through the regular operating budget of the College of Lake County – Community College District No. 532 (the College), but that support the mission and goals of the College. Funds raised through donations, grants, and benefit events are used to fund scholarships and grants that provide College of Lake County students an opportunity for a better future. Through these efforts, the Foundation strengthens the vitality and well-being of the diverse communities the College and Foundation serves. Essentially all of the Foundation's revenue and expenses are for the benefit of the College. The Foundation is a private, not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) guidance.

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14,* the Foundation is reported as a component unit of the College in the College's separately issued financial statements. The College has determined it would be misleading to not include the Foundation as a discretely presented component unit.

Basis of presentation: The financial statements of the Foundation have been prepared on the accrual basis of accounting. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes in accordance with activities or objectives specified by the donor. Separate accounts are maintained for each fund and all financial transactions are recorded and reported by fund group.

For external reporting purposes, however, the Foundation's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Net assets and related activity are classified as unrestricted, temporarily restricted, and permanently restricted, as follows:

Unrestricted – net assets that are not subject to donor-imposed restrictions.

Temporarily restricted – net assets that are subject to donor-imposed restrictions that will be met either by the actions of the Foundation or the passage of time. Items that affect this net asset category are temporarily restricted contributions, including pledges for which restrictions have not been met such as time restrictions. Temporarily restricted net assets at June 30, 2018 and 2017, consist of contributions restricted for scholarships and income earned on permanently restricted scholarships that have not yet been appropriated for expenditure by the board.

Permanently restricted – net assets that are subject to donor-imposed restrictions to be maintained permanently by the Foundation. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily, gifts for endowment) and only the income be made available for program purposes (i.e., scholarships) or general operations of the College.

Support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Note 14. Component Unit (Continued)

Current year changes initiated by donors to prior year donor restriction classifications are shown as “Change in donor designation” on the statement of activities.

Cash and cash equivalents: Cash equivalents consist of cash and highly liquid short-term investments including money market account deposits with an original maturity of three months or less from the date of purchase.

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash.

Investments: Investments are reported at fair value. The fair value of investments is provided by the investment custodians. Except for alternative investments, fair value is based on quoted market prices. The Foundation reports the fair value of alternative investments, which include hedge funds and managed futures as of June 30, 2018 and June 30, 2017, using the practical expedient. The practical expedient allows for the use of net asset value (NAV), either as reported by the investee fund or as adjusted by the Foundation based on various factors.

Investment income, gains and losses, and any investment-related expenses are recorded as changes in unrestricted net assets in the statements of activities unless their use is temporarily or permanently restricted by explicit donor stipulations or law. In the absence of donor stipulations or law to the contrary, losses on the investments of donor restricted endowment funds are recognized as reductions of temporarily restricted net assets to the extent that donor imposed restrictions on net appreciation of the funds have not been met before the loss occurs. Any remaining loss reduces unrestricted net assets.

Beneficial interest in trusts: The Foundation has been designated as the beneficiary of assets held in a charitable remainder trust administered by another trustee. The Foundation recognizes temporarily restricted contribution revenue and an asset for the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments to the receivable to reflect the revaluation of the present value of the estimated future payments to the Foundation are recognized in the statement of activities as a change in the value of split interest agreements.

During fiscal year 2018, the Foundation has been designated as the beneficiary of assets held in a charitable remainder trust administered by another trustee. These assets were restricted as an endowment by the donors and recognized as permanently restricted contribution revenue and an asset for the present value of the estimated future benefits to be received when the trust assets are distributed.

Grants and scholarships payable: Grants and scholarships payable are recorded in connection with amounts due to specified individuals or organizations.

Donated goods and services: The Foundation receives donated materials, stock and other noncash items which are recorded as contributions at their estimated fair value on the date of receipt.

The Foundation receives donated services consisting of audit and accounting services, Foundation personnel time and other operating support from the College without charge. These amounts are included in unrestricted contributions and expenses in the statements of activities.

Contributions: Contributions, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted and recorded at the present value using a rate commensurate with the rights involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges is recognized based on historical experience, as necessary. No allowance for uncollectible pledges was recognized for the years ended June 30, 2018 or 2017.

Note 14. Component Unit (Continued)

Deferred revenue: Deferred revenue represents special event revenues that have not yet been earned.

Tax status: The Foundation has received a determination letter from the Internal Revenue Service indicating it is a tax-exempt organization as provided in Section 501(c)(3) of the Internal Revenue Code of 1986 and, except for taxes related to unrelated business income, is exempt from federal and state income taxes.

The Foundation may recognize a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be substantiated on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business income tax (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities during the period covered by these financial statements.

The Foundation files information and income tax returns in the U.S. federal jurisdiction and the State of Illinois.

Use of estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

New accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-04 which defers the effective date of ASU 2014-09 one year making it effective as of July 1, 2019, for the Foundation. The Foundation has not yet selected a transition method and is currently evaluating the effect that the standard will have on its financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update include significant changes to the financial reporting model for not-for-profit organizations. Key elements in this update include reducing net asset classification from three to two categories, expanded disclosures about the nature and amount of any donor restrictions, expanded disclosures on any board designations of net assets, and other additional disclosures. The amendments in this update will be effective as of July 1, 2018 for the Foundation, and will likely have a material effect on the presentation of the financial statements.

Note 14. Component Unit (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Foundation for the year ending June 30, 2021.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The updated standard will be effective for the Foundation in the fiscal year ending June 30, 2020. Early adoption is permitted. The Foundation is currently evaluating the impact of the adoption of this guidance on its financial statements. The adoption of ASU 2018-08 is not expected to have a material impact on the Foundation's financial statements.

Subsequent events: The Foundation's management has performed an analysis of the activities and transactions subsequent to June 30, 2018, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2018. Management has performed their analysis through October 11, 2018, the date the financial statements were available to be issued.

Fair Value Measurements

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The FASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

<u>Level 1</u>: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

<u>Level 2</u>: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

<u>Level 3</u>: All Level 3 investments as of June 30, 2018 and June 30, 2017 are valued using the practical expedient. The practical expedient allows for the use of NAV, either as reported by the investee fund or adjusted by the Foundation based on various factors, to be used to determine fair value, under certain circumstances. These investments would have significant redemption and other restrictions that would limit the fund's ability to redeem out of the fund at report date NAV. The fair value of the investment is based on a combination of audited financial statements of the investees and monthly or quarterly statements received from the investees. The practical expedient may not be used on funds intended to liquidate or in the process of liquidation. Such funds are valued based on the fund manager's expectation of liquidation proceeds.

Note 14. Component Unit (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets at June 30, 2018:			
Multi-managed domestic equity	$ -	$ 1,337,133	$ -
Multi-managed international equity	-	722,364	-
Multi-managed fixed income	-	2,225,013	-
	$ -	$ 4,284,510	$ -
Assets at June 30, 2017:			
Domestic equity	$ 710,547	$ -	$ -
International equity	554,384	-	-
Fixed income	1,429,612	-	-
Alternative investments:			
Hedge funds	-	-	160,183
Managed future	-	-	46,202
	$ 2,694,543	$ -	$ 206,385

The Foundation did not have any transfers between any levels of the fair value hierarchy during the years ended June 30, 2018 or 2017. The Foundation's policy for determining transfers between levels occurs at the end of the reporting period when circumstances in the underlying valuation criteria change and result in transfer between levels.

Note 14. Component Unit (Continued)

The following tables present additional information about assets and liabilities measured at fair value on a recurring basis for which the Foundation has utilized Level 3 inputs to determine fair value:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Hedge Funds	Managed Future	Total
Beginning balance July 1, 2017	$ 160,183	$ 46,202	$ 206,385
Purchases	(161,066)	(44,747)	(205,813)
Total gains or losses (realized and unrealized)	883	(1,455)	(572)
Ending balance June 30, 2018	$ -	$ -	$ -
Beginning balance July 1, 2016	$ 150,187	$ 48,353	$ 198,540
Purchases	1,826	-	1,826
Total gains or losses (realized and unrealized)	8,170	(2,151)	6,019
Ending balance June 30, 2017	$ 160,183	$ 46,202	$ 206,385
The amounts of unrealized gains and losses related to Level 3 investments held as of June 30, 2018, and included in the Statement of Activities	$ -	$ -	$ -
The amounts of unrealized gains and losses related to Level 3 investments held as of June 30, 2017, and included in the Statement of Activities	$ 8,170	$ (2,151)	$ 6,019

The Foundation's Level 3 investments are valued using the practical expedient of NAV. These investments are Level 3 in nature primarily due to certain restrictions as stipulated in the fund agreements. Restrictions include limitations on the Foundation's right to sell and the fund's ability to repurchase or redeem the shares that limits the marketability of these investments.

As of June 30, 2018 and 2017, the Foundation's Level 3 investments consisted of a managed future and hedge funds.

The managed future investment class amounted to $0 and $46,202 as of June 30, 2018 and 2017, respectively. The managed future is an investment in a partnership whose objective is to achieve capital appreciation through the allocation of assets to early-stage commodity trading advisors or established advisors employing early-stage strategies which engage in speculative trading of a diversified portfolio of commodity interests, including futures, options on futures, forwards, options on forwards, spot and swap contracts, cash commodities and any other rights or interests pertaining thereto. As of June 30, 2018 and 2017, this investment can be redeemed at any time and has passed an initial lockup period. There are no unfunded commitments for the managed future investment as of June 30, 2018.

Note 14. Component Unit (Continued)

The hedge fund investment class amounted to $0 and $160,183 as of June 30, 2018 and 2017, respectively. The Foundation invests in two hedge funds whose objective is to achieve capital appreciation through investments employing a variety of alternative investment strategies. These investment strategies include the flexibility to use leveraged and/or short-sale positions. The funds are subject to various redemption restrictions. There are no unfunded commitments for any hedge funds as of June 30, 2018.

Investments

The cost and fair value of the Foundation's investments at June 30, 2018 and 2017, are as follows:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Multi-managed domestic equity	$ 1,335,332	$ 1,337,133	$ -	$ -
Multi-managed international equity	747,568	722,364	-	-
Multi-managed fixed income	2,220,594	2,225,013	-	-
Domestic Equity	-	-	493,873	710,547
International Equity	-	-	504,951	554,384
Fixed Income	-	-	1,433,835	1,429,612
Alternative investments:				
Hedge funds	-	-	164,917	160,183
Managed future	-	-	50,000	46,202
Temporarily uninvested cash	9,422	9,423	144,852	144,852
	$ 4,312,916	$ 4,293,933	$ 2,792,428	$ 3,045,780

Investment return (loss) for the years ended June 30, 2018 and 2017, was as follows:

	2018	2017
Return on investments:		
Interest and dividends	$ 63,146	$ 37,526
Realized gain on sale of investments	379,344	17,866
Investment income	442,490	55,392
Unrealized (loss) gain on investments	(272,341)	144,220
Total return on investments	$ 170,149	$ 199,612

Investment management fees of $15,144 in 2018 and $26,492 in 2017 have been netted against interest and dividend income.

The various investments in stocks, securities, and mutual funds are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Foundation.

Note 14. Component Unit (Continued)

Charitable Remainder Trust

The Foundation was notified during fiscal year 2017 that it was named as a 25 percent beneficiary of an irrevocable charitable remainder trust (the Trust) administered by a third party. The trust agreement required the Trust to make periodic payments to named income recipients over the income recipients' lifetimes. Upon the death of the last surviving recipient, which occurred during fiscal year 2017, the Trust shall distribute the remaining assets to the named beneficiaries.

The Trust did not make the distribution of assets by June 30, 2017 and has been classified as temporarily restricted. The trustee estimated that the Foundation would receive $140,000, based on the fair value of the Trust assets less estimated expenses. Upon termination of the Trust, the Foundation received $164,204 during fiscal year 2018.

The Foundation was notified during fiscal year 2018 that it was named as a 1.01 percent beneficiary of an irrevocable charitable remainder trust (the Trust) administered by a third party. The trust agreement required the Trust to make periodic payments to named income recipients over the income recipients' lifetimes. Upon the death of the last surviving recipient, which occurred during fiscal year 2018, the Trust shall distribute the remaining assets to the named beneficiaries.

The Trust did not make the distribution of assets until July 2018. The Trust has been classified as permanently restricted per the terms of the Trust agreement.

The Trust is comprised of the following at June 30, 2018:

Fair value of charitable remainder trust assets	$ 4,431,933
Less: Estimated expenses	-
Net estimated assets to distribute	4,431,933
Other beneficiaries' interests (98.99%)	(4,387,166)
Beneficial interest in charitable remainder trust, net	$ 44,767

Pledges Receivable

The Foundation received two unconditional pledges of $75,000 and $20,000 in fiscal year 2017 that each met the criteria for recognition as a temporarily restricted contribution in the year of pledge. The pledges were recorded as a receivable and the entire amounts were received in fiscal year 2018.

The Foundation received an unconditional pledge of $50,000 in fiscal year 2018 that met the criteria for recognition as a temporarily restricted contribution in the year of pledge. The pledge was recorded as a receivable and the entire amount will be received in fiscal year 2019.

The Foundation received two unconditional pledges of $3,000 each in fiscal year 2018 that met the criteria for recognition as a temporarily restricted contribution in the year of pledge. The Foundation received $1,000 on each of the pledges in fiscal year 2018. The remaining pledges of $2,000 each were recorded as a receivable and will be received over a two year period ending in fiscal year 2020.

Collectability of both pledges is considered to be reasonably assured and there is no allowance recorded as of June 30, 2018 or 2017. The Foundation has not recorded a present value discount for these pledges as they are due within one year.

Note 14. Component Unit (Continued)

Restrictions on Net Assets

The Foundation reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. At the end of fiscal years 2018 and 2017, respectively, the Foundation held $2,319,460 and $2,592,907 in temporarily restricted net assets. These assets will be used for the following purposes:

	2018	2017
Scholarships for students of the College	$ 2,200,909	$ 2,387,629
Grants benefiting the College	118,551	205,278
	$ 2,319,460	$ 2,592,907

During fiscal years 2018 and 2017, respectively, $952,942 and $829,392 were released from restrictions and used for the following purposes:

	2018	2017
Scholarships for students of the College	$ 690,660	$ 492,974
Grants benefiting the College	262,282	336,418
	$ 952,942	$ 829,392

The Foundation's permanently restricted net assets consists of donor-restricted endowment funds to function as endowments for the following purposes:

	2018	2017
Scholarships for students of the College	$ 1,312,880	$ 1,200,204
Grants benefiting the College	215,957	200,957
	$ 1,528,837	$ 1,401,161

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. There were no funds designated by the Board of Directors to function as endowments as of June 30, 2018 and 2017.

During fiscal year 2016, the Board of Directors established a policy to create a board-designated endowment fund within the unrestricted net assets to which future gains (losses) on unrestricted investments will be posted. This designation will then not impact the amount of funding available for College programs and scholarships.

Note 14. Component Unit (Continued)

Interpretation of Relevant Law: The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Foundation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation.

Changes in donor-restricted endowment net assets for year ended June 30:

	2018		
	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 455,959	$ 1,401,161	$ 1,857,120
Investment return:			
Interest income, net of fees	86,558	2,986	89,544
New gifts	-	104,508	104,508
Change in classification of donor restrictions	-	20,182	20,182
Appropriation for expenditure	(44,422)	-	(44,422)
Net assets, end of year	$ 498,095	$ 1,528,837	$ 2,026,932

	2017		
	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 376,155	$ 1,397,666	$ 1,773,821
Investment return:			
Interest income, net of fees	90,890	2,956	93,846
New gifts	11,564	10,300	21,864
Change in classification of donor restrictions	(172)	(9,761)	(9,933)
Appropriation for expenditure	(22,478)	-	(22,478)
Net assets, end of year	$ 455,959	$ 1,401,161	$ 1,857,120

Note 14. Component Unit (Continued)

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to achieve a balanced return of current income and modest growth of principal. The Foundation expects its endowment funds, over time, to provide an average rate of return that meets or exceeds the market index, or blended market index, that is selected and agreed upon by the Foundation Board that mostly corresponds to the investment objectives, while assuming an overall level of risk which is consistent with the risk associated with the selected benchmark. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Donor-Restricted Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. There were no donor-restricted deficiencies as of June 30, 2018 or 2017.

Spending Policy: The Foundation's board attempts to balance the Foundation's shorter-term grant making obligations with its goal to provide grants into perpetuity, and therefore designed a spending policy which is flexible. The Foundation Board set a spending target equal to 3-5 percent of the average of the previous three years ending market values of participated funds. Donations may have additional restrictions that result in less than the spending target being spent. Donor-restricted principal, unless otherwise directed by the donor, shall not be disbursed.

Donated Goods and Services

The Foundation has various noncash transactions with the College and other third parties as described below:

i) Donated Services

As described in Note 1, the Foundation receives donated services and other operating support from the College. For the years ended June 30, 2018 and 2017, donated service revenue and related expenses with the College were approximately $615,896 and $648,445, respectively.

ii) Donated Securities

The Foundation received stock donations of $38,238 and $25,194 for the years ended June 30, 2018 and 2017, respectively.

iii) Other Noncash Donations

The Foundation receives various noncash donations, mostly equipment and supplies, from outside sources. These materials are then distributed to the College for use in its various programs. For the years ended June 30, 2018 and 2017, noncash donation revenue and related expenses were approximately $228,333 and $105,490, respectively.

Required Supplementary Information

College of Lake County
Community College District No. 532

Required Supplementary Information

Other Postemployment Benefits - GASB 45

Analysis of Funding Progress

Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
2016	$ -	$ 7,762,508	$ 7,762,508	0%	$ 32,520,316	$ 32,520,316	24%
2014	-	8,088,521	8,088,521	0	33,736,983	33,736,983	24
2012	-	9,414,423	9,414,423	0	43,722,874	43,722,874	22
2011	-	9,682,986	9,682,986	0	35,707,743	35,707,743	27
2010	-	11,720,553	11,720,553	0	34,667,712	34,667,712	34
2009	-	13,560,889	13,560,889	0	37,481,179	37,481,179	36
2008	-	13,025,082	13,025,082	0	36,389,494	36,389,494	36

Employer Contributions

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2017	$ 633,537	101.5%
2016	644,802	94.8
2015	644,802	97.3
2014	896,865	94.8
2013	870,743	95.4
2012	867,101	92.4

Schedule of the College's Proportionate Share of the Net Pension Liability

State Universities Retirement System

Last 10 Fiscal Years*

For the fiscal year ending*	2018	2017	2016	2015
College's proportion percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%
College's proportionate amount of the net pension liability	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the College	409,201,081	396,192,850	358,337,760	345,012,299
Total	$ 409,201,081	$ 396,192,850	$ 358,337,760	$ 345,012,299
College's covered payroll	$ 56,720,116	$ 55,108,575	$ 54,907,365	$ 57,471,457
College's proportionate share of the net pension liability as a percentage of its covered payroll	721.44%	718.93%	652.62%	600.32%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	39.57%	42.37%	44.39%

**The amounts presented for each fiscal year were determined as of the prior fiscal-year-end.*

Note to Schedule
The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

College of Lake County
Community College District No. 532

Required Supplementary Information

Schedule of College Contributions - SURS Pension Plan - GASB 68

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 121,959	$ 121,581	$ 144,948	$ 225,318	$ 204,318	$ 217,455	$ 158,916	$ 113,891	$ 76,824	$ 72,126
Contributions in relation to the contractually required contribution	(121,959)	(121,581)	(144,948)	(225,318)	(204,318)	(217,455)	(158,916)	(113,891)	(76,824)	(72,126)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 56,224,014	$ 56,720,116	$ 55,108,575	$ 54,907,365	$ 57,471,457	$ 57,415,228	$ 58,129,259	$ 53,677,576	$ 51,692,015	$ 48,391,016
Contributions as a percentage of covered payroll	0.22%	0.21%	0.26%	0.41%	0.36%	0.38%	0.27%	0.21%	0.15%	0.15%

College of Lake County
Community College District No. 532

Schedule of Changes in the College's Total OPEB Liability and Related Ratios
College Plan - GASB 75

For the fiscal year ending	2018
Total OPEB liability	
Service cost	$ 22,516
Interest on total OPEB liability	270,269
Changes of benefit terms	56,095
Differences between expected and actual experience	203,342
Changes of assumptions or other inputs	344,111
Benefit payments	(624,870)
Other changes	68,879
Net change in total OPEB liability	$ 340,342
Total OPEB liability - beginning	9,041,538
Total OPEB liability - ending	$ 9,381,880
Covered-employee payroll	$ 33,547,455
Total OPEB liability as a percentage of covered-employee payroll	27.97%

Notes to Schedules

Changes of benefit terms. In the 2016 valuation, the plan was for employees continuously employed by the Collage on or before January 1, 2011 to receive subsidized retiree medical coverage. In the 2018 valuation, the policy changed to employment on or before December 1, 2011.

Changes of assumptions. Changes of assumptions and other inputs reflect that the discount rate was changed to 2.98% from 4.5% to comply with GASB Statement No. 75. Changes in assumptions also reflect that rates of retirement, withdrawal, and disability were changed to those in the State Universities Retirement System of Illinois Actuarial Valuation Report as of June 30, 2017.

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

College of Lake County
Community College District No. 532

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability
Community College Health Insurance Program - GASB 75

For the fiscal year ending*	2018	2017
Employer's proportion of the collective net OPEB liability	3.116623%	2.961604%
Employer's proportionate share of the collective net OPEB liability	$ 56,835,882	$ 53,899,845
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer	56,087,349	56,158,988
Total	$ 112,923,231	$ 110,058,833
Employee covered payroll	$ 54,077,972	$ 53,683,264
Collective net OPEB liability as a percentage of the employee covered payroll	105.1%	100.4%
Plan fiduciary net position as a percentage of the total pension liability	-2.87%	n/a

** The amounts presented for each fiscal year were determined as of the prior fiscal-year-end.*

Note to Schedule

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75. Information on employee covered payroll for all 10 years can be found in the schedule of employer contributions.

College of Lake County
Community College District No. 532

Schedule of Employer Contributions
Community College Health Insurance Program - GASB 75

For the fiscal year ending	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily-required contribution	$ 267,410	$ 270,390	$ 268,416	$ 263,511	$ 268,863	$ 263,828	$ 263,414	$ 243,780	$ 235,748	$ 224,484
Contributions in relation to the statutorily-required contribution	(267,410)	(270,390)	(268,416)	(263,511)	(268,863)	(263,828)	(263,414)	(243,780)	(235,748)	(224,484)
Contribution (excess) deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's employee covered payroll	$ 53,482,032	$ 54,077,972	$ 53,683,264	$ 52,702,160	$ 53,772,584	$ 52,765,600	$ 52,682,896	$ 48,755,926	$ 47,149,654	$ 44,896,760
Contributions as a percentage of employee covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Note 1. SURS Pension Plan

Changes of benefit terms. There were no benefit changes recognized in the total pension liability as of June 30, 2017.

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

- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary increase. Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

Special Funding Situation. For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities. The State is responsible for the collective net pension liability of the plan with the exception of federal, trust or grant contributions made by the College that are recognized as deferred outflows of resources.

Note 2. Community College Health Insurance Plan

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Sponsor's Fiscal Year End	June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 3017, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.75%
Salary Increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase incudes a 3.75% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2014, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

College of Lake County
Community College District No. 532

Statistical Section Summary

This section of the College's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

Contents	**Tables**
Financial Trends These tables contain information to help the reader understand and assess how the College's financial position and operations have changed over time.	1 - 2
Revenue Capacity These tables contain information to help the reader understand and assess the College's most significant local revenue source, property taxes.	3 - 6
Debt Capacity These tables present information to help the reader understand and assess the College's debt burden and its ability to issue additional debt.	7 - 10
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	11 - 13
Operating Information These tables provide information about the College's operations and resources to assist the reader with understanding the College's economic condition.	14 - 16

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Table 1

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Net Position by Component (Unaudited)

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	$ 133,659,285	$ 110,606,958	$ 93,242,840	$ 96,082,639	$ 94,812,636	$ 90,264,397	$ 89,840,672	$ 88,244,604	$ 88,360,119	$ 89,508,677
Restricted for:										
Debt service	1,742,884	1,699,027	1,663,859	1,639,557	1,477,210	1,357,332	1,163,008	3,821,509	3,683,898	3,638,451
Capital projects	218,533	198,883	1,469,753	12,548,437	7,493,234	1,631,704	1,914,268	754,227	1,063,084	1,090,977
Other	972,947	981,553	856,651	617,430	790,910	904,521	289,439	698,222	601,233	1,083,162
Unrestricted	30,228,136	92,318,940	98,938,193	79,048,204	72,184,158	73,118,295	62,925,272	53,903,877	39,814,025	31,513,221
Total net position	$ 166,821,785	$ 205,805,361	$ 196,171,296	$ 189,936,267	$ 176,758,148	$ 167,276,249	$ 156,132,659	$ 147,422,439	$ 133,522,359	$ 126,834,488

Source: College's Annual Financial Statements.

Table 2

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating revenues:										
Student tuition and fees	$ 33,337,717	$ 33,337,854	$ 31,874,294	$ 31,146,347	$ 31,049,548	$ 32,039,591	$ 31,571,415	$ 31,341,476	$ 27,687,389	$ 24,431,056
Less scholarship allowances	(9,582,422)	(6,324,730)	(7,171,782)	(7,117,501)	(7,092,007)	(7,735,180)	(8,199,350)	(7,585,139)	(5,040,088)	(3,438,360)
Net student tuition and fees	23,755,295	27,013,124	24,702,512	24,028,846	23,957,541	24,304,411	23,372,065	23,756,337	22,647,301	20,992,696
Auxiliary enterprises	7,792,791	8,381,236	9,459,100	10,071,648	10,061,743	10,409,564	10,757,207	10,713,481	11,067,046	10,539,065
Other operations	1,106,003	1,531,002	1,051,736	1,087,468	1,472,404	1,482,587	1,173,803	1,478,186	1,328,725	1,921,201
Total operating revenues	32,654,089	36,925,362	35,213,348	35,187,962	35,491,688	36,196,562	35,303,075	35,948,004	35,043,072	33,452,962
Operating expenses:										
Education and general:										
Instruction	75,018,758	68,660,469	62,300,046	57,017,699	57,226,921	56,918,482	51,721,715	48,268,132	46,853,367	40,662,025
Academic support	6,769,502	6,294,811	6,235,402	5,732,988	5,051,720	5,377,091	5,368,352	5,464,060	5,506,810	5,418,601
Student services	13,532,836	12,132,575	10,710,983	10,615,904	10,302,808	9,977,245	9,108,675	8,136,053	7,861,672	7,416,388
Public service	7,662,649	6,803,924	8,774,300	10,657,857	12,527,397	13,578,437	8,686,815	7,575,936	6,426,550	7,127,721
Institutional support	31,349,783	26,829,298	28,289,814	27,282,833	26,795,577	25,889,885	24,459,148	21,841,211	21,549,383	22,160,018
Operations and maintenance of plant	12,445,257	10,918,085	10,755,620	10,981,649	10,849,289	10,175,688	9,501,273	8,897,716	9,557,706	9,214,707
Financial aid	5,969,760	5,003,653	4,856,633	5,741,816	7,246,038	6,325,221	6,626,759	6,587,783	7,349,762	2,478,091
Depreciation	9,586,974	7,503,136	5,338,718	5,096,492	4,830,835	4,441,546	4,334,200	4,245,907	4,151,105	4,393,484
Loss on disposition of assets	—	423,435	—	—	—	—	—	—	—	—
Auxiliary enterprises	7,657,860	7,719,970	9,009,866	10,059,357	11,015,661	11,400,549	11,635,549	10,728,709	10,924,069	10,003,106
Total operating expenses	169,993,379	152,289,356	146,271,382	143,186,595	145,846,246	144,084,144	131,442,486	121,745,507	120,180,424	108,874,141
Operating loss	(137,339,290)	(115,363,994)	(111,058,034)	(107,998,633)	(110,354,558)	(107,887,582)	(96,139,411)	(85,797,503)	(85,137,352)	(75,421,179)
Nonoperating revenues (expenses):										
Local property taxes	68,268,042	66,976,264	66,153,206	64,961,915	63,591,948	62,139,690	60,194,469	58,363,768	57,133,098	55,125,615
Personal property replacement tax	1,054,387	1,280,857	1,159,689	1,266,744	1,177,861	1,164,330	1,139,553	1,238,741	955,215	1,180,747
State appropriations	61,287,667	44,951,735	34,646,252	37,894,602	34,341,721	34,600,754	27,664,030	24,581,121	20,282,045	15,655,068
Federal grants and contracts	13,006,462	11,361,992	13,867,176	16,509,843	19,782,912	20,173,020	15,385,348	14,874,344	12,736,502	5,716,530
Local grants and contracts	1,365,480	1,167,546	1,255,820	845,458	916,302	865,085	911,393	951,778	1,067,360	1,138,575
Investment income	866,590	534,166	407,757	326,129	238,692	126,529	91,810	109,959	155,791	679,593
Interest expense	(1,438,766)	(1,274,501)	(196,847)	(627,939)	(212,979)	(637,083)	(536,972)	(422,128)	(504,788)	(593,093)
Net nonoperating revenues	144,409,862	124,998,059	117,293,053	121,176,752	119,836,457	118,432,325	104,849,631	99,697,583	91,825,223	78,903,035
Increase before capital contributions	7,070,572	9,634,065	6,235,029	13,178,119	9,481,899	10,544,743	8,710,220	13,900,080	6,687,871	3,481,856
Capital appropriations	13,592,627	-	-	-	-	685,416	-	-	-	-
Increase in net position	$ 20,663,199	$ 9,634,065	$ 6,235,029	$ 13,178,119	$ 9,481,899	$ 11,230,159	$ 8,710,220	$ 13,900,080	$ 6,687,871	$ 3,481,856

*GASB Statement No. 75 was implemented in 2018

**Certain figures in 2014 and 2013 have been restated as a result of the implementation of GASB Statement No. 68

Source: College's Annual Financial Statements.

Table 3

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Levy Year	Residential Property	Commercial Property	Industrial Property	Farm & Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2018	2017	$ 19,732,823,101	$ 3,816,875,479	$ 990,872,787	$ 170,685,275	$ 24,711,256,642	0.281	$ 74,133,769,926	33.33 %
2017	2016	18,858,676,470	3,660,173,211	962,532,649	165,258,554	23,646,640,884	0.285	70,939,922,652	33.33
2016	2015	17,691,329,830	3,474,770,039	920,970,005	154,174,058	22,241,243,932	0.299	66,723,731,796	33.33
2015	2014	16,965,816,311	3,447,636,200	918,230,490	149,873,143	21,481,556,144	0.306	64,444,668,432	33.33
2014	2013	17,214,391,095	3,481,459,284	938,486,166	146,943,115	21,781,279,660	0.296	65,343,838,980	33.33
2013	2012	18,472,931,866	3,625,601,381	974,610,494	145,725,403	23,218,869,144	0.272	69,656,607,432	33.33
2012	2011	20,373,987,923	3,818,085,918	1,020,867,520	156,248,304	25,369,189,665	0.240	76,107,568,995	33.33
2011	2010	22,224,909,605	3,844,218,020	1,027,794,240	158,160,815	27,255,082,680	0.218	81,765,248,040	33.33
2010	2009	23,479,024,924	3,977,027,085	1,051,356,708	155,323,495	28,662,732,212	0.201	85,988,196,636	33.33
2009	2008	23,786,834,186	3,980,347,903	1,047,235,622	153,386,437	28,967,804,148	0.197	86,903,412,444	33.33

Note: Lake County assesses property at approximately 33 1/3% of actual value. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per $100 of assessed value.

Note: Property taxes are levied each calendar year on all taxable real property in the College's district. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following levy year. Taxes must be levied by the fourth Tuesday in December for the following year. The levy becomes an enforceable lien against the property as of January 1 immediately following the levy year.

Source: Lake County Clerk's Office.

Table 4

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Direct and Overlapping Property Tax Rates (Unaudited)

Last Ten Years

(rate per $100 of assessed value)

	Year Taxes are Payable									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
College direct rates										
Bonds	$ 0.007	$ 0.007	$ 0.007	$ 0.008	$ 0.008	$ 0.008	$ 0.007	$ 0.006	$ 0.006	$ 0.007
Educational	0.214	0.218	0.229	0.234	0.226	0.207	0.180	0.148	0.132	0.129
Medicare	-	-	-	-	-	-	-	-	-	0.001
Operation & maintenance	0.057	0.058	0.061	0.062	0.060	0.055	0.051	0.062	0.061	0.057
Tort judgement & liability insurance	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.003
Total direct rate	$ 0.281	$ 0.285	$ 0.299	$ 0.306	$ 0.296	$ 0.272	$ 0.240	$ 0.218	$ 0.201	$ 0.197
Lake County rate	0.622	0.632	0.663	0.682	0.663	0.608	0.554	0.505	0.464	0.453
Lake County Forest Preserves rate	0.187	0.193	0.208	0.210	0.218	0.212	0.201	0.198	0.200	0.199
Elementary School rates	1.355 - 8.702	1.367 - 9.150	1.429 - 9.829	1.453 - 9.799	1.424 - 8.762	1.322-7.302	1.186-5.818	1.095-4.879	0.998 - 4.423	0.965 - 4.403
Unit School rates	4.372 - 9.08	4.437 - 9.598	4.468 - 10.430	4.697 - 10.380	4.607 - 9.418	4.292-10.136	3.661-8.175	3.438-6.921	3.272 - 5.986	3.064 - 5.691
High School rates	1.314 - 4.876	1.329 - 5.060	11.409 - 5.396	1.448 - 5.539	1.420 - 5.228	1.322-4.556	1.191-3.824	1.101-3.497	1.069 - 3.195	1.001 - 3.066
Township rates	0.034 - 0.421	0.034 - 0.465	0.037 - 0.508	0.039 - 0.533	0.027 - 0.490	0.025-0.434	0.033-0.397	0.033-0.372	0.031 - 0.364	0.029 - 0.372
Sanitary District rates	0.050 - 0.232	0.000 - 0.856	0.000 - 0.250	0.000 - 0.250	0.000 - 0.250	0.000-0.250	0.000-0.241	0.000-0.216	0.000- 0.194	0.000- 0.192
Park District rates	0.416 - 1.119	0.029 - 1.186	0.031 - 1.322	0.000 - 1.298	0.000 - 1.260	0.000-1.101	0.000-0.897	0.000-0.767	0.000 - 0.703	0.000 - 0.707
Library District rates	0.217 - 0.642	0.220 - 0.680	0.225 - 0.709	0.231 - 0.719	0.228 - 0.656	0.213-0.581	0.185-0.475	0.170-0.450	0.161 - 0.452	0.150 - 0.477
Fire District rates	0.093 - 1.475	0.116 - 1.207	0.123 - 1.296	0.128 - 1.294	0.126 - 1.093	0.071-0.988	0.129-0.875	0.111-0.754	0.105 - 0.707	0.124 - 0.677
City & Village rates	0.015 - 5.735	0.016 - 6.170	0.170 - 6.515	0.000 - 5.535	0.000 - 4.963	0.000-3.854	0.000-3.511	0.000-2.954	0.000 - 2.616	0.000 - 2.491
Special Service Area rates	0.012 - 2.487	0.102 - 7.384	0.104 - 8.276	0.032 - 8.080	0.015 - 8.235	0.033-7.933	0.013-7.314	0.013-15.414	0.029 - 8.651	0.029 - 10.130

Overlapping rates are presented for years where information is readily available.

Overlapping rates are those of local and county governments that apply to property owners within the College's District. Not all overlapping rates apply to all property owners.

Annual property tax extensions may only be increased by a percentage based on the consumer price index and new construction within the District. Increases above that amount require passage of a referendum by a majority vote of District residents.

Source: Lake County Clerk

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Principal Property Tax Payers (Unaudited)

Current Levy Year and Nine Years Ago

	Levy Year 2017			Levy Year 2008		
Taxpayer	Taxable Assessed Value [(a) (b)]	Rank	Percentage of Total District Taxable Assessed Value [(a)]	Taxable Assessed Value [(a) (b)]	Rank	Percentage of Total District Taxable Assessed Value [(a)]
Abbott Manufactoring, Inc.	$ 151,989,482	1	0.62 %	$ 167,866,409	1	0.58 %
Gurnee Mills (The Mills Corp)	49,542,934	2	0.20	59,179,562	2	0.20
Discover Properties LLC	45,317,370	3	0.18	46,566,431	3	0.16
Marvin F Poer & Co.	32,537,387	4	0.13	41,128,691	5	0.14
Midwest Family Housing LLC	31,057,497	5	0.13	32,739,885	9	0.11
Walmart Stores Inc	29,893,347	6	0.12	—		-
Scott Dessing, Sr Mgr Taxation	27,302,061	7	0.11	—		-
Kemper lakes Business Center	26,184,475	8	0.11	—		-
Westfield LLC	25,949,720	9	0.11	—		-
Walgeen Co	25,755,026	10	0.10	—		-
Van Vlissingen & Co.	—		-	45,270,693	4	0.16
JBC Funds Parkway North LLC	—		-	38,620,348	6	0.13
Hewitt Properties III, LLC	—		-	33,817,439	7	0.12
Baxter Healthcare Corp	—		-	32,839,963	8	0.11
Long Ridge Office Portfolio LP	—		-	31,473,325	10	0.11
	$ 445,529,299		1.81 %	$ 529,502,746		1.82 %

[(a)] Includes only the parcels with equalized assessed valuations of over $5,000,000.

[(b)] The amounts and corresponding percentages are the result of a consolidation of information available through the Lake County Clerk's Office and may omit some tax parcels as a result of multiple parcel listings for various taxpayers.

Source: Lake County Clerk's Office

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Levy Year	Taxes Levied for the Fiscal Year	Collected within the calendar year of the levy: Amount	Collected within the calendar year of the levy: Percentage of Levy	Collections in Subsequent Years[a]	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2018	2017	$ 69,349,671	$ 39,041,580	56.30 %	$ -	$ 39,041,580	56.30 %
2017	2016	67,483,966	34,447,030	51.04	32,756,824	67,203,854	99.58
2016	2015	66,587,615	33,717,350	50.64	32,702,485	66,419,835	99.75
2015	2014	65,748,169	33,275,974	50.61	32,252,571	65,528,545	99.67
2014	2013	64,472,588	32,508,420	50.42	31,729,184	64,237,603	99.64
2013	2012	63,155,324	31,623,830	50.07	31,216,239	62,840,069	99.50
2012	2011	60,886,055	30,513,839	50.12	30,287,991	60,801,830	99.86
2011	2010	59,416,080	29,491,153	49.63	29,788,508	59,279,661	99.77
2010	2009	57,325,464	28,293,964	49.36	28,905,921	57,199,885	99.78
2009	2008	56,776,896	27,829,509	49.02	28,798,370	56,627,879	99.74

Note: Property taxes are levied each calendar year on all taxable real property in the College's district. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following levy year. Taxes must be levied by the fourth Tuesday in December for the following year. The levy becomes an enforceable lien against the property as of January 1 immediately following the levy year.

[a] Prior year taxes collected are immaterial and not reported to the College by year.

Source: Lake County Treasurer's Office

Table 7

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years

Fiscal Year	General Obligation Limited Tax Funding Bonds	General Obligation Limited Tax Debt Certificates	Capital Appreciation Limited Tax Bonds	General Obligation Bonds - Alternate Revenue Source	Unamortized Premium	Discount on Capital Appreciation Bonds	Total Outstanding Debt	Percentage of Taxable Assessed Value of Property[a]	Per FTE Student Count[b]
2018	$ 59,860,000	$ -	$ -	$ -	$ 804,874	$ -	$ 60,664,874	0.245%	8,163
2017	63,765,000	305,000	-	-	1,341,415	-	65,411,415	0.278%	8,208
2016	68,660,000	605,000	-	-	1,725,715	-	70,990,715	0.322%	8,365
2015	73,420,000	900,000	-	-	2,148,846	-	76,468,846	0.356%	8,422
2014	77,990,000	1,185,000	-	-	2,544,400	-	81,719,400	0.375%	9,463
2013	20,535,000	1,470,000	-	-	593,202	-	22,598,202	0.097%	9,551
2012	21,500,000	1,735,000	-	-	656,875	-	23,891,875	0.094%	9,498
2011	6,920,000	2,515,000	-	-	89,657	-	9,524,657	0.035%	9,975
2010	7,000,000	3,235,000	1,000,000	-	111,596	(19,734)	11,326,862	0.040%	9,922
2009	7,210,000	3,925,000	2,010,000	320,000	133,535	(85,127)	13,513,408	0.047%	8,915

Note: Details regarding the College's outstanding debt can be found in the notes to the financial statements.

[a] See Table 3 for Taxable Assessed Value of Property.

[b] See Table 11 for FTE Student Count.

Table 8

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years

Fiscal year	Total Outstanding Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Population	Percentage of Taxable Assessed Value of Property[a]	Net Bonded Debt Per Capita
2018	$ 60,664,874	$ 1,742,886	$ 58,921,988	703,520	0.238%	$ 83.75
2017	65,411,415	1,699,029	63,712,386	703,047	0.269%	90.62
2016	70,990,715	1,663,861	69,326,854	703,910	0.312%	98.49
2015	76,468,846	1,639,556	74,829,290	705,186	0.348%	106.11
2014	81,719,400	1,477,210	80,242,190	703,019	0.368%	114.14
2013	22,598,202	1,357,333	21,240,869	702,120	0.091%	30.25
2012	23,891,875	1,163,008	22,728,867	706,222	0.090%	32.18
2011	9,524,657	3,821,509	5,703,148	703,462	0.021%	8.11
2010	11,326,862	3,683,898	7,642,964	712,567	0.027%	10.73
2009	13,513,408	3,638,451	9,874,957	707,622	0.034%	13.96

[a] See Table 3 for Taxable Assessed Value of Property.

Source: College records – Department of Institutional Research
Lake County Clerk's Office

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Levy Year	Assessed Valuation	Bond Debt Limit*	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2018	2017	$ 24,711,256,642	$ 710,448,628	$ 60,664,874	$ 649,783,754	8.54%
2017	2016	23,646,640,884	679,840,925	65,411,415	614,429,510	9.62%
2016	2015	22,241,243,932	639,435,763	70,990,715	568,445,048	11.10%
2015	2014	21,481,556,144	617,594,739	76,468,846	541,125,893	12.38%
2014	2013	21,781,279,660	626,211,790	81,719,400	544,492,390	13.05%
2013	2012	23,218,869,144	667,542,488	22,598,202	644,944,286	3.39%
2012	2011	25,369,189,665	729,364,203	23,891,875	705,472,328	3.28%
2011	2010	27,255,082,680	783,583,627	9,524,657	774,058,970	1.22%
2010	2009	28,662,732,212	824,053,551	11,326,862	812,726,689	1.37%
2009	2008	28,967,804,148	832,824,369	13,513,408	819,310,961	1.62%

*2.875% of assessed value (from the Illinois Compiled Statutes 50 ILCS 405/1).

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Pledged Revenue Coverage (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Alternate Revenue Bonds[a]			
	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2018	$ -	$ -	$ -	-
2017	-	-	-	-
2016	-	-	-	-
2015	-	-	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	409,200	320,000	7,360	1.25
2009	395,400	295,000	21,358	1.25

[a] Pledged Revenues consist of lease payments received by the College from the lease of the Series 1998A Project (rented to an agency of the State of Illinois). Although these rents are sufficient to pay the debt service, net bookstore revenues are pledged to the extent needed to provide the 1.25 coverage rate (Fiscal years 2001-2008). Bond repaid in full at June 30, 2010.

Table 11

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Student Enrollment Demographic Statistics (Unaudited)

Last Ten Fiscal Years

	Enrollment		Gender		Attendance		Enrollment Status				
Fall Term	Headcount	FTE	Male	Female	Full-time	Part-time	New	Continuing	Returning	In-District Residency	Average Age
2017	14,590	8,163	6,619	7,971	4,222	10,368	3,058	7,438	4,094	95%	27.6
2016	14,768	8,208	6,683	8,085	4,324	10,444	3,677	7,670	3,421	99%	27.5
2015	14,964	8,365	6,837	8,127	4,292	10,672	3,572	7,937	3,455	94%	27.5
2014	15,410	8,422	6,972	8,438	4,303	11,107	3,539	8,121	3,012	94%	27.8
2013	17,685	9,463	7,934	9,751	4,764	12,921	4,862	8,966	3,667	94%	28.7
2012	17,577	9,551	7,870	9,707	4,945	12,632	4,341	9,199	3,854	95%	28.7
2011	17,389	9,498	7,707	9,682	5,212	12,177	4,376	9,125	2,883	95%	28.9
2010	18,091	9,975	7,895	10,088	5,678	12,413	4,966	10,028	3,097	94%	28.7
2009	18,092	9,920	7,898	10,084	6,461	11,631	5,437	9,438	3,217	93%	28.9
2008	16,359	8,912	6,994	9,303	5,192	11,167	5,082	8,446	2,831	94%	28.6

Table 12

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Reimbursable Claimed Hours (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business	Technical	Health	Remedial	Adult Basic Secondary Education	Total
2018	153,874	8,406	19,903	13,951	21,309	23,627	241,070
2017	154,732	8,842	20,946	14,048	22,189	23,578	244,335
2016	155,020	9,321	21,730	14,870	23,108	23,410	247,458
2015	158,496	10,116	23,135	14,704	25,700	21,454	253,603
2014	165,651	12,265	25,892	15,790	26,523	22,480	268,600
2013	172,530	14,357	26,764	17,988	26,434	34,650	292,723
2012	174,623	16,055	27,180	19,353	26,284	32,579	296,074
2011	175,907	16,931	27,620	19,749	26,098	34,632	300,936
2010	172,894	16,706	26,774	20,182	24,940	40,631	302,127
2009	154,132	14,176	22,027	16,570	21,098	39,156	267,159

Amounts are based on midterm enrollment.

Table 13

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Principal Employers (Unaudited)

Current Year and Nine Years Ago

	2018			2009		
Employer	**Employees[a]**	**Rank**	**Percentage of Total County Employees[a]**	**Employees[a]**	**Rank**	**Percentage of Total County Employees[a]**
Abbott Laboratories	9,000	1	2.33%	15,700	2	4.26%
Aon Corp	4,000	2	1.03%	-		0.00%
Abbvie Inc	4,000	2	1.03%	-		
Discover Financial Svc	2,976	3	0.77%	3,500	6	
Advocate Health Care	2,333	4	0.60%	-		0.00%
Visual Pak	2,000	5	0.52%	-		
Walgreens Boots Alliance Inc	2,100	6	0.54%	-		
Baxter Healthcare Corp	1,900	7	0.49%	4,600	4	
CDW Corporation	1,800	8	0.47%	2,500	9	0.68%
Takeda Pharmaceuticals USA, Inc	1,700	9	0.44%	-		
Medline Industries Inc	1,600	10	0.41%	2,000		0.54%
Pfizer Inc	1,600	10	0.41%	-		
Department of the Navy	-		-	25,000	1	6.78%
Hewitt Associates, LLC	-		-	6,000	3	1.63%
Motorola Inc	-		-	4,000	5	1.09%
HSBC, Inc	-		-	3,100	7	0.84%
County of Lake	-		-	2,800	8	0.76%
Condell Health Network	-		-	2,500	10	0.68%
	35,009		9.04%	71,700		18.53%

(a) Civilian only.

Source: Lake County Partners

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Operating Information and Employees (Unaudited)

Last Ten Fiscal Years

Year founded:	1969
Accreditation:	
Higher Learning Commission (HLC)	1974, 1979, 1985, 1986, 1996 (every 10 years)
HLC-Academic Quality Improvement Program	2015 Systems Portfolio
Population in District 2014 estimate (note 1):	703,520
Percentage change from 2013 census estimate	0.1%
Employment in District (note 2):	
Labor force, civilian (June 2015)	386,765
Unemployment rate (June 2015)	4.0%

Communities in District (note 3):

Antioch	Fox River Grove	Island Lake	Lincolnshire	Port Barrington	Volo
Bannockburn	Grayslake	Kildeer	Lindenhurst	Riverwoods	Wadsworth
Barrington	Green Oaks	Lake Barrington	Long Grove	Round Lake	Wauconda
Barrington Hills	Gurnee	Lake Bluff	Mettawa	Round Lake Beach	Waukegan
Beach Park	Hainesville	Lake Forest	Mundelein	Round Lake Heights	Wheeling
Buffalo Grove	Hawthorn Woods	Lake Villa	North Barrington	Round Lake Park	Winthrop Harbor
Deer Park	Highland Park	Lake Zurich	North Chicago	Third Lake	Zion
Deerfield	Highwood	Lakemoor	Old Mill Creek	Tower Lakes	
Fox Lake	Indian Creek	Libertyville	Park City	Vernon Hills	

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	(Fall 2016)									
Enrollment (Fall Semester, based on 10th day enrollment) (note 4):										
Total headcount	14,590	14,768	14,964	15,410	17,685	17,577	17,389	18,091	18,092	16,359
Percent change	-1.21%	-1.31%	-2.89%	-12.86%	0.61%	1.08%	-3.88%	-0.01%	10.59%	2.18%
Total student semester hours	122,477	123,131	125,468	126,344	141,940	143,283	142,475	149,623	148,807	133,683
Total FTE semester hours	8,165	8,209	8,365	8,423	9,463	9,552	9,498	9,975	9,920	8,912
Percent change	-0.54%	-1.86%	-0.69%	-10.99%	-0.93%	0.57%	-4.78%	0.55%	11.31%	3.89%
Total seats taken	36,071	36,178	38,874	37,064	44,709	45,014	44,721	46,940	47,387	42,671
Percent change	-0.30%	-6.94%	4.88%	-17.10%	-0.68%	0.66%	-4.73%	-0.94%	11.05%	4.35%
Degrees and certificates awarded (note 5):										
A.A., A.S., and A.E.S.	1084	1105	1042	975	995	1,254	823	706	648	586
A.A.S.	380	350	433	408	391	533	429	377	423	381
A.F.A./A.P.	0	4	1	4	4	6	1	2	1	2
Certificates	1721	1561	1900	2337	2,210	4,467	876	926	910	800
Total, degrees/certificates	3185	3020	3376	3724	3,600	6,260	2,129	2,011	1,982	1,769
College Workforce (Fall semester) (note 6):										
Faculty/academic support	872	841	866	807	951	1,014	1,027	976	963	1,075
Administrators	56	51	58	60	60	67	66	59	60	59
Prof./Tech.	241	244	238	251	247	260	227	196	184	195
Clerical	135	145	144	138	150	174	165	160	150	114
Maintenance and others	114	115	118	124	127	131	125	141	148	156
% Women*	60%	61%	60%	61%	61%	63%	63%	59%	60%	58%
% Minorities*	31%	29%	29%	30%	28%	32%	30%	21%	29%	20%

* Excludes part-time faculty

Certain information above is presented only for those years where readily available.

Notes:
1. From Lake County Quick Facts, US Census Bureau 2014 estimate.
2. From Local Area Unemployment Statistics (Lake County, IL), IDES, Not Seasonally Adjusted.
3. From Lake County Planning, Building and Development website.
4. From College of Lake County Institutional Effectiveness, Research and Planning, Fact Files.
5. From College of Lake County Office of Institutional Effectiveness, Research and Planning, Graduate Extract Files. In FY13, auto-awarding was started; the number of graduates for FY13 will be much higher than prior years as a result.
6. From Illinois Community College Board CI (Faculty, Staff, and Salary) Datafile.

Table 15

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Capital Asset Statistics by Facility (Unaudited)

Last Ten Fiscal Years

	Fiscal Year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Grayslake Campus-purchased 1968										
Size of campus (acres)[a]	270.7	270.7	270.7	270.7	270.0	223.4	223.4	223.4	223.4	225.1
Gross square footage[b]	854,432	812,432	790,702	789,082	789,082	789,082	789,082	789,082	789,082	814,174
Square footage rented [c]	5,000	5,000	5,000	5,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of classrooms [h]	100	100	100	100	97	97	97	97	97	102
Number of laboratories [h]	107	99	99	99	94	94	94	94	94	94
Lakeshore Campus-purchased 1979/1995										
Size of campus (acres)[f]	2.8	2.8	2.8	2.8	1.7	1.4	1.4	0.7	0.5	0.5
Gross square footage[g]	76,153	71,599	71,599	71,599	71,599	71,599	71,599	71,599	71,599	71,599
Number of classrooms [h]	13	13	13	13	14	14	14	14	14	14
Number of laboratories [h]	18	18	18	18	7	7	7	7	7	7
Southlake Center-purchased 1997										
Size of campus (acres)[d]	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Gross square footage[i]	68,803	68,803	66,269	66,269	66,269	66,269	66,269	66,269	66,269	66,269
Number of classrooms [h]	16	16	16	16	20	20	20	20	20	20
Number of laboratories [h]	13	13	12	12	8	8	8	8	8	8
1 North Genesse-purchased 2002[e]										
Size of campus (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gross square footage	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660
Square footage rented [c]	19,330	19,330	19,330	19,330	19,330	19,330	19,330	19,330	19,330	32,976
Number of classrooms available	11	11	11	11	11	11	11	11	11	9
Number of laboratories available	1	1	1	1	1	1	1	1	1	1

[a] 2003: Land transferred to Village of Grayslake for Fire Station. 2010: IDOT road expansion
[b] 2005: Technology Building addition. 2010: Disposal of buildings 2, 3 and pole barn. 2017: Café Willow and infilled courtyard. 2018: Science building addition.
[c] The College no longer rents to the Lake County Job Center, however the Lake County Regional Board of Education is still onsite.
[d] 2006: Land transferred to Village of Vernon Hills for future road development.
[e] Building renovated before occupancy began July 1, 2004.
[f] 2015 Parking Garage purchased at the Lakeshore Campus, but is not heated.
[g] Lakeshore Parking Garage is not heated, so no additional square footage is added. 2018: 128 W. Madison (Campus Police).
[h] Information based on Spring 2015 Term from 25Live.
[i] Southlake Chemistry lab

Source: College of Lake County Facilities Department

Table 16

College of Lake County
Community College District No. 532

Certification of Chargeback Reimbursement
Fiscal Year 2018
Year Ended June 30, 2018

All fiscal year 2018 noncapital audited operating expenditures from the following funds:

1.	Education Fund	$ 78,729,987
2.	Operations and Maintenance Fund	9,213,026
3.	Operations and Maintenance Fund (Restricted)	7,459,100
4.	Bond and Interest Fund	1,723,052
5.	Public Building Commission Rental Fund	
6.	Restricted Purposes Fund	22,471,770
7.	Audit Fund	174,860
8.	Liability, Protection, and Settlement Fund	520,447
9.	Auxiliary Enterprise Fund (Subsidy Only)	8,260,129
10.	Total noncapital audited expenditures	128,552,371
11.	Plus depreciation on capital outlay expenditures (equipment, building, and	8,898,881
	fixed equipment paid) from sources other than state and federal funds	-
12.	Total costs included	137,451,252
13.	Total certified semester credit hours for FY 2018	241,070
14.	Per capita cost	570
15.	All FY 2017 state and federal operating grants for noncapital expenditures, except ICCB grants	18,127,805
16.	Less FY 2016 state and federal grants per semester credit hour	75
17.	Less each district's average ICCB grant rate for fiscal year 2017	28
18.	Less each district's student tuition per semester credit hour for fiscal year 2019	119
19.	Equals charge-back reimbursement per semester credit hour	$ 348

Approved: [signature] 10/9/2018
Vice-President of Administrative Affairs — Date

Approved: Lori Suddick 10.10.18
President — Date

Schedule 1

College of Lake County
Community College District No. 532

All Funds Summary
Uniform Financial Statement Number 1
Year Ended June 30, 2018

	Education Fund	O & M Fund	O & M Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Agency Fund	Audit Fund	Liability Protection and Settlement Funds	Insurance Reserve Fund	Total
Fund balance (deficit)												
at June 30, 2017	$ 24,937,323	$ 13,112,493	$ 36,727,649	$ 1,699,029	$ 1,723,059	$ 1,177,646	$ 17,558,121	$ 829,161	$ 30,262	$ 107,671	$ 1,142,916	$ 99,045,330
Revenues:												
Local tax revenue	53,222,776	13,878,406	-	1,766,909	-	-	-	-	-	454,338	-	69,322,429
All other local revenue	-	-	-	-	-	684,687	-	-	-	-	-	684,687
ICCB grants	12,610,337	-	-	-	-	2,925,721	-	-	-	-	-	15,536,058
All other state revenue	-	-	-	-	-	2,046,132	-	-	-	-	-	2,046,132
Federal revenue	-	-	-	-	-	13,006,462	-	-	-	-	-	13,006,462
Student tuition and fees	29,204,516	-	3,125,103	-	-	2,373,578	-	817,679	-	-	-	35,520,876
All other revenue	464,017	107,581	520,905	-	8,613,869	2,194,586	203,805	-	-	-	10,231	12,114,994
Total revenues	95,501,646	13,985,987	3,646,008	1,766,909	8,613,869	23,231,166	203,805	817,679	-	454,338	10,231	148,231,638
Expenditures:												
Instruction	39,517,092	-	-	-	-	-	-	-	-	-	-	39,517,092
Academic support	3,470,110	-	-	-	-	-	-	-	-	-	-	3,470,110
Student services	7,589,433	-	-	-	-	-	-	791,755	-	-	-	8,381,188
Public service	1,281,810	-	-	-	-	5,900,834	-	-	-	-	-	7,182,644
Auxiliary services	-	-	-	-	8,550,332	-	-	-	-	-	-	8,550,332
Operations and maintenance	-	8,143,627	-	-	-	-	-	-	-	-	-	8,143,627
Institutional support	27,197,090	2,241,649	20,358,237	1,723,052	-	-	-	-	174,860	520,447	-	52,215,335
Scholarships and student grants	306,506	-	-	-	-	16,751,441	-	-	-	-	-	17,057,947
Total expenditures	79,362,041	10,385,276	20,358,237	1,723,052	8,550,332	22,652,275	-	791,755	174,860	520,447	-	144,518,275
Other financing sources (uses):												
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Net transfers	(13,860,626)	(4,029,936)	17,927,314	-	(59,826)	-	(211,926)	-	175,000	60,000	-	-
Total other financing sources (uses)	(13,860,626)	(4,029,936)	17,927,314	-	(59,826)	-	(211,926)	-	175,000	60,000	-	-
Fund balance (deficit)												
at June 30, 2018	$ 27,216,302	$ 12,683,268	$ 37,942,734	$ 1,742,886	$ 1,726,770	$ 1,756,537	$ 17,550,000	$ 855,085	$ 30,402	$ 101,562	$ 1,153,147	$ 102,758,693

College of Lake County
Community College District No. 532
Reconciliation of the Uniform Financial Statement Number 1
to the Statement of Net Position
June 30, 2018

Total fund balances - Uniform Financial Statement Number 1	$ 102,758,693
Amounts reported in the basic financial statements for net position are different because:	
Capital assets used in College activities are not current financial resources and therefore are not reported in the uniform financial statements.	193,309,322
Pension contributions made after the actuarial measurement date are considered expenditures in the uniform financial statements but are deferred outflows of resources in the basic financial statements.	121,959
OPEB contributions made after the actuarial measurement date are considered expenditures in the uniform financial statements but are deferred outflows of resources in the basic financial statements.	267,410
Unamortized refunding cost is considered a deferred outflow of resources in the basic financial statements; however, they are not recorded in the unform financial statements	1,014,838
Changes in assumptions, experiences and other calculations are reported as deferred outflows/inflows in the basic financial statements; however, they are not recorded in the uniform financial statements	(2,190,215)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in uniform financial statements:	
These liabilities consist of:	
General obligation bonds	(60,664,874)
Post-employment benefits	(66,217,762)
Amounts held in trust for others	(857,586)
Unearned rent	(720,000)
Net position - Statement of Net Position	$ 166,821,785

College of Lake County
Community College District No. 532
Reconciliation of the Uniform Financial Statement Number 1
to the Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2018

Net change in fund balances—Uniform Financial Statement Number 1		$ 3,713,363
Amounts reported for the general purpose Statement of Revenues, Expenses, and Changes in Net Position are different because:		
The uniform financial statements report capital outlays as expenditures paid while the basic financial statements report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
State capital appropriations	12,433,308	
Capital contributions	1,159,319	
Capital outlays	13,286,307	
Depreciation expense	(9,586,974)	
		17,291,960
Net book value of disposal of capital assets are not reported in the uniform financial statements.		(1,011)
Contributions to pension funds are recognized as expenditures when paid to the pension fund on the uniform financial statements. These expenditures are recorded on the basic financial statements based on the annual service cost, corresponding with the most recent actuarial valuation year. This is the difference between these amounts.		378
Contributions to the OPEB plan are recognized as expenditures when paid to the plan on the uniform financial statements. These expenditures are recorded on the basic financial statements based on the annual service cost, corresponding with the most recent actuarial valuation year. This is the difference between these amounts.		267,410
Some revenue and expenses reported in the uniform financial statements are the use of current financial resources to reduce long term liabilities reported on the basic financial statements. These activities consist of:		
Bonds payable, including amortization of bond premiums		27,071,541
Proceeds from refunded debt		(22,325,000)
Loss on refunding of debt		1,046,716
Amortization of loss of refunding		(31,878)
Post-employment benefits		(6,361,854)
Amounts held in trust for others		(28,426)
Unearned rent		20,000
Increase in net position - Statement of Revenues, Expenses and Changes in Net Position		$ 20,663,199

Schedule 2

College of Lake County
Community College District No. 532

Summary of Capital Assets and Debt
Uniform Financial Statement Number 2
Year Ended June 30, 2018

	Capital Asset/ Debt Account Groups June 30, 2017	Additions	Deletions	Capital Asset/ Debt Account Groups June 30, 2018
Fixed assets:				
Sites and improvements	$ 24,498,117	$ 1,147,884	$ -	$ 25,646,001
Buildings, additions, and improvements	178,202,926	39,725,568	-	217,928,494
Capitalized collections	-	1,041,319	-	1,041,319
Construction work in progress	26,108,965	5,064,398	(26,878,195)	4,295,168
Equipment, furniture, and machinery	34,187,439	6,777,959	(230,644)	40,734,754
Fixed assets	262,997,447	53,757,128	(27,108,839)	289,645,736
Accumulated depreciation	(86,979,074)	(9,586,974)	229,633	(96,336,414)
Net fixed assets	$ 176,018,373	$ 44,170,154	$ (26,879,206)	$ 193,309,322
Fixed debt:				
Bonds payable	$ 64,070,000	$ 22,325,000	$ (26,535,000)	$ 59,860,000
Total fixed liabilities	$ 64,070,000	$ 22,325,000	$ (26,535,000)	$ 59,860,000

The College has no tax anticipation warrants or notes outstanding at June 30, 2018.

Schedule 3

College of Lake County
Community College District No. 532

Operating Funds Revenues and Expenditures
Uniform Financial Statement Number 3
Year Ended June 30, 2018

	Education Fund	O&M Fund	Total Operating
Operating revenues by source:			
Local government:			
Current taxes	$ 53,222,776	$ 13,878,406	$ 67,101,182
Charge-back revenue	-	-	-
Total local government	53,222,776	13,878,406	67,101,182
State government:			
ICCB credit hour grants	11,563,534	-	11,563,534
Vocational education and other	1,046,803	-	1,046,803
Total state government	12,610,337	-	12,610,337
Federal government:			
American Recovery and Reinvestment Act	-	-	-
Total federal government	-	-	-
Student tuition and fees:			
Tuition and fees	29,204,516	-	29,204,516
Total student tuition and fees	29,204,516	-	29,204,516
Other sources:			
Investment revenue	412,606	-	412,606
Other	51,411	107,581	158,992
Transfers	271,752	-	271,752
Total other sources	735,769	107,581	843,350
Total revenue	95,773,398	13,985,987	109,759,385
Less nonoperating items*:			
Tuition charge-back revenue			
Transfers from nonoperating funds	271,752	-	271,752
Adjusted revenue	$ 95,501,646	$ 13,985,987	$ 109,487,633

College of Lake County
Community College District No. 532

Operating Funds Revenues and Expenditures (Continued)
Uniform Financial Statement Number 3
Year Ended June 30, 2018

	Education Fund	O&M Fund	Total Operating
Operating expenditures:			
Instruction	$ 39,517,092	$ -	$ 39,517,092
Academic support	3,470,110	-	3,470,110
Student services	7,589,433	-	7,589,433
Public service	1,281,810	-	1,281,810
Auxiliary services	-	-	-
Operations and maintenance	-	8,143,627	8,143,627
Institutional support	27,197,090	2,241,649	29,438,739
Scholarships and student grants	306,506	-	306,506
Transfers	14,132,378	4,029,936	18,162,314
Total operating expenditures by program	93,494,419	14,415,212	107,909,631
Less nonoperating items*:			
Tuition charge-back	-	-	-
Transfers to nonoperating funds	14,132,378	4,029,936	18,162,314
Adjusted expenditures	$ 79,362,041	$ 10,385,276	$ 89,747,317
By object:			
Salaries	$ 56,289,143	$ 3,867,674	$ 60,156,817
Employee benefits	11,881,871	1,527,401	13,409,272
Contractual services	3,554,202	851,025	4,405,227
General materials and supplies	2,723,991	358,585	3,082,576
Conference and meetings	580,354	3,725	584,079
Fixed charges	1,074,636	1,138,496	2,213,132
Utilities	2,332	2,684,656	2,686,988
Capital outlay	632,054	1,172,250	1,804,304
Other	2,623,458	(1,218,536)	1,404,922
Transfers	14,132,378	4,029,936	18,162,314
Total operating expenditures by object	93,494,419	14,415,212	107,909,631
Less nonoperating items*:			
Tuition charge-back	-	-	-
Transfers to nonoperating funds	14,132,378	4,029,936	18,162,314
Adjusted expenditures	$ 79,362,041	$ 10,385,276	$ 89,747,317

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

Schedule 4

College of Lake County
Community College District No. 532

Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement Number 4
Year Ended June 30, 2018

	Restricted Purposes Fund
Revenue by source:	
Local government:	
Other local government	$ 684,687
Total local government	684,687
State government:	
ICCB – State Adult Education Grant	1,333,570
ICCB – Career and Technical Education – Program Improvement Grant	363,772
ICCB – Program Improvement Grant	53,601
Other	3,220,910
Total state government	4,971,853
Federal government:	
U.S. Department of Education	12,054,813
Other	951,649
Total federal government	13,006,462
Student tuition and fees:	
Tuition and fees	1,008,098
Other sources:	
Other	3,560,066
Total other sources	3,560,066
Total restricted purposes fund revenues	$ 23,231,166

Schedule 4

College of Lake County
Community College District No. 532

Restricted Purposes Fund Revenues and Expenditures (Continued)
Uniform Financial Statement Number 4
Year Ended June 30, 2018

	Restricted Purposes Fund
Restricted purposes fund expenditures, by program:	
Public services	$ 5,900,834
Institutional support	
Scholarships and student grants	16,751,441
Total restricted purposes fund expenditures, by program	$ 22,652,275
Restricted purposes fund expenditures, by object:	
Salaries	$ 3,439,288
Employee benefits	349,468
Contractual services	562,689
General materials and supplies	365,498
Travel and conference/meetings	106,444
Utilities	-
Fixed charges	-
Capital outlay	180,505
Other	17,648,382
Total restricted purposes fund expenditures, by object	$ 22,652,274

Schedule 5

College of Lake County
Community College District No. 532

Current Funds* – Expenditures by Activity
Uniform Financial Statement Number 5
Year Ended June 30, 2018

Instruction:	
Instructional programs	$ 37,089,500
Other	2,427,592
Total instruction	39,517,092
Academic support:	
Library center	1,878,559
Instructional materials center	
Academic computing support	120,220
Academic administration and planning	
Other	1,471,331
Total academic support	3,470,110
Student services:	
Admission and records	768,603
Counseling and career services	2,996,702
Financial aid administration	817,729
Other	3,006,399
Total student services	7,589,433
Public service:	
Community education	4,369,400
Community services	1,466,860
Other	1,346,384
Total public services	7,182,644
Auxiliary services	8,550,332
Operations and maintenance:	
Maintenance	1,604,256
Custodial services	2,488,601
Grounds	603,268
Transportation	46,352
Utilities	2,434,481
Administration	589,770
Other	376,899
Total operations and maintenance	$ 8,143,627

College of Lake County
Community College District No. 532

Current Funds* – Expenditures by Activity
Uniform Financial Statement Number 5 (Continued)
Year Ended June 30, 2018

Institutional support:	
Executive management	$ 1,751,882
Fiscal operations	264,795
Community relations	2,276,470
Administrative support	1,756,500
Board of trustees	270,868
General institutional	17,480,244
Institutional research	626,105
Administrative data processing	5,707,182
Total institutional support	30,134,046
Scholarships, student grants, and waivers	17,057,947
Total current funds expenditures	$ 121,645,231

* Current Funds include Education, Operations and Maintenance, Auxiliary Enterprises, Restricted Purposes, Audit, Liability, Protection and Settlement Funds

Independent Auditor's Report on Audits of
Grant Program Financial Statements

To the Board of Trustees
College of Lake County
Community College District No. 532
Grayslake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education Grant (State Basic and State Performance) and Career and Technical Education Program Improvement Grant (the Grant Programs) of the College of Lake County, Community College District No. 532, Illinois (the College) as of and for the year ended June 30, 2018, and the related notes to the Illinois Community College Board (ICCB) State grants financial statements, which collectively comprise the College's grant program 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 grant program 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 audit. We conducted our audit 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 guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's State Adult Education Grant (State Basic and State Performance), and Career and Technical Education Program Improvement Grant as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
The grant program financial statements present only the Grant Programs referred to above and do not purport to, and do not present fairly the financial position of the College as of June 30, 2018, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters
Our audit was conducted for the purpose of forming opinions on the grant program financial statements of the College. The ICCB Compliance Statement on page 98 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement on page 98 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. Such information has been subjected to the auditing procedures applied in the audit of the grant program financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant program financial statements or to the grant program financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement on page 98 is fairly stated, in all material respects, in relation to the grant program financial statements 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, 2018 on our consideration of the College's internal control over financial reporting of the grant programs 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 the College's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
October 11, 2018

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Grant Program Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
College of Lake County
Community College District No. 532
Grayslake, Illinois

We have audited, 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 guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the State Adult Education Grant (State Basic and State Performance) and the Career and Technical Education Program Improvement Grant (the Grant Programs) of the College of Lake County, Community College District No. 532, Illinois (the College) as of and for the year ended June 30, 2018, and the related notes to the Illinois Community College Board (ICCB) State grants financial statements, and have issued our report thereon dated October 11, 2018.

Internal Control over Financial Reporting
In planning and performing our audit of the grant program 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 grant program 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 grant program financial statements are free of 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 grant program 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.

RSM US LLP

Chicago, Illinois
October 11, 2018

College of Lake County
Community College District No. 532

State Adult Education Grant
Balance Sheet
June 30, 2018

	State Basic	State Performance	Total
Assets			
Cash	$ -	$ -	$ -
Accounts receivable	166,685	56,353	223,038
Total assets	$ 166,685	$ 56,353	$ 223,038
Liabilities and Fund Balance			
Liabilities			
Due to other funds	$ 166,685	$ 56,353	$ 223,038
Total liabilities	166,685	56,353	223,038
Fund balance	-	-	-
Total liabilities and fund balance	$ 166,685	$ 56,353	$ 223,038

See accompanying notes to ICCB State Grants financial statements.

College of Lake County
Community College District No. 532

State Adult Education Grant
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2018

	State Basic	State Performance	Total
Revenues:			
State sources	$ 1,002,225	$ 323,845	$ 1,326,070
Expenditures – by program:			
Instructional and student services:			
Instruction	564,681	44,890	609,571
Social work services	-	-	-
Guidance services	50,030	5,248	55,278
Assistive and adaptive equipment	-	-	-
Assessment and testing	71,553	138,884	210,437
Student transportation services	-	-	-
Literacy services	1,109	13,377	14,486
Child care services	-	-	-
Total instructional and student services	687,373	202,399	889,772
Program support:			
Improvement of instructional services	440	2,280	2,720
General administration	113	3,588	3,701
Operation and maintenance of plant services	-	-	-
Workforce coordination	220	35,059	35,279
Data and information services	62,994	3,127	66,121
Approve indirect costs	-	-	-
Total program support	63,767	44,054	107,821
Total expenditures	751,140	246,453	997,593
Excess of Expense over Revenues	251,085	77,392	328,477
Fund balance at July 1, 2017	(251,085)	(77,392)	(328,477)
Fund balance at June 30, 2018	$ -	$ -	$ -

See accompanying notes to ICCB State Grants financial statements.

College of Lake County
Community College District No. 532

State Adult Education Grant
ICCB Compliance Statement
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2018

State Basic	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	$564,681	75%
Program Support (15% maximum allowed)	$63,767	8%
State Performance	Actual expenditure amount	Actual expenditure percentage
Instruction (No minimum required)	$44,890	18%
Program Support (No maximum allowed)	$44,054	18%

College of Lake County
Community College District No. 532

Career and Technical Education Program Improvement Grant
Balance Sheet
June 30, 2018

Assets	$ -
Liabilities and Fund Balance	
Liabilities	$ -
Fund balance	-
Total liabilities and fund balance	$ -

See accompanying notes to ICCB State Grants financial statements.

College of Lake County
Community College District No. 532

Career and Technical Education Program Improvement Grant
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2018

Revenues:	
State sources	$ 53,601
Expenditures – by program:	
Salaries	37,851
Consultants	1,500
Instructional equipment	6,379
Materials and supplies	6,131
Curriculum development	266
Staff development	1,474
Total expenditures	53,601
Excess of revenues over expenditures	-
Fund balance at July 1, 2017	-
Fund balance at June 30, 2018	$ -

See accompanying notes to ICCB State Grants financial statements.

Note 1. Summary of Significant Accounting Policies

General: The financial statements include only those transactions resulting from the Illinois Community College Board (ICCB) State Adult Education Grant (State Basic and State Performance) and are not intended to present the financial position or results of operations of the College of Lake County (the College). These transactions have been accounted for in the Restricted Purposes Fund.

Basis of accounting: These grant program financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are reported when services are rendered, or when goods are received.

Grant revenues are reported in these grant program financial statements when allowable grant expenditures are made. Expenditures are allowable if they comply with “Policy Guidelines for Restricted Grant Expenditures and Reporting” set forth in the ICCB *Fiscal Management Manual*. Grant funds should be accounted for in the same period as in the credit hour claiming process.

Capital assets: Capital asset purchases, if any, are recorded as capital outlay of the program from which the expenditures are made. Such expenditures have been capitalized at cost in the College’s financial statements.

Note 2. Background Information on Grant Activity

Restricted Grants

Restricted Adult Education Grant/State

1. State Basic – Grants awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and older or persons under the age of 21 and not otherwise in attendance in public schools 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 Educational Developmental Review classes. Included in this grant are funds for support services, such as student transportation and child-care facilities or provisions.

2. State Performance – Grants awarded to Adult Education and Family Literacy providers based upon performance outcomes.

Career and Technical Education Program Improvement Grant

Grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

RSM US LLP

Independent Accountant's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed

To the Board of Trustees
College of Lake County
Community College District No. 532
Grayslake, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims were Filed (the Schedule) of College of Lake County, Community College District No. 532 (the College) for the year ended June 30, 2018. The College's management is responsible for the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is in accordance with (or based on) the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims were Filed for the year ended June 30, 2018, is presented in accordance with (or based on) the provisions of the Illinois Community College Board's *Fiscal Management Manual*.

RSM US LLP

Chicago, Illinois
October 11, 2018

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Schedule of Enrollment Data and Other
Bases Upon Which Claims were Filed
Year ended June 30, 2018

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)

	Summer		Fall		Spring		Total	
	Unrestricted	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**
Baccalaureate	24,249.0	—	65,902.0	—	63,675.0	48.0	153,826.0	48.0
Business occupational	1,028.5	—	3,439.0	24.0	3,825.5	89.0	8,293.0	113.0
Technical occupational	2,022.5	—	8,810.0	—	9,070.5	—	19,903.0	—
Health occupational	2,026.0	—	5,450.0	—	6,475.0	—	13,951.0	—
Remedial development	2,314.0	—	11,216.0	—	7,779.0	—	21,309.0	—
Adult basic education/ secondary education	1,337.0	600.0	5,057.5	5,925.5	7,029.0	3,678.0	13,423.5	10,203.5
							—	—
Total	32,977.0	600.0	99,874.5	5,949.5	97,854.0	3,815.0	230,705.5	10,364.5

	Attending in-district	**Attending out-of-district on chargeback or contractual agreement**	**Total**
Semester credit hours (all terms)	234,032.5	881.0	234,913.5

	Dual Credit	**Dual Enrollment**	**Total**
Reimbursable semester credit hours (all terms)	6,262.0	1,202.0	7,464.0

District 2017 equalized assessed valuation $ 24,711,256,642

Lori Suddick
President

Vice-President for Administrative Affairs

See accompanying independent accountant's report on the schedule of enrollment data and other bases upon which claims were filed.

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Schedule of Enrollment Data and Other
Bases Upon Which Claims were Filed
Year ended June 30, 2018

Reconciliation of Total Semester Credit Hours

	Total unrestricted credit hours	Total unrestricted credit hours certified to the ICCB	Difference	Total restricted credit hours	Total restricted credit hours certified to the ICCB	Difference
Baccalaureate	153,826.0	153,826.0	—	48.0	48.0	—
Business occupational	8,293.0	8,293.0	—	113.0	113.0	—
Technical occupational	19,903.0	19,903.0	—	—	—	—
Health occupational	13,951.0	13,951.0	—	—	—	—
Remedial development	21,309.0	21,309.0	—	—	—	—
Adult basic education/ adult secondary	13,423.5	13,423.5	—	10,203.5	10,203.5	—
Total	230,705.5	230,705.5	—	10,364.5	10,364.5	—

Reconciliation of In-District/Charge-Back
Reimbursable Credit Hours

	Total attending	Total attending as certified to the ICCB	Difference
Reimbursable in-district residents	234,032.5	234,032.5	—
Reimbursable out-of-district on charge-back or contractual agreement	881.0	881.0	—
Total	234,913.5	234,913.5	—

	Total reimbursable	Total reimbursable certified to ICCB	Difference
Dual Credit	6,262.0	6,262.0	—
Dual Enrollment	1,202.0	1,202.0	—
Total	7,464.0	7,464.0	—

See accompanying independent accountant's report on the schedule of enrollment data and other bases upon which claims were filed.

Community College District No. 532

Grayslake Campus
19351 West Washington Street, Grayslake, Illinois 60030

Lakeshore Campus
33 North Genesee Street, Waukegan, Illinois 60085

Southlake Campus
1120 South Milwaukee Avenue, Vernon Hills, Illinois 60061

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