

# Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2019 and 2018



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, 2019 and 2018

Prepared by:

Kenneth C. Gotsch  
Vice President, Administrative Affairs

Constance M. Kravitz, CPA  
Controller

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**College of Lake County  
Community College District No. 532**

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October 22, 2019

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 30<sup>th</sup>. 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, 2019. 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 (CFR) 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 Open Pathway model of accreditation and is a member of the North Central Association of Colleges and Schools (NCA). In 2018, the HLC decided to phase out the AQIP Pathway for accreditation due to low participation among regional institutions. As such, CLC was transitioned from the AQIP Pathway to the Open Pathway in fall 2018. Under the Open Pathway, the College is on a 10-year accreditation cycle with requirements to submit self-studies and receive peer reviews at varying points in the cycle. CLC's next reaccreditation visit will occur in 2027-28.

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 2019, the Lake County population was estimated to be 705,456. *Economic Modeling Specialists International (EMSI)* projects that Lake County's population will increase to 708,472 by 2029.

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 680 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 purpose, integrity, excellence, inclusion, unity, and compassion. The College's mission statement is as follows: The College of Lake County is a comprehensive community college committed to equitable high-quality education, cultural enrichment and partnerships to advance the diverse communities we serve. In 2019 the College developed Strategic Pillars which includes (1) Access and Success for Students, (2) Equity and Inclusion, (3) Teaching and Learning Excellence, (4) Community and Workforce Partnerships, (5) Collaborative Culture, and (6) Strategic Use of Resources.

The College's 50<sup>th</sup> anniversary celebration has launched in 2019. The College will be celebrating with 50 Free Events for 50 Years at one of our three campuses highlighting the College's "Proud Past – Bold Future." All the events are free and open to the public to enjoy. This list will be updated throughout our celebratory year with more events added and details updated. Please keep checking back for more information at the following website: <https://pr19920.wixsite.com/50thanniversary/events2>.

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:

| <b>Fund Types</b>      | <b>Fund Groups</b>  | <b>Fund</b>   |
|------------------------|---------------------|---|
| 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          | Auxiliary Enterprises   |
| 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 AbbVie Inc., Abbott Laboratories, Aon Hewitt, Discover Financial Services, Advocate Condell Medical Center, The Visualpak Companies, Baxter Healthcare Corp., Walgreens Boot Alliance, CDW Corporation, Medline Industries Inc., Pfizer Inc., and Zebra Technologies. 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), Great Wolf Lodge water resort, and Six Flags Great America, which in 2018 had one of the largest attendance records among theme parks in North America.

The local economy continues to improve. Unemployment reached a high of 9.8% in 2010 and dropped to a ten-year low of 4.4% in 2017. U.S. Bureau of Labor Statistics reports an increase in consumer prices (1.8%) for the Chicago-Gary-Kenosha area for 2018; this follows an increase in 2017 (1.9%) after experiencing very little change (0.7%) in 2016. 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 \$245,000 as of second quarter 2017 to \$265,000 in second quarter of 2018 (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 2018 (headcount declined 2.6% in 2013, 6.0% in 2014, 4.5% in 2015, 1.3% in 2016, 1.3% in 2017, and 3.0% in 2018).

Despite slight population growth projected (<0.5% over the next five years), the projected number of high school graduates in the area is expected to decline 9% by 2029, compared with the number of high school graduates in 2018 (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 14% decline is expected in the number of public high school students who enroll at the College in the fall semester of 2029 compared with the number enrolled in fall 2018. The College has already experienced a decline in college-level student enrollment, which began in FY 2011.

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 set the College's priorities and allocate resources. The Strategic Plan is developed through a collaborative process and includes a detailed examination of economic and social trends as well as feedback from the general public and student, community and employee focus groups. The Strategic Plan includes mission, vision and values statements and broad goals, supported by detailed objectives. Each component is intended to help the college better focus on continuously improving its programs and services. The Strategic Plan also includes CLC's Diversity Statement, Equity Statement, and Inclusion Statement. In 2018, the College completed an environmental scan, the results of which informed the development of the updated institutional four-year strategic plan adopted June 25, 2019. For further information please see [http://dept.clcillinois.edu/res/CLCWebsite/Reports/Strategic\\_Plan.pdf](http://dept.clcillinois.edu/res/CLCWebsite/Reports/Strategic_Plan.pdf).

The College is engaging its Campus Master Plan Steering Committee to prepare a new comprehensive master plan for facilities. The prior plan, approved in FY 2013 was 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.

The State of Illinois has previously approved capital funds for a new science building in Grayslake and student center in Waukegan with a projected \$78.0 million total cost. The College's share of total project funding is \$24.5 million. The College completed a \$20.4 million bond issue in FY 2012 to finance several initiatives, including the match for these buildings. Science building construction began in the second half of FY 2015. The Science Building is now completed and has been operational since December 2017. The Science Building Project's Building A classroom interior renovations Phases II to III are primarily completed with Phase IV began in June 2019. The student center in Waukegan is back on track and the architects are in the process of updating the construction documents with an expected ground breaking in winter 2019 and completion in November 2021.

The State of Illinois also approved the Replacement of Gymnasium Flooring and Mercury Abatement Project at Grayslake Campus in November 2018 with an initial projected \$600,000 total cost. The College's share of the project funding has changed from \$251,205 to \$819,905. After initial architect design work, project costs have increased to \$1,168,700.

The State approved \$29 million in capital projects for new building at the Southlake Campus, Grayslake Campus roof repairs, Grayslake and Lakeshore Campus classroom modernization, and Lakeshore Campus renovations.

**Relevant financial policies.** The College has an established policy that establishes parameters and provides guidance governing the issuance, management, continuing evaluation of, and reporting on all debt obligations issued by the College of Lake County. This policy, approved by the Board, follows the Illinois Community College Act (Chapter 110 of Illinois Compiled Statutes Act 805/Article IIIA. Bonds). The Vice President for Business Services and Finance/Disclosure Officer, as appointed by the Board of Trustees, is responsible for managing College's bond disclosure policy, record keeping policy and post-issuance compliance matters. In FY 2019, the College's bond counsel and financial advisor completed a review and recommended updates to the Board's debt management policy to provide an annual debt report in order to monitor the College's infrequently reauthorized property tax levy for capital. The amendments to the Board's debt management policy is to improve the College's debt issuance ability, monitoring, and tax and regulatory compliance.

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 2020, 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 2019-2020, the College is conducting projects to improve the College's participation in community service, employee communications, and student communications.

### **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, 2018. This was the eighteenth 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 and received the Award for Best Practices in Community College Budgeting (a new set of criteria specifically related to community colleges). To receive this award, a community college's budget processes are evaluated based on a number of criteria that focus on alignment of resources towards student achievement focusing on collaboration, communication, and rigorous development, evaluation, and prioritization of strategies to achieve a college's goals and objectives. In addition, the award includes criteria for conveying the results of this budget process through the budget presentation and also utilizing continuous improvement approaches to monitor outcomes. GFOA has not yet completed the review of its FY 2019 application and has provided a certificate to acknowledge that the College has made efforts to implement the new budget guidelines. The College plans to submit its FY 2020 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,



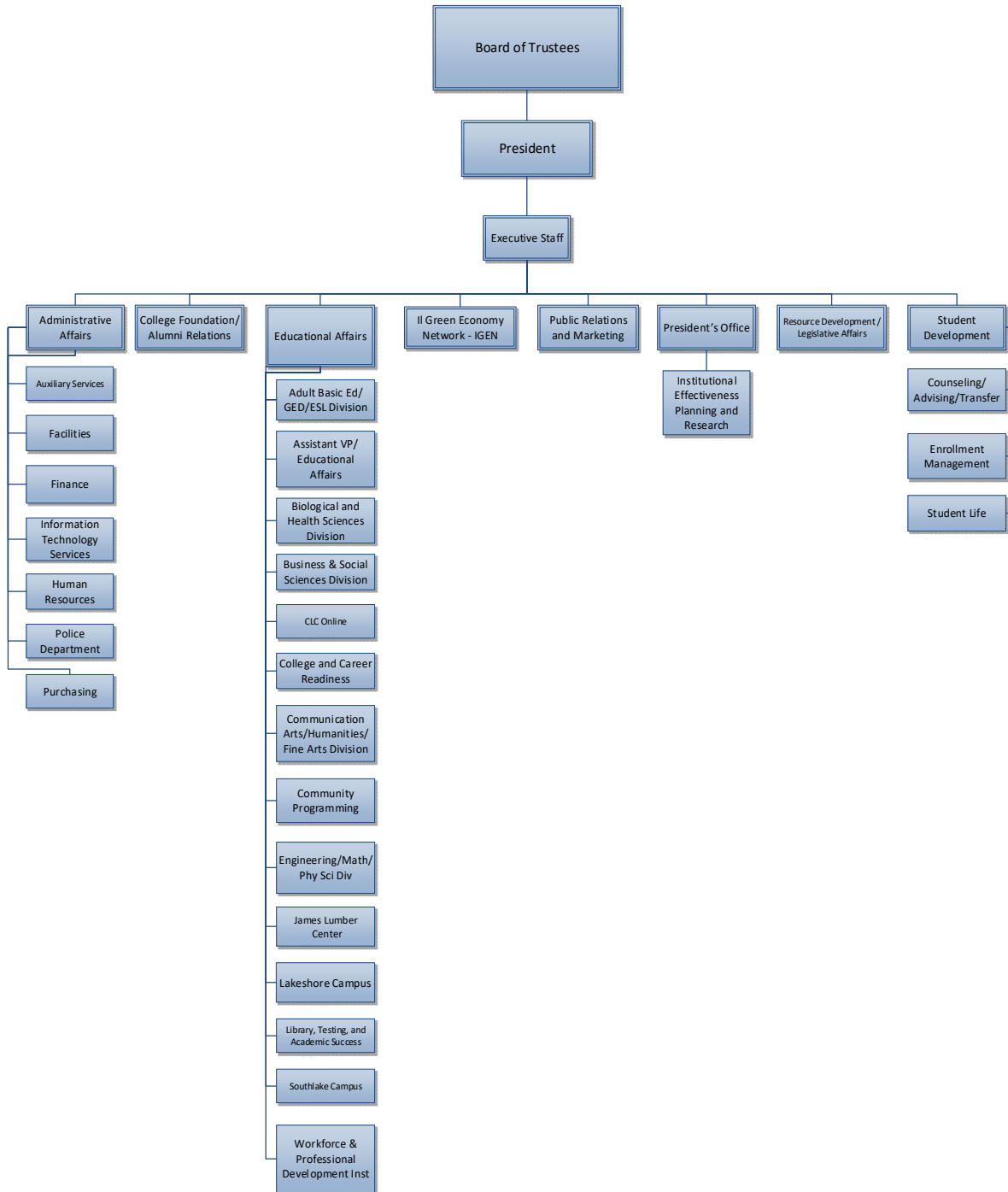
Kenneth Gotsch,  
Vice President of Business Services and Finance/CFO



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, 2019

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**BOARD OF TRUSTEES**

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|                        | <u>Position</u>   | <u>Term Expires</u> |
|------------------------|-------------------|---------------------|
| Richard A. Anderson    | Chair             | 2021                |
| Dr. Catherine Finger   | Vice Chair        | 2023                |
| Barbara D. Oilschlager | Trustee/Secretary | 2019                |
| Dr. William M Griffin  | Trustee           | 2021                |
| Amanda D Howland       | Trustee           | 2021                |
| Julie B. Shroka        | Trustee           | 2019                |
| Matthew Stanton        | Trustee           | 2023                |
| Brandon Ferrara        | Student Trustee   |                     |

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**OFFICERS OF THE COLLEGE OF LAKE COUNTY**

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|                    |  |
|--------------------|--|
| Dr. Lori Suddick   | President  |
| Derrick Harden     | Chief of Staff / Interim Dean, Lakeshore Campus  |
| Dr. Alyssa O'Brien | Interim Vice President, Educational Affairs      |
| Karen Hlavin       | Vice President, Student Development              |
| Kenneth C. Gotsch  | Vice President, Administrative Affairs/Treasurer |
| Sue Fay            | Executive Director, Human Resources              |
| Greg Kozak         | Chief Information Officer                        |

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**OFFICIALS ISSUING REPORT**

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

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**DIVISION ISSUING REPORT**

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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, 2018**

*Christopher P. Morill*

Executive Director/CEO



RSM US LLP

## 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, 2019 and 2018, 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, 2019 and 2018, 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.

## **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 the College's Proportionate Share of the Net Pension and Other Postemployment Benefit (OPEB) Liabilities, Schedule of Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios, and related notes on pages 57-63, 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 College 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 22, 2019 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 22, 2019

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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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, 2019 and 2018. 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 2019**

Total operating revenues were \$32,700,425 and total operating expenses were \$174,733,204 for the year ended June 30, 2019. The difference produced an operating loss of \$142,032,779.

Net non-operating revenues of \$144,095,940 for the year ended June 30, 2019 offset the operating loss and resulted in an overall increase in net position (before state capital appropriations and capital contributions) of \$2,063,161. Non-operating revenues included local property taxes of \$70,188,736, replacement tax of \$1,173,320, state appropriations of \$56,831,307, federal grants and contracts of \$12,425,833, local grants and contracts of \$1,728,169 and investment income of \$3,349,198; offset by interest expense of \$1,600,623.

Operating revenue accounted for 18.3% of the College's total revenue and non-operating revenue accounted for 81.7% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$24,101,837, auxiliary enterprise revenues totaling \$7,807,720, and other operating revenues of \$790,868.

Total net position increased from \$166,821,785 at the beginning of the year to \$168,939,662 at the end of the year.

**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.

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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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*.

**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, is 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, 2019, 2018 and 2017 was \$168.9 million, \$166.8 million after restatement of (\$59.6 million), and \$205.8 million, respectively, an increase of \$2.1 million, \$20.7 million and \$9.6 million, respectively. Total assets and deferred outflows of resources were \$350.4 million, \$353.2 million and \$325.3 million, and total liabilities and deferred inflows of resources were \$181.5 million, \$186.4 million and \$119.5 million at June 30, 2019, 2018 and 2017, 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.

**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

A summary of the statements of net position at June 30, 2019, 2018, and 2017 are as follows:

| Statements of Net Position          |            |            |            |
|-------------------------------------|------------|------------|------------|
| June 30,<br>(in Thousands)          |            |            |            |
|                                     | 2019       | 2018       | 2017       |
| Current assets                      | \$ 117,046 | \$ 113,220 | \$ 148,997 |
| Restricted assets                   | 402        | 218        | 199        |
| Other noncurrent assets             | 36,727     | 42,321     | -          |
| Capital assets, net of depreciation | 191,808    | 193,309    | 176,018    |
| Total assets                        | 345,983    | 349,068    | 325,214    |
| Deferred outflows of resources      | 4,473      | 4,110      | 122        |
| Current liabilities                 | 20,538     | 24,961     | 22,993     |
| Long-term liabilities               | 117,457    | 122,167    | 63,131     |
| Total liabilities                   | 137,995    | 147,128    | 86,124     |
| Deferred inflows of resources       | 43,521     | 39,228     | 33,407     |
| Net position:                       |            |            |            |
| Net investment in capital assets    | 137,765    | 133,659    | 110,607    |
| Restricted                          | 3,238      | 2,935      | 2,879      |
| Unrestricted                        | 27,937     | 30,228     | 92,319     |
| Total net position                  | \$ 168,940 | \$ 166,822 | \$ 205,805 |

The College had a current ratio of 5.7, 4.5, and 6.5 times at June 30, 2019, 2018 and 2017, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2019, for every dollar of current liabilities, the College has \$5.70 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 2019 Compared to 2018

Current assets decreased by \$3.8 million primarily due to an increase in receivables of \$5.2 million offset by a decrease in cash, cash equivalents and investments of \$1.4 million.

Deferred outflows increased by \$.4 million due to change in assets related to post-employment benefits other than pensions (OPEB). Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent assets decreased by \$6.9 million due to an decrease in other long-term investments of \$5.4 million. Additionally, capital assets decreased by \$1.5 million due to the fact that net capital additions were less than depreciation and deletions during the year.

Current liabilities decreased by \$4.4 million primarily due to a decrease in accounts payable of \$3.9 million, a decrease in accrued expenses of \$1.5 million which was offset by an increase in unearned tuition and rent of \$.7 million.

**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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Deferred inflows increased by \$4.3 million due to an increase in deferred property tax revenue of \$.9 million and an increase in credits related to post-employment benefits other than pensions (OPEB) of \$3.4 million. Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent liabilities decreased \$4.7 million due to bond principal payments of \$5.4 million and other long-term obligations decreased by \$.3 million. The OPEB liability increased \$1.2 million during Fiscal Year 2019.

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.

**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

***Changes in Net Position***

Summary of the change in net position, total revenues less total expenses, for the years ended June 30, 2019, 2018 and 2017 is as follows:

| Changes in Net Position<br>Years ended June 30,<br>(in thousands)  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2019              | 2018              | 2017              |
| Total revenues   | \$ 178,452        | \$ 192,095        | \$ 163,197        |
| Total expenses   | 176,334           | 171,432           | 153,563           |
| Increase in net position   | 2,118             | 20,663            | 9,634             |
| Net position at the beginning of the year (as previously reported) | 166,822           | 205,805           | 196,171           |
| 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                                | <u>\$ 168,940</u> | <u>\$ 166,822</u> | <u>\$ 205,805</u> |

***Revenues***

Summaries of revenues for the years ended June 30, 2019, 2018 and 2017 are as follows:

| Revenue Summary<br>Years ended June 30,<br>(in thousands) |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | 2019              | 2018              | 2017              |
| Operating:  |                   |                   |                   |
| Student tuition and fees, net                             | \$ 24,102         | \$ 23,755         | \$ 27,013         |
| Auxiliary enterprise                                      | 7,808             | 7,793             | 8,381             |
| Other operations  | 790               | 1,106             | 1,531             |
| Total operating revenues                                  | <u>32,700</u>     | <u>32,654</u>     | <u>36,925</u>     |
| Nonoperating:   |                   |                   |                   |
| Local property taxes                                      | 70,189            | 68,268            | 66,976            |
| Personal property replacement taxes                       | 1,173             | 1,054             | 1,281             |
| State appropriations                                      | 57,041            | 61,288            | 44,951            |
| Federal and local grants and contracts                    | 14,154            | 14,372            | 12,530            |
| Investment income, net                                    | 3,349             | 867               | 534               |
| Total nonoperating revenues                               | <u>145,906</u>    | <u>145,849</u>    | <u>126,272</u>    |
| State capital appropriations                              | -                 | 12,433            | -                 |
| Capital contributions                                     | 55                | 1,159             | -                 |
| Total capital contributions                               | <u>55</u>         | <u>13,592</u>     | <u>-</u>          |
| Total revenues  | <u>\$ 178,661</u> | <u>\$ 192,095</u> | <u>\$ 163,197</u> |

**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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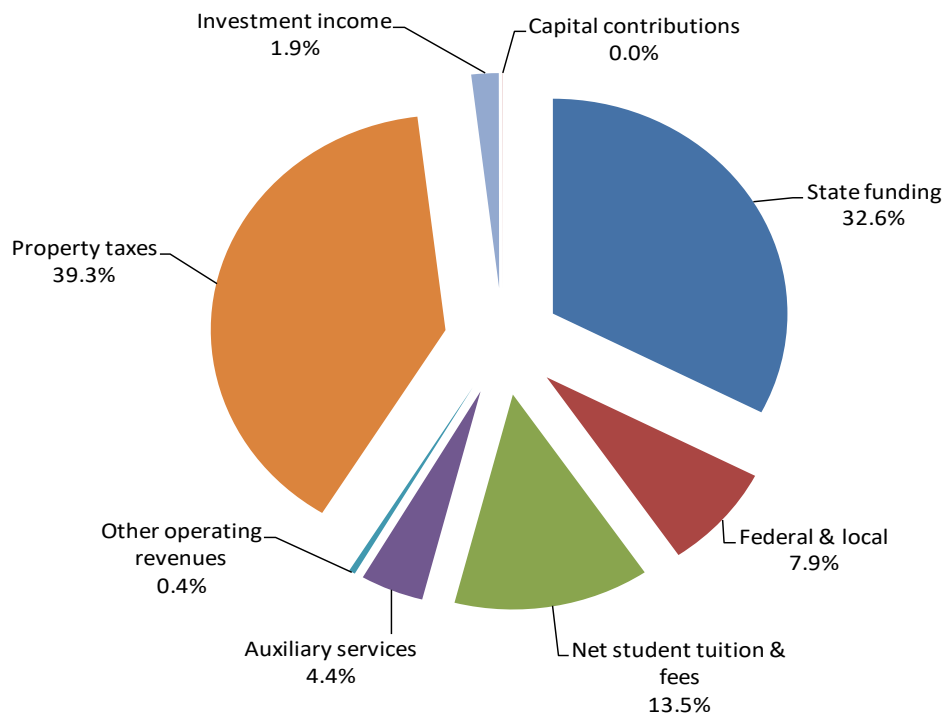
Revenues - Fiscal Year 2019 Compared to 2018

Operating revenue was similar to prior year revenue. Non-operating revenue decreased by \$.2 million. Investment income increased by \$2.5 million, property taxes increased by \$1.9 million. State appropriations decreased by \$4.4 million and Federal and local grants and contracts decreased by \$.2 million.

Investment income increased as the College changed its investment strategy as permitted by State statute. 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 decrease in state appropriations was due to several factors. Fiscal year 2018 included not only fiscal year 2018 appropriations but also fiscal year 2017 appropriations of \$6.6 million in base operating and other grants. There was a decrease in the on-behalf payment from the State for postemployment benefits other than pensions of \$1.3 million. There was an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of \$3.8 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.

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. The chart shows that property taxes account for the largest percentage of the College's revenue at 39.3%. The next highest sources were state funding of 32.6% and net student tuition and fees at 13.5%.

**College of Lake County  
Revenues  
Year ended June 30, 2019**





**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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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.

**Expenses**

Summaries of expenses for the years ended June 30, 2019, 2018 and 2017 are as follows:

| Expenses                               |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| Years ended June 30,<br>(in thousands) |                   |                   |                   |
|  | 2019              | 2018              | 2017              |
| Instruction                            | \$ 76,397         | \$ 75,019         | \$ 68,660         |
| Academic support                       | 6,512             | 6,769             | 6,295             |
| Student services                       | 14,298            | 13,533            | 12,133            |
| Public service                         | 7,087             | 7,662             | 6,804             |
| Institutional support                  | 30,380            | 31,350            | 26,829            |
| Operations and maintenance of plant    | 15,577            | 12,445            | 10,918            |
| Financial aid                          | 6,039             | 5,970             | 5,004             |
| Depreciation                           | 11,089            | 9,587             | 7,503             |
| Loss on disposition of assets          | -                 | -                 | 423               |
| Auxiliary enterprises                  | 7,354             | 7,658             | 7,720             |
| Interest expense                       | 1,601             | 1,439             | 1,274             |
| <b>Total</b>                           | <b>\$ 176,334</b> | <b>\$ 171,432</b> | <b>\$ 153,563</b> |

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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Expenses - Fiscal Year 2019 Compared to 2018

Total expenses increased by \$4.9 million. Salaries increased by \$4.3 million, of which \$2 million was a reclassification of benefits to salaries. State Universities Retirement Systems of Illinois (SURS) had an increase of contributions made by the State of Illinois that increased the expenses by \$3.8 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.

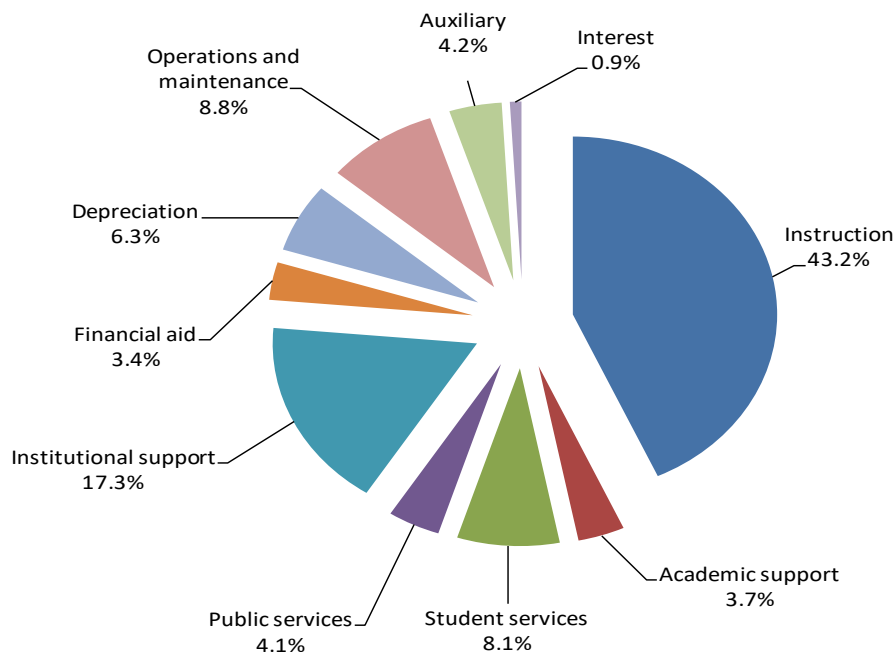
Post-retirement benefits other than pensions (OPEB) had a decrease of \$1.9 million for the State's College Insurance Program (CIP) and a decrease of \$.3 million for the College Plan. This also required reporting an additional on behalf payment from the State for CIP OPEB, which decreased by \$1.3 million, which is offset by a decrease in state appropriation revenue.

Depreciation increased by \$1.5 million due to the increase in assets placed in service as several of the Master Plan projects were placed in service during Fiscal Year 2019 and mid-way through Fiscal Year 2018.

*Operating Expenses*

The pie chart shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 66.7% of total operating expenses. Direct services to students include instruction at 43.2%, academic support at 3.7%, student services at 8.1%, public services at 4.1%, financial aid at 3.4%, and auxiliary enterprises at 4.2%. Indirect services to students accounted for 33.3% of total expenses. Indirect services to students include operations and maintenance at 8.8%, institutional support at 17.3%, depreciation at 6.3% and interest at .9%.

**College of Lake County  
Operating Expenses  
Year ended June 30, 2019**



**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

Expenses - Fiscal Year 2018 Compared to 2017

Total expenses increased by \$17.9 million. The College implemented GASB Statement No. 75, postretirement 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.

**Capital Asset and Debt Administration**

**Capital Assets**

As of June 30, 2019, 2018 and 2017, the College investment in capital assets totaled \$299.1 million, \$289.6 million and \$263.0 million, respectively. Capital assets, net of accumulated depreciation of \$107.3 million, \$96.3 million and \$87.0 million, totaled \$191.8 million, \$193.3 million and \$176.0 million, respectively.

Capital Assets

Years ended June 30,  
(in thousands)

|                               | 2019              | 2018              | 2017              |
|-------------------------------|-------------------|-------------------|-------------------|
|                               | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       |
| Capital assets:               |                   |                   |                   |
| Construction in progress      | \$ 1,610          | \$ 4,295          | \$ 26,108         |
| Land                          | 12,488            | 12,488            | 12,488            |
| Capitalized collections       | 1,206             | 1,041             | -                 |
| Land improvements             | 13,265            | 13,158            | 12,010            |
| Buildings and improvements    | 227,403           | 217,928           | 178,203           |
| Furniture and equipment       | 43,092            | 40,735            | 34,188            |
|                               | <u>299,064</u>    | <u>289,645</u>    | <u>262,997</u>    |
| Total capital assets          |                   |                   |                   |
|                               | 107,256           | 96,336            | 86,979            |
| Less accumulated depreciation |                   |                   |                   |
| Capital assets, net           | <u>\$ 191,808</u> | <u>\$ 193,309</u> | <u>\$ 176,018</u> |

**College of Lake County  
Community College District No. 532**

**Management's Discussion and Analysis  
June 30, 2019 and 2018**

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***Construction Projects***

Major construction projects in progress as part of the College's master plan as of June 30, 2019 included:

- Lakeshore Student Services Center and Bookstore

The total cost of construction in progress as of June 30, 2019 was \$1.6 million.

**Capital Asset Additions (being depreciated)**

Capital assets added during fiscal year 2019 include:

- Grayslake library renovation
- E building remodel for Workforce and Professional Development Institute
- CNC lab renovations
- Network cabling upgrades

The total cost of capital asset additions (being depreciated) in fiscal year 2019 was \$12.1 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, 2019, 2018 and 2017, the College paid \$5.4 million, \$5.5 million and \$5.2 million, respectively, in principal on bonds and certificates of indebtedness. 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, 2019 and 2018

|  | 2019                  | 2018                  |
|--|-----------------------|-----------------------|
| <b>Assets</b>  |                       |                       |
| Current assets:  |                       |                       |
| Cash and cash equivalents (notes 1 and 2)                                      | \$ 48,823,104         | \$ 31,286,172         |
| Investments (note 2)   | 27,702,937            | 46,666,685            |
| Receivables:   |                       |                       |
| Property taxes, net of allowance of<br>\$351,637 in 2019 and \$342,495 in 2018 | 35,613,077            | 30,003,687            |
| Government claims  | 187,725               | 179,653               |
| Tuition, net of allowance of<br>\$2,419,337 in 2019 and \$2,328,483 in 2018    | 2,221,315             | 2,329,526             |
| Other  | 1,549,869             | 1,822,545             |
| Inventories  | 792,164               | 778,470               |
| Prepaid expenses   | 156,388               | 153,176               |
| Total current assets   | <u>117,046,579</u>    | <u>113,219,914</u>    |
| Noncurrent assets:   |                       |                       |
| Restricted cash and cash equivalents (notes 1 and 2)                           | 401,660               | 218,533               |
| Other long-term investments (note 2)   | 36,726,780            | 42,320,815            |
| Capital assets, not being depreciated (note 3)                                 | 15,303,552            | 17,824,365            |
| Capital assets being depreciated, net (note 3)                                 | 176,504,502           | 175,484,957           |
| Total noncurrent assets  | <u>228,936,494</u>    | <u>235,848,670</u>    |
| Total assets   | <u>345,983,073</u>    | <u>349,068,584</u>    |
| <b>Deferred outflows of resources (note 1)</b>                                 | <u>4,473,453</u>      | <u>4,109,830</u>      |
| <b>Liabilities</b>   |                       |                       |
| Current liabilities:   |                       |                       |
| Accounts payable   | 3,376,749             | 7,286,086             |
| Accrued expenses (note 4)  | 6,091,852             | 7,637,838             |
| Tuition refunds payable  | 124,349               | 55,476                |
| Unearned tuition and rent  | 3,571,022             | 2,886,982             |
| Current portion of long-term obligations (note 5)                              | 5,630,000             | 5,415,000             |
| Amounts held in custody for others   | 878,501               | 857,586               |
| Other current liabilities  | 866,142               | 821,848               |
| Total current liabilities  | <u>20,538,615</u>     | <u>24,960,816</u>     |
| Noncurrent liabilities:  |                       |                       |
| Long-term obligations (notes 5 and 7)  | 116,777,051           | 121,467,636           |
| Unearned rent revenue (note 10)  | 680,000               | 700,000               |
| Total noncurrent liabilities   | <u>117,457,051</u>    | <u>122,167,636</u>    |
| Total liabilities  | <u>137,995,666</u>    | <u>147,128,452</u>    |
| <b>Deferred inflows of resources (note 1)</b>                                  | <u>43,521,198</u>     | <u>39,228,177</u>     |
| <b>Net Position</b>  |                       |                       |
| Net investment in capital assets   | 137,765,063           | 133,659,285           |
| Restricted for:  |                       |                       |
| Debt service   | 1,766,833             | 1,742,884             |
| Capital projects   | 401,660               | 218,533               |
| Other  | 1,069,392             | 972,947               |
| Unrestricted   | 27,936,714            | 30,228,136            |
| Total net position   | <u>\$ 168,939,662</u> | <u>\$ 166,821,785</u> |

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, 2019 and 2018

|  | 2019                  | 2018                  |
|--|-----------------------|-----------------------|
| Operating revenues:  |                       |                       |
| Student tuition and fees   | \$ 32,575,340         | \$ 33,337,717         |
| Less scholarship allowances  | (8,473,503)           | (9,582,422)           |
| Net student tuition and fees                                       | 24,101,837            | 23,755,295            |
| Auxiliary enterprises  | 7,807,720             | 7,792,791             |
| Other operations   | 790,868               | 1,106,003             |
| Total operating revenues   | <u>32,700,425</u>     | <u>32,654,089</u>     |
| Operating expenses:  |                       |                       |
| Education and general:   |                       |                       |
| Instruction  | 76,397,392            | 75,018,758            |
| Academic support   | 6,511,693             | 6,769,502             |
| Student services   | 14,297,934            | 13,532,836            |
| Public service   | 7,087,267             | 7,662,649             |
| Institutional support  | 30,379,912            | 31,349,783            |
| Operations and maintenance of plant                                | 15,576,795            | 12,445,257            |
| Financial aid  | 6,038,694             | 5,969,760             |
| Depreciation   | 11,089,342            | 9,586,974             |
| Auxiliary enterprises  | 7,354,175             | 7,657,860             |
| Total operating expenses   | <u>174,733,204</u>    | <u>169,993,379</u>    |
| Operating loss   | <u>(142,032,779)</u>  | <u>(137,339,290)</u>  |
| Nonoperating revenues (expenses):                                  |                       |                       |
| Local property taxes   | 70,188,736            | 68,268,042            |
| Personal property replacement tax                                  | 1,173,320             | 1,054,387             |
| State appropriations   | 56,831,307            | 61,287,667            |
| Federal grants and contracts                                       | 12,425,833            | 13,006,462            |
| Local grants and contracts   | 1,728,169             | 1,365,480             |
| Investment income  | 3,349,198             | 866,590               |
| Interest expense   | (1,600,623)           | (1,438,766)           |
| Total nonoperating revenues (expenses), net                        | <u>144,095,940</u>    | <u>144,409,862</u>    |
| Increase before capital contributions                              | 2,063,161             | 7,070,572             |
| State capital appropriations                                       | -                     | 12,433,308            |
| Capital contributions  | 54,716                | 1,159,319             |
| Total capital contributions  | <u>54,716</u>         | <u>13,592,627</u>     |
| Increase in net position   | 2,117,877             | 20,663,199            |
| Net position at the beginning of the year (as previously reported) | 166,821,785           | 205,805,361           |
| Prior period restatement (note 13)                                 | <u>-</u>              | <u>(59,646,775)</u>   |
| Net position at the beginning of the year (as restated)            | <u>166,821,785</u>    | <u>146,158,586</u>    |
| Net position at the end of the year                                | <u>\$ 168,939,662</u> | <u>\$ 166,821,785</u> |

See accompanying notes to basic financial statements.

**College of Lake County  
Community College District No. 532**

Statements of Cash Flows  
Years Ended June 30, 2019 and 2018

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Cash flows from operating activities:</b>                     |                      |                      |
| Tuition and fees   | \$ 24,983,876        | \$ 23,743,465        |
| Payments to suppliers  | (46,565,798)         | (42,029,330)         |
| Payments to employees  | (70,598,814)         | (66,734,715)         |
| Auxiliary enterprise charges                                     | 7,807,720            | 7,792,791            |
| Other  | 688,997              | 852,771              |
| Net cash used in operating activities                            | <u>(83,684,019)</u>  | <u>(76,375,018)</u>  |
| <b>Cash flows from noncapital financing activities:</b>          |                      |                      |
| Local property taxes   | 65,513,173           | 71,924,012           |
| Personal property replacement tax                                | 1,165,248            | 1,077,123            |
| State appropriations   | 10,841,475           | 17,805,222           |
| Federal grants and contracts                                     | 12,508,959           | 13,001,273           |
| Local grants and contracts                                       | 1,717,731            | 1,365,480            |
| Net cash provided by noncapital financing activities             | <u>91,746,586</u>    | <u>105,173,110</u>   |
| <b>Cash flows from capital and related financing activities:</b> |                      |                      |
| Proceeds from issuance of debt                                   | -                    | 22,325,000           |
| Principal paid on debt   | (5,415,000)          | (26,535,000)         |
| Interest paid on debt  | (1,996,235)          | (2,208,594)          |
| Purchases of capital assets                                      | (10,711,064)         | (13,792,384)         |
| Net cash used in capital and related financing activities        | <u>(18,122,299)</u>  | <u>(20,210,978)</u>  |
| <b>Cash flows from investing activities:</b>                     |                      |                      |
| Proceeds from sales and maturities of investments                | 105,052,207          | 59,464,409           |
| Purchases of investments   | (79,463,825)         | (141,700,215)        |
| Interest on investments  | 2,191,409            | 1,244,185            |
| Net cash provided by (used in) investing activities              | <u>27,779,791</u>    | <u>(80,991,621)</u>  |
| Net increase (decrease) in cash and cash equivalents             | 17,720,059           | (72,404,507)         |
| Cash and cash equivalents, beginning of year                     | <u>31,504,705</u>    | <u>103,909,212</u>   |
| Cash and cash equivalents, end of year                           | <u>\$ 49,224,764</u> | <u>\$ 31,504,705</u> |
| <b>Reconciliation to Statements of Net Position:</b>             |                      |                      |
| Unrestricted cash and cash equivalent                            | \$ 48,823,104        | \$ 31,286,172        |
| Restricted cash and cash equivalents                             | 401,660              | 218,533              |
| Total cash and cash equivalents                                  | <u>\$ 49,224,764</u> | <u>\$ 31,504,705</u> |

See accompanying notes to basic financial statements.

**College of Lake County**  
**Community College District No. 532**

Statements of Cash Flows  
Years Ended June 30, 2019 and 2018

|   | 2019                   | 2018                   |
|---|------------------------|------------------------|
| Reconciliation of net operating loss to net cash used in operating activities:    |                        |                        |
| Operating loss  | \$ (142,032,779)       | \$ (137,339,290)       |
| Adjustments to reconcile operating loss to net cash used in operating activities: |                        |                        |
| Depreciation  | 11,089,342             | 9,586,974              |
| On-behalf expense for pension system payment                                      | 42,532,826             | 38,749,052             |
| On-behalf expense for OPEB system payment   | 3,651,638              | 4,956,426              |
| Net College OPEB related deferred outflows  | (28,847)               | (354,954)              |
| Net CIP OPEB related deferred outflows/inflows                                    | 2,960,662              | 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)   | 309,629                | (77,247)               |
| Inventories and prepaid expenses  | (16,906)               | (10,960)               |
| Accounts payable  | (3,909,337)            | 4,249,413              |
| Accrued expenses  | 1,030,504              | 3,336,172              |
| Other current liabilities   | 24,294                 | (135,053)              |
| Amounts held in custody for others  | 20,915                 | 28,426                 |
| Deferred tuition and fees   | 684,040                | (361,357)              |
|   | <u>\$ (83,684,019)</u> | <u>\$ (76,375,018)</u> |
| Supplemental schedule of noncash capital and related financing activities:        |                        |                        |
| Capital contributions   | \$ 54,716              | \$ 13,592,627          |
| Gain/loss on investments  | 1,030,599              | (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, 2019 and 2018

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Cash and cash equivalents                              | \$ 260,769          | \$ 225,808          |
| Pledges receivables                                    | 45,300              | 54,000              |
| Other receivables                                      | 41,211              | 23,805              |
| Prepaid expenses                                       | -                   | 980                 |
| Accrued investment income                              | -                   | 4,812               |
| Beneficial interest in charitable remainder trust, net | -                   | 44,767              |
| Investments  | 4,043,976           | 4,293,933           |
|  | <u>4,043,976</u>    | <u>4,293,933</u>    |
| Total assets   | <u>\$ 4,391,256</u> | <u>\$ 4,648,105</u> |
| <b>Liabilities</b>                                     |                     |                     |
| Accounts payable                                       | \$ 30,939           | \$ 78,767           |
| Grants and scholarships payable                        | 44,728              | 76,025              |
| Deferred revenue                                       | 25,000              | 22,960              |
| Total liabilities                                      | <u>100,667</u>      | <u>177,752</u>      |
| <b>Net Assets</b>                                      |                     |                     |
| Assets without donor restrictions:                     |                     |                     |
| Undesignated   | 687,795             | 622,056             |
| Assets with donor restrictions:                        |                     |                     |
| Perpetual in nature                                    | 1,581,901           | 1,528,837           |
| Purpose restrictions                                   | 2,020,893           | 2,319,460           |
|  | <u>3,602,794</u>    | <u>3,848,297</u>    |
| Total net assets                                       | <u>4,290,589</u>    | <u>4,470,353</u>    |
| Total liabilities and net assets                       | <u>\$ 4,391,256</u> | <u>\$ 4,648,105</u> |

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, 2019 and 2018

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| Net assets at June 30, 2017                         | \$ 415,656                    | \$ 3,994,068               | \$ 4,409,724 |
| Public support and revenue:                         |                               |                            |              |
| Contributions and gifts                             | 98,848                        | 653,451                    | 752,299      |
| Special events revenue                              | 341,608                       | -                          | 341,608      |
| Less: cost of direct benefits to donors             | (91,510)                      | -                          | (91,510)     |
| 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                                | 2,146,117                     | (299,491)                  | 1,846,626    |
| Other income:                                       |                               |                            |              |
| Change in value of split-interest agreements        | -                             | 24,204                     | 24,204       |
| Investment income                                   | 44,133                        | 126,016                    | 170,149      |
| Total other income                                  | 44,133                        | 150,220                    | 194,353      |
| Total public support and revenue                    | 2,190,250                     | (149,271)                  | 2,040,979    |
| Expenses:   |                               |                            |              |
| Program services:                                   |                               |                            |              |
| Grants and scholarships                             | 1,153,960                     | -                          | 1,153,960    |
| Noncash donations to College of Lake County         | 228,333                       | -                          | 228,333      |
| Supporting services:                                |                               |                            |              |
| Management and general                              | 241,109                       | -                          | 241,109      |
| Travel/meeting                                      | 4,930                         | -                          | 4,930        |
| Fundraising   | 352,018                       | -                          | 352,018      |
| Total expenses                                      | 1,980,350                     | -                          | 1,980,350    |
| Increase (decrease) in net assets before other item | 209,900                       | (149,271)                  | 60,629       |
| Other item:   |                               |                            |              |
| Change in donor designation                         | (3,500)                       | 3,500                      | -            |
| Increase (decrease) in net assets                   | 206,400                       | (145,771)                  | 60,629       |
| Net assets at June 30, 2018                         | 622,056                       | 3,848,297                  | 4,470,353    |
| Public support and revenue:                         |                               |                            |              |
| Contributions and gifts                             | 149,708                       | 433,357                    | 583,065      |
| Special events revenue                              | 295,832                       | -                          | 295,832      |
| Less: cost of direct benefits to donors             | (51,081)                      | -                          | (51,081)     |
| Donated services                                    | 753,435                       | -                          | 753,435      |
| Other noncash donations                             | 107,148                       | -                          | 107,148      |
| Net assets released from restrictions               | 817,665                       | (817,665)                  | -            |
| Total public support                                | 2,072,707                     | (384,308)                  | 1,688,399    |
| Other income:                                       |                               |                            |              |
| Investment income                                   | 129,390                       | 143,805                    | 273,195      |
| Total other income                                  | 129,390                       | 143,805                    | 273,195      |
| Total public support and revenue                    | 2,202,097                     | (240,503)                  | 1,961,594    |
| Expenses:   |                               |                            |              |
| Program services:                                   |                               |                            |              |
| Grants and scholarships                             | 1,334,313                     | -                          | 1,334,313    |
| Noncash donations to College of Lake County         | 107,148                       | -                          | 107,148      |
| Supporting services:                                |                               |                            |              |
| Management and general                              | 235,880                       | -                          | 235,880      |
| Travel/meeting                                      | 15,931                        | -                          | 15,931       |
| Fundraising   | 448,086                       | -                          | 448,086      |
| Total expenses                                      | 2,141,358                     | -                          | 2,141,358    |
| Increase (decrease) in net assets before other item | 60,739                        | (240,503)                  | (179,764)    |
| Other item:   |                               |                            |              |
| Change in donor designation                         | 5,000                         | (5,000)                    | -            |
| Increase (decrease) in net assets                   | 65,739                        | (245,503)                  | (179,764)    |
| Net assets at June 30, 2019                         | \$ 687,795                    | \$ 3,602,794               | \$ 4,290,589 |

See accompanying notes to basic financial statements.

**Notes to Basic Financial Statements**

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**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 can otherwise access the component unit's resources.
2. The primary government is legally required or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the component unit.
3. The primary government is obligated in some manner for the other component unit's debt.

The Foundation acts primarily as a fund raising organization to supplement the resources that are available to the College in support of its programs. The Foundation's board is independent of the College. While the College does not control when or the amount it receives from the Foundation, the majority of the Foundation's assets are restricted by donors for the College's scholarships and programs. Therefore, as the College ultimately has access to these resources, the Foundation is considered a component unit of the College.

**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.

**Notes to Basic Financial Statements**

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

**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.

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. 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. 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. 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.

**Notes to Basic Financial Statements**

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

**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.

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:

| <b>Deferred Outflows of Resources</b>        | 2019         | 2018         |
|--|--------------|--------------|
| Deferred grant-related pension contributions | \$ 123,611   | \$ 121,959   |
| Deferred charges - College OPEB plan         | 381,771      | 354,576      |
| Deferred charges - CIP OPEB plan             | 3,016,989    | 2,618,457    |
| Deferred refunding cost                      | 951,082      | 1,014,838    |
| Total deferred outflows of resources         | \$ 4,473,453 | \$ 4,109,830 |

**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 inflows of resources.

Deferred Inflows of Resources are summarized below:

| <b>Deferred Inflows of Resources</b> | 2019          | 2018          |
|--------------------------------------|---------------|---------------|
| Deferred property tax revenue        | \$ 35,266,167 | \$ 34,332,340 |
| Deferred credits - CIP OPEB plan     | 8,255,031     | 4,895,837     |
| Total deferred inflows of resources  | \$ 43,521,198 | \$ 39,228,177 |

**Notes to Basic Financial Statements**

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

**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.

**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 represents 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.

The Board of Trustees has designated the following amounts of the College's unrestricted net position for the future payment of OPEB costs and claims:

|                  |                     |
|------------------|---------------------|
| Fiscal Year 2018 | \$ 2,400,000        |
| Fiscal Year 2019 | 2,400,000           |
|                  | <u>\$ 4,800,000</u> |

**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.

**Notes to Basic Financial Statements**

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

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.

**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 2018 tax year are recorded as revenue in the fiscal year ended June 30, 2019. The remaining revenue related to the 2018 tax year extension has been deferred and will be recorded as revenue in fiscal year 2020. 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, 2018. 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. 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.

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

**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 relation to the consideration provided to acquire the component unit.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the College beginning with its year ended June 30, 2021. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

**Note 2. Deposits and Investments**

As of June 30, 2019 and 2018, the College had the following cash, cash equivalents and investments:

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | Carrying Value |                |
| Cash and cash equivalents:                   |                |                |
| Cash accounts                                | \$ 10,756,601  | \$ 7,764,624   |
| Restricted accounts - money market           | 401,660        | 218,533        |
| Illinois Trust IIIT Class                    | 36,025,290     | 16,784,582     |
| Illinois Funds                               | -              | 749,889        |
| Commercial paper                             | -              | 5,987,077      |
| Certificates of deposit                      | 2,041,213      | -              |
| Total cash and cash equivalents              | 49,224,764     | 31,504,705     |
| Investments:                                 |                |                |
| Certificates of deposit                      | 4,931,858      | 741,000        |
| U.S. Treasury Bond/Note                      | 23,378,203     | 41,945,056     |
| U.S. Agency Collat. Mortgage Obligation      | 3,400,989      | 1,841,059      |
| U.S. Agency Bond/Note                        | 8,935,473      | 11,887,517     |
| U.S. Mortgage-Backed Security                | 2,488,239      | 1,137,138      |
| Commercial Paper                             | 9,721,917      | 28,741,191     |
| Supra-National Agency Bond/Note              | 2,573,942      | 1,875,363      |
| Corporate Note                               | 7,510,647      | -              |
| Municipal Bond/Note                          | 1,488,449      | 819,176        |
| Total investments                            | 64,429,717     | 88,987,500     |
| Total cash, cash equivalents and investments | \$ 113,654,481 | \$ 120,492,205 |
| Current assets:                              |                |                |
| Cash and cash equivalents                    | \$ 48,823,104  | \$ 31,286,172  |
| Investments                                  | 27,702,937     | 46,666,685     |
| Noncurrent assets:                           |                |                |
| Restricted cash and cash equivalents         | 401,660        | 218,533        |
| Other long-term investments                  | 36,726,780     | 42,320,815     |
| Total cash, cash equivalents and investments | \$ 113,654,481 | \$ 120,492,205 |



**College of Lake County  
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**Notes to Basic Financial Statements**

**Note 2. Deposits and Investments (Continued)**

As of June 30, 2019 and 2018, the College's investments had the following maturities:

|   | 2019 Maturities      |                      |                     |                       | Total                |
|---|----------------------|----------------------|---------------------|-----------------------|----------------------|
|   | Less than 1 year     | 1 to 5 years         | 6 to 10 years       | Greater than 10 years |                      |
| Certificates of deposit                 | \$ 4,480,615         | \$ 451,243           | \$ -                | \$ -                  | \$ 4,931,858         |
| U.S. Treasury Bond/Note                 | 9,006,727            | 14,371,476           | -                   | -                     | 23,378,203           |
| U.S. Agency Collat. Mortgage Obligation | 442,787              | 2,958,202            | -                   | -                     | 3,400,989            |
| U.S. Agency Bond/Note                   | 4,050,891            | 4,884,582            | -                   | -                     | 8,935,473            |
| U.S. Mortgage-Backed Security           | -                    | 386,155              | 1,056,579           | 1,045,505             | 2,488,239            |
| Commercial Paper                        | 9,721,917            | -                    | -                   | -                     | 9,721,917            |
| Supra-National Agency Bond/Note         | -                    | 2,573,942            | -                   | -                     | 2,573,942            |
| Corporate Note                          | -                    | 7,510,647            | -                   | -                     | 7,510,647            |
| Municipal Bond/Note                     | -                    | 1,488,449            | -                   | -                     | 1,488,449            |
| Total investments                       | <u>\$ 27,702,937</u> | <u>\$ 34,624,696</u> | <u>\$ 1,056,579</u> | <u>\$ 1,045,505</u>   | <u>\$ 64,429,717</u> |

|   | 2018 Maturities      |                      |                     |                       | Total                |
|---|----------------------|----------------------|---------------------|-----------------------|----------------------|
|   | Less than 1 year     | 1 to 5 years         | 6 to 10 years       | Greater than 10 years |                      |
| Certificates of deposit                 | \$ 741,000           | \$ -                 | \$ -                | \$ -                  | \$ 741,000           |
| U.S. Treasury Bond/Note                 | 14,482,821           | 27,462,235           | -                   | -                     | 41,945,056           |
| U.S. Agency Collat. Mortgage Obligation | -                    | 1,841,059            | -                   | -                     | 1,841,059            |
| U.S. Agency Bond/Note                   | 2,701,673            | 9,185,844            | -                   | -                     | 11,887,517           |
| U.S. Mortgage-Backed Security           | -                    | -                    | 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 investments                       | <u>\$ 46,666,685</u> | <u>\$ 41,183,677</u> | <u>\$ 1,137,138</u> | <u>\$ -</u>           | <u>\$ 88,987,500</u> |

***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.

**College of Lake County  
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**Notes to Basic Financial Statements**

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**Note 2. Deposits and Investments (Continued)**

Credit ratings for the College's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2019 (excluding investments in U.S. Treasuries and FDIC Insured Bank Certificates of Deposit which are not considered to have credit risk) are as follows:

| Investment Type                         | Disclosure Rating for Debt Securities (S&P/Moody's)<br>(As a percentage of total fair value for debt securities) |         |          |         |         |        |         |         |        |    |
|---|--|---------|----------|---------|---------|--------|---------|---------|--------|----|
|   | AAA/Aaa  | AA+/Aa1 | A-1+/P-1 | A-1/P-1 | AA+/Aaa | AA/Aa2 | AA-/Aa2 | AA-/Aa3 | NR/Aa1 |    |
| U.S. Agency Collat. Mortgage Obligation | 0%   | 0%      | 0%       | 0%      | 100%    | 0%     | 0%      | 0%      | 0%     | 0% |
| U.S. Agency Bond/Note                   | 0%   | 0%      | 0%       | 0%      | 100%    | 0%     | 0%      | 0%      | 0%     | 0% |
| U.S. Mortgage-Backed Security           | 0%   | 0%      | 0%       | 0%      | 100%    | 0%     | 0%      | 0%      | 0%     | 0% |
| Commercial Paper                        | 0%   | 0%      | 41%      | 59%     | 0%      | 0%     | 0%      | 0%      | 0%     | 0% |
| Supra-National Agency Bond/Note         | 100%   | 0%      | 0%       | 0%      | 0%      | 0%     | 0%      | 0%      | 0%     | 0% |
| Municipal Bond/Note                     | 0%   | 31%     | 0%       | 0%      | 0%      | 22%    | 0%      | 34%     | 13%    |    |
| Certificates of Deposit                 | 0%   | 0%      | 82%      | 0%      | 0%      | 0%     | 18%     | 0%      | 0%     |    |

Due to the mix of corporate notes, the ratings for those are listing below:

| S&P/Moody's | Percent of total<br>fair value for<br>corporate notes |
|-------------|---|
| AA+/Aaa     | 3%  |
| AA+/Aa1     | 3%  |
| AA/Aa2      | 3%  |
| AA/A1       | 6%  |
| AA-/Aa3     | 6%  |
| AA-/A1      | 9%  |
| A+/A1       | 11%   |
| A/A1        | 6%  |
| A/A2        | 21%   |
| A/A3        | 5%  |
| A-/A2       | 12%   |
| BBB+/A3     | 15%   |

Notes to Basic Financial Statements

**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 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, 2019, the College held \$3,973,780 in a single corporate note, which represents 6.2% of the investment portfolio. At June 30, 2018, the College held \$4,941,955 in a single commercial paper, which represents 5.5% of the investment portfolio. The College's investment policy states that the total investment in any one corporation cannot be more than 5% of the overall portfolio, which includes certain cash equivalents. Thus, while these investments are greater than 5% of the investment balance, it is not a violation of the College's investment policy, which looks at all invested funds.

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, 2019 and 2018, 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.

GASB Statement No. 72, *Fair Value Measurement and Application*, 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, 2019 are summarized below:

| Investment                              | Fair Value Measurements Using |               |         |
|---|-------------------------------|---------------|---------|
|   | Level 1                       | Level 2       | Level 3 |
| U.S. Treasury Bond/Note                 | \$ 23,378,203                 | \$ -          | \$ -    |
| U.S. Agency Collat. Mortgage Obligation | 3,400,989                     | 3,400,989     | -       |
| U.S. Agency Bond/Note                   | 8,935,473                     | 8,935,473     | -       |
| U.S. Mortgage-Backed Security           | 2,488,239                     | 2,488,239     | -       |
| Commercial Paper                        | 9,721,917                     | 9,721,917     | -       |
| Supra-National Agency Bond/Note         | 2,573,942                     | 2,573,942     | -       |
| Corporate Note                          | 7,510,647                     | 7,510,647     | -       |
| Municipal Bond/Note                     | 1,488,449                     | 1,488,449     | -       |
| Total                                   | \$ 59,497,859                 | \$ 36,119,656 | \$ -    |

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

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**Note 2. Deposits and Investments (Continued)**

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

| Investment                              | Fair Value Measurements Using |                      |                      |             |
|---|-------------------------------|----------------------|----------------------|-------------|
|   |                               | 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 Security           | 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              | -           |
| <b>Total</b>                            | <b>\$ 88,246,500</b>          | <b>\$ 41,945,056</b> | <b>\$ 46,301,444</b> | <b>\$ -</b> |

The College has cash equivalents and investments as of June 30, 2019 and 2018 measured at amortized cost or net asset value (NAV) based on amortized cost as follows:

|                                       | 2019                 | 2018                 |
|---------------------------------------|----------------------|----------------------|
| Illinois Trust IIIT Class             | \$ 36,025,290        | \$ 16,784,582        |
| Illinois Funds                        | -                    | 749,889              |
| Participating certificates of deposit | 6,973,071            | 741,000              |
| Commercial Paper                      | -                    | 5,987,077            |
| <b>Total</b>                          | <b>\$ 42,998,361</b> | <b>\$ 24,262,548</b> |

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

|   | Balance<br>June 30,<br>2018 | Additions           | Deletions           | Balance<br>June 30,<br>2019 |
|---|-----------------------------|---------------------|---------------------|-----------------------------|
| Capital assets not being depreciated:       |                             |                     |                     |                             |
| Construction in progress                    | \$ 4,295,169                | \$ 4,396,863        | \$ 7,082,676        | \$ 1,609,356                |
| Land  | 12,487,877                  | -                   | -                   | 12,487,877                  |
| Capitalized collections                     | 1,041,319                   | 165,000             | -                   | 1,206,319                   |
| Total capital assets not being depreciated  | <u>17,824,365</u>           | <u>4,561,863</u>    | <u>7,082,676</u>    | <u>15,303,552</u>           |
| Capital assets being depreciated:           |                             |                     |                     |                             |
| Land improvements                           | 13,158,124                  | 106,923             | -                   | 13,265,047                  |
| Buildings and improvements                  | 217,928,494                 | 9,474,724           | -                   | 227,403,218                 |
| Furniture and equipment                     | 40,734,754                  | 2,538,871           | 181,671             | 43,091,954                  |
| Total capital assets being depreciated      | <u>271,821,372</u>          | <u>12,120,518</u>   | <u>181,671</u>      | <u>283,760,219</u>          |
| Less accumulated depreciation:              |                             |                     |                     |                             |
| Land improvements                           | 6,689,715                   | 656,184             | -                   | 7,345,899                   |
| Buildings and improvements                  | 65,387,972                  | 7,372,704           | -                   | 72,760,676                  |
| Furniture and equipment                     | 24,258,728                  | 3,060,454           | 170,040             | 27,149,142                  |
| Total accumulated depreciation              | <u>96,336,415</u>           | <u>11,089,342</u>   | <u>170,040</u>      | <u>107,255,717</u>          |
| Total capital assets being depreciated, net | <u>175,484,957</u>          | <u>1,031,176</u>    | <u>11,631</u>       | <u>176,504,502</u>          |
| Total capital assets, net                   | <u>\$ 193,309,322</u>       | <u>\$ 5,593,039</u> | <u>\$ 7,094,307</u> | <u>\$ 191,808,054</u>       |

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets (Continued)**

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

|   | Balance<br>June 30,<br>2017 | Additions            | Deletions            | Balance<br>June 30,<br>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  | <u>38,596,842</u>           | <u>6,105,718</u>     | <u>26,878,195</u>    | <u>17,824,365</u>           |
| 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      | <u>224,400,605</u>          | <u>47,651,411</u>    | <u>230,644</u>       | <u>271,821,372</u>          |
| 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              | <u>86,979,074</u>           | <u>9,586,974</u>     | <u>229,633</u>       | <u>96,336,415</u>           |
| Total capital assets being depreciated, net | <u>137,421,531</u>          | <u>38,064,437</u>    | <u>1,011</u>         | <u>175,484,957</u>          |
| Total capital assets, net                   | <u>\$ 176,018,373</u>       | <u>\$ 44,170,155</u> | <u>\$ 26,879,206</u> | <u>\$ 193,309,322</u>       |

**Note 4. Accrued Expenses**

Accrued expenses consisted of the following at June 30:

|                                      | 2019                | 2018                |
|--------------------------------------|---------------------|---------------------|
| Accrued payroll and benefits         | \$ 2,678,333        | \$ 2,619,400        |
| Accrued vacation                     | 2,187,433           | 2,008,127           |
| Accrued construction retainage       | 378,942             | 1,732,942           |
| Accrued health insurance claims      | 456,383             | 920,543             |
| Accrued workers' compensation claims | 166,183             | 77,047              |
| Accrued expenses - other             | 224,578             | 279,779             |
| Total accrued expenses               | <u>\$ 6,091,852</u> | <u>\$ 7,637,838</u> |

**Notes to Basic Financial Statements**

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**Note 5. Long-Term Obligations**

The College has the following outstanding bonds payable as of June 30, 2019 and 2018:

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, 2019 and 2018 was \$13,290,000 and \$14,685,000, 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, 2019 and 2018 was \$19,030,000 and \$22,940,000, 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, 2019 and 2018 was \$22,125,000 and \$22,235,000, respectively.

**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. For both June 30, 2019 and 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.

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

**Note 5. Long-Term Obligations (Continued)**

Changes in long-term obligations during the year ended June 30, 2019 were as follows:

|                                     | Balance<br>June 30,<br>2018 | Additions           | Deletions           | Balance<br>June 30,<br>2019 | Amounts<br>Due Within<br>One Year |
|-------------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|-----------------------------------|
| General obligation bonds:           |                             |                     |                     |                             |                                   |
| Par                                 | \$ 59,860,000               | \$ -                | \$ 5,415,000        | \$ 54,445,000               | \$ 5,630,000                      |
| Premium                             | 804,874                     | -                   | 255,802             | 549,072                     | -                                 |
| Total general obligation bonds, net | <u>60,664,874</u>           | <u>-</u>            | <u>5,670,802</u>    | <u>54,994,072</u>           | <u>5,630,000</u>                  |
| Postemployment benefits:            |                             |                     |                     |                             |                                   |
| College Plan                        | 9,381,880                   | 301,551             | -                   | 9,683,431                   | -                                 |
| CIP plan                            | 56,835,882                  | 893,666             | -                   | 57,729,548                  | -                                 |
| Total postemployment benefits       | <u>66,217,762</u>           | <u>1,195,217</u>    | <u>-</u>            | <u>67,412,979</u>           | <u>-</u>                          |
|                                     | <u>\$ 126,882,636</u>       | <u>\$ 1,195,217</u> | <u>\$ 5,670,802</u> | <u>\$ 122,407,051</u>       | <u>\$ 5,630,000</u>               |

Changes in long-term obligations during the year ended June 30, 2018 were as follows (refer to Note 13 for information regarding the restatement of postemployment benefits):

|                                     | Balance<br>June 30,<br>2017 | Additions            | Deletions            | Balance<br>June 30,<br>2018 | Amounts<br>Due Within<br>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 | <u>65,411,415</u>           | <u>22,325,000</u>    | <u>27,071,541</u>    | <u>60,664,874</u>           | <u>5,415,000</u>                  |
| 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       | <u>62,941,383</u>           | <u>3,276,379</u>     | <u>-</u>             | <u>66,217,762</u>           | <u>-</u>                          |
|                                     | <u>\$ 128,352,798</u>       | <u>\$ 25,601,379</u> | <u>\$ 27,071,541</u> | <u>\$ 126,882,636</u>       | <u>\$ 5,415,000</u>               |

The following is a schedule of the future debt service payments for general obligation bonds as of June 30, 2019:

| Year ending June 30: | Principal            | Interest             | Total                |
|----------------------|----------------------|----------------------|----------------------|
| 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                 | 6,630,000            | 918,825              | 7,548,825            |
| 2025-2029            | 13,890,000           | 2,589,570            | 16,479,570           |
| 2030-2034            | 9,965,000            | 946,120              | 10,911,120           |
|                      | <u>\$ 54,445,000</u> | <u>\$ 10,409,245</u> | <u>\$ 64,854,245</u> |



**Notes to Basic Financial Statements**

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**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 (SURS), 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](http://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 SURS's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

*Contributions.* The State of Illinois is primarily responsible for funding SURS 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 2018 and 2019, respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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

**Notes to Basic Financial Statements**

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**Note 6. Defined Benefit Pension Plans (Continued)**

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

*Net Pension Liability*

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

*Employer Proportionate Share of Net Pension Liability*

The proportionate share of the State's net pension liability associated with the College of Lake County is \$435,486,283 or 1.5839% 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, 2018, and total projected pension benefits used to calculate the net pension liability was determined based on the June 30, 2017 actuarial valuation rolled forward to June 30, 2018. 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 2018 as compared to the total actual reported pension contributions of all employers.

*Pension Expense*

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

*Employer Proportionate Share of Pension Expense*

The employer proportionate share of collective pension expense 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 2019 and 2018. As a result, College of Lake County recognized on-behalf revenue and pension expense of \$42,532,826 and \$38,749,052 for the fiscal years ended June 30, 2019 and 2018, respectively.

**Deferral of Fiscal Year 2019 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 \$123,611 and \$121,959 in federal, trust or grant contributions for the fiscal years ended June 30, 2019 and 2018, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and 2017, and are recognized as deferred outflows of resources as of June 30, 2019 and 2018.

**Assumptions and Other Inputs**

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

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

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

Notes to Basic Financial Statements

**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, 2018, these best estimates are summarized in the following table:

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

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

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](http://www.SURS.org).

**Notes to Basic Financial Statements**

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**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 employee contributions to the Plan for the years ending June 30, 2019, 2018, and 2017 were \$287,661, \$267,410, and \$270,390, respectively. The College contributions were equal to the required contributions for each year.

Notes to Basic Financial Statements

**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 College. 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   | \$ 57,729,548         |
| The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer | 57,729,509            |
| Total CIP net collective OPEB liability associated with the employer  | <u>\$ 115,459,057</u> |

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018 and 2017, the College's proportions were 3.062167 percent and 3.116623 percent, respectively.

For the year ended June 30, 2019, the College recognized OPEB revenue of \$3,651,638 and OPEB expense of \$7,777,639 for support provided by the State. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 848,484                        | \$ 126,437                       |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,880,844                         | 900,669                          |
| Net difference between projected and actual investment earnings   | -                                 | 1,886                            |
| Changes of assumptions  | -                                 | 7,226,039                        |
| Total deferred amounts to be recognized in expense in future periods  | <u>2,729,328</u>                  | <u>8,255,031</u>                 |
| Employer contributions subsequent to the measurement date   | 287,661                           | -                                |
|   | <u>\$ 3,016,989</u>               | <u>\$ 8,255,031</u>              |

**Notes to Basic Financial Statements**

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**Note 7. Postemployment Benefits Other Than Pensions (Continued)**

The College reported \$287,661 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 total OPEB liability for the year ended June 30, 2020. 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:

|      |                       |
|------|-----------------------|
| 2020 | \$ (1,206,827)        |
| 2021 | (1,206,827)           |
| 2022 | (1,206,827)           |
| 2023 | (1,206,680)           |
| 2024 | (698,542)             |
|      | <u>\$ (5,525,703)</u> |

*Actuarial Assumptions:* The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, 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   |

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, 2016 OPEB actuarial valuation date:

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

Notes to Basic Financial Statements

**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, 2018 was 3.62 percent, which was an increase from the June 30, 2017 rate of 3.56 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 3.62% 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 (2.62%) or 1 percentage point higher (4.62%) than the current rate:

|   | 1% Decrease<br>(2.62%) | Current<br>Discount Rate<br>(3.62%) | 1% Increase<br>(4.62%) |
|---|------------------------|-------------------------------------|------------------------|
| Employer's proportionate share of the collective net OPEB liability | \$ 66,907,056          | \$ 57,729,548                       | \$ 50,091,147          |

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 8.0% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.0% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

|   | 1% Decrease(a) | Healthcare Cost<br>Trend Rates<br>Assumption | 1% Increase(b) |
|---|----------------|--|----------------|
| Employer's proportionate share of the collective net OPEB liability | \$ 47,857,422  | \$ 57,729,548                                | \$ 70,722,783  |

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

*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, 2019.

Notes to Basic Financial Statements

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**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 2019, the following employees were covered by the benefit terms:

|   |                   |
|---|-------------------|
| Active employees  | 336               |
| Inactive employees entitled to but not yet receiving benefits | -                 |
| Inactive employees currently receiving benefits               | 376               |
| Total   | <u><u>712</u></u> |

*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, 2019, the College contributed \$787,854 to the Plan.

*Total OPEB Liability:* The College's total OPEB liability of \$9,683,431 was measured as of June 30, 2019, and was determined by a rollforward from an actuarial valuation as of July 1, 2017, the most recent actuarial valuation date.

*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                   | 2.75%                             |
| Salary rate increases       | 3.75%                             |
| Investment rate of return   | 0.00%                             |
| Healthcare cost trend rates | 8.00-9.00% trending to 4.50-4.91% |
| Asset valuation method      | Market Value                      |

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 July 1, 2019. The discount rate as of June 30, 2019 was 2.79 percent, which was a decrease from the June 30, 2018 rate of 2.98 percent.

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



**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

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**Note 7. Postemployment Benefits Other Than Pensions (Continued)**

Changes in the Total OPEB Liability

|   | <u><b>Total OPEB Liability</b></u> |
|---|------------------------------------|
| Balance as of June 30, 2018                   | <u>\$ 9,381,880</u>                |
| Changes for the year:                         |                                    |
| Service cost                                  | 26,808                             |
| Interest                                      | 272,026                            |
| Changes of benefit terms                      | -                                  |
| Differences by expected and actual experience | -                                  |
| Changes in assumptions or other inputs        | 320,345                            |
| Benefit payments                              | (507,003)                          |
| Other changes                                 | 189,375                            |
| Net changes                                   | <u>301,551</u>                     |
| Balance as of June 30, 2019                   | <u><u>\$ 9,683,431</u></u>         |

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 2.79% 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 (1.79%) or 1 percentage point higher (3.79%) than the current rate:

|                      | 1% Decrease<br>(1.79%) | Current<br>Discount Rate<br>(2.79%) | 1% Increase<br>(3.79%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 10,726,712          | \$ 9,683,431                        | \$ 8,810,294           |

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.

Notes to Basic Financial Statements

Note 7. Postemployment Benefits Other Than Pensions (Continued)

|                      | Healthcare Cost<br>Trend Rates<br>Assumption |              |                |
|----------------------|--|--------------|----------------|
|                      | 1% Decrease(a)                               |              | 1% Increase(b) |
| Total OPEB liability | \$ 9,548,974                                 | \$ 9,683,431 | \$ 9,831,659   |

(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 2.0% 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 4.0% for Medicare coverage.

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:*  
For the year ended June 30, 2019, the College recognized OPEB expense of \$781,359. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                      | \$ 30,624                         | \$ -                             |
| Changes of assumptions  | 351,147                           | -                                |
| Total deferred amounts to be recognized in expense<br>in future periods | <u>\$ 381,771</u>                 | <u>\$ -</u>                      |

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

| <u>Fiscal Year Ending June 30:</u> |                   |
|------------------------------------|-------------------|
| 2020                               | \$ 313,591        |
| 2021                               | 68,180            |
|                                    | <u>\$ 381,771</u> |

**Notes to Basic Financial Statements**

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**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, 2019, 2018, and 2017 are as follows:

|                                    | 2019              | 2018              | 2017              |
|------------------------------------|-------------------|-------------------|-------------------|
| Claims payable – beginning of year | \$ 997,590        | \$ 731,112        | \$ 646,177        |
| Claims and other expenses incurred | 11,315,420        | 11,537,685        | 10,602,689        |
| Claims paid                        | (11,690,444)      | (11,271,207)      | (10,517,754)      |
| Claims payable – end of year       | <u>\$ 622,566</u> | <u>\$ 997,590</u> | <u>\$ 731,112</u> |

**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, 2019 and 2018 was \$20,000. Unearned revenue related to the lease was \$700,000 and \$720,000 at June 30, 2019 and 2018, respectively.

**Note 11. Commitments**

The College has committed to the construction of student services and adult education facilities at its Lakeshore campus totaling \$10,657,053 as of June 30, 2019. Costs were funded through the issuance of public debt. See Note 5 for further discussion of long-term obligations of the College.

**College of Lake County  
Community College District No. 532**

**Notes to Basic Financial Statements**

**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, 2019 and 2018 are as follows:

|   | 2019                  | 2018                  |
|---|-----------------------|-----------------------|
| Natural classification of total expenses: |                       |                       |
| Salaries                                  | \$ 70,837,053         | \$ 66,570,961         |
| Benefits                                  | 62,352,938            | 64,389,978            |
| Contractual services                      | 7,754,113             | 7,184,244             |
| Materials and supplies                    | 8,056,959             | 7,429,535             |
| Travel and meetings                       | 1,033,459             | 812,599               |
| Fixed charges                             | 2,077,892             | 2,439,512             |
| Utilities                                 | 2,466,581             | 2,686,988             |
| Interest                                  | 1,600,623             | 1,438,766             |
| Depreciation                              | 11,089,342            | 9,586,974             |
| Other                                     | 9,064,867             | 8,892,588             |
| Total expenses                            | <u>\$ 176,333,827</u> | <u>\$ 171,432,145</u> |

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.

**Note 13. Prior Period Restatement**

The College's net position has been restated as of July 1, 2017. The restatement is a result of 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 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 | <u>895,260</u>  |                       |
| Total restatement   |                 | <u>(59,646,775)</u>   |
| Net Position as restated, June 30, 2017   |                 | <u>\$ 146,158,586</u> |

**Notes to Basic Financial Statements**

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**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 Standards 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. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions.

**Net assets with donor restrictions:** Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the Foundation or the passage of time. These items include pledges for which restrictions have not been met such as time restrictions. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained 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 net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions 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 reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Notes to Basic Financial Statements**

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**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 statements 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. Fair value is based on quoted market prices.

Investment income, gains and losses, and any investment-related expenses are recorded as changes in assets without donor restrictions in the statement of activities unless their use is 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 assets with donor restrictions.

**Beneficial interest in trusts:** During fiscal year 2018, the Foundation was 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 a contribution with donor restriction 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 risks 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, 2019 or 2018.

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

**Notes to Basic Financial Statements**

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**Note 14. Component Unit (Continued)**

**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.

**Functional expenses:** The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries & benefits, printing & postage, technology, travel & meetings and other, which are allocated on the basis of estimates of time and effort.

**Use of estimates:** The preparation of financial statements in conformity with 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.

**Accounting pronouncement adopted:** In 2019, the Foundation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses net asset classifications, and reporting and disclosures about liquidity, financial performance, expenses, and cash flows. Certain provisions, as required, have been applied retrospectively to 2018. Amounts previously reported as temporarily or permanently restricted have been reclassified to be reported as net assets with donor restrictions. In addition, the Foundation has added or enhanced disclosures for liquidity, net assets, endowments and expenses.

**New accounting pronouncements:** In May 2014, the FASB issued 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 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.

**Notes to Basic Financial Statements**

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**Note 14. Component Unit (Continued)**

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.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU affect any entity that is required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. The new standard is effective for the Foundation in 2020; early adoption is permitted. The Foundation is currently evaluating the impact of the adoption of this standard on its financial statements.

**Subsequent events:** The Foundation's management has performed an analysis of the activities and transactions subsequent to June 30, 2019, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2019. Management has performed their analysis through October 22, 2019, the date the financial statements were available to be issued.

**Availability and Liquidity**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions for grants and scholarships. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund grants and scholarships. In addition, the Foundation receives support without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for current grants and scholarships to be available to meet cash needs for general expenditures. General expenditures include grants and scholarships, administrative and general expenses and fundraising expenses. The Foundation also receives donated services from the College, as described in the *Donated goods and services* paragraphs, to meet general expenditures. Those amounts are not reflected in the following table.



**Notes to Basic Financial Statements**

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**Note 14. Component Unit (Continued)**

Cash and other financial assets available within one year at June 30, 2019 and 2018 are as follows:

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| Financial assets at year-end:   |                     |                     |
| Cash and cash equivalents   | \$ 260,769          | \$ 225,808          |
| Pledges receivable  | 45,300              | 54,000              |
| Other receivables   | 41,211              | 23,805              |
| Beneficial interest in charitable remainder trust, net  | -                   | 44,767              |
| Investments   | <u>4,043,976</u>    | <u>4,293,933</u>    |
| Financial assets at year-end  | <u>4,391,256</u>    | <u>4,642,313</u>    |
| Less amounts not available to be used within one year:  |                     |                     |
| Donor restricted endowments   | 1,558,652           | 1,528,837           |
| Other portion of long-term investments functioning as<br>endowment and not available for operations | 423,936             | 423,936             |
| Reserves directed by Foundation Board   |                     |                     |
| Assets without donor restrictions   | 220,295             | 177,056             |
| Assets with donor restrictions  | 285,849             | 245,794             |
| Amounts not available to spend currently<br>due to donor criteria/restrictions                      | 599,288             | 565,714             |
| Pledges receivable due after one year   | <u>31,800</u>       | <u>2,000</u>        |
|   | <u>3,119,820</u>    | <u>2,943,337</u>    |
| Financial assets available to meet<br>general expenditures within one year                          | <u>\$ 1,271,436</u> | <u>\$ 1,698,976</u> |

**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.

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:

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

Level 2: 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.

Notes to Basic Financial Statements

**Note 14. Component Unit (Continued)**

Level 3: Unobservable inputs where the valuations are derived from other methodologies. There were no Level 3 investments as of June 30, 2019 or June 30, 2018.

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<br>Active Markets for<br>Identical Assets | Significant Other<br>Observable Inputs | Significant<br>Unobservable<br>Inputs |
|                                    | (Level 1)  | (Level 2)                              | (Level 3)                             |
| Assets at June 30, 2019:           |  |  |                                       |
| Multi-managed domestic equity      | \$ -   | \$ 1,357,606                           | \$ -                                  |
| Multi-managed international equity | -  | 735,569                                | -                                     |
| Multi-managed fixed income         | -  | 1,938,788                              | -                                     |
|                                    | <u>\$ -</u>  | <u>\$ 4,031,963</u>                    | <u>\$ -</u>                           |
| 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                              | -                                     |
|                                    | <u>\$ -</u>  | <u>\$ 4,284,510</u>                    | <u>\$ -</u>                           |

The Foundation did not have any transfers between any levels of the fair value hierarchy during the years ended June 30, 2019 or 2018. 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.

**Investments**

The cost and fair value of the Foundation's investments at June 30, 2019 and 2018 are as follows:

|                                    | 2019                |                     | 2018                |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | Cost                | Fair Value          | Cost                | Fair Value          |
| Multi-managed domestic equity      | \$ 1,256,284        | \$ 1,357,606        | \$ 1,335,332        | \$ 1,337,133        |
| Multi-managed international equity | 757,108             | 735,569             | 747,568             | 722,364             |
| Multi-managed fixed income         | 1,868,807           | 1,938,788           | 2,220,594           | 2,225,013           |
| Temporarily uninvested cash        | 12,013              | 12,013              | 9,422               | 9,423               |
|                                    | <u>\$ 3,894,212</u> | <u>\$ 4,043,976</u> | <u>\$ 4,312,916</u> | <u>\$ 4,293,933</u> |

Notes to Basic Financial Statements

**Note 14. Component Unit (Continued)**

Investment return for the years ended June 30, 2019 and 2018, was as follows:

|                                       | 2019              | 2018              |
|---------------------------------------|-------------------|-------------------|
| Return on investments:                |                   |                   |
| Interest and dividends                | \$ 87,225         | \$ 63,146         |
| Realized gain on sale of investments  | 17,222            | 379,344           |
| Investment income                     | 104,447           | 442,490           |
| Unrealized gain (loss) on investments | 168,748           | (272,341)         |
| Total return on investments           | <u>\$ 273,195</u> | <u>\$ 170,149</u> |

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.

**Charitable Remainder Trust**

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 an asset with donor restrictions to be maintained in perpetuity per the terms of the Trust agreement. Upon termination of the Trust, the Foundation received \$44,767 during fiscal year 2019.

The Trust had the following activity for fiscal years 2018 and 2019:

|  |                    |
|--|--------------------|
| Fair value of charitable remainder trust assets  | \$ 4,431,933       |
| Less: Estimated expenses   | -                  |
| Net estimated assets to distribute   | <u>4,431,933</u>   |
| Other beneficiaries' interests (98.99%)  | <u>(4,387,166)</u> |
| Net beneficial interest in charitable remainder trust at June 30, 2018                 | 44,767             |
| Termination of trust and amount transferred to unrestricted per the terms of the Trust | <u>(44,767)</u>    |
| Net beneficial interest in charitable remainder trust at June 30, 2019                 | <u>\$ -</u>        |

**Pledges Receivable**

The Foundation received an unconditional pledge of \$50,000 in fiscal year 2018 that met the criteria for recognition as a contribution with donor restrictions in the year of pledge. The pledge was recorded as a receivable and the entire amount was 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 contribution with donor restrictions in the year of pledge. The Foundation received \$1,000 on each of the pledges in fiscal years 2019 and 2018. The remaining pledges of \$1,000 each were recorded as a receivable and the entire amount will be received in fiscal year 2020.

**Notes to Basic Financial Statements**

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**Note 14. Component Unit (Continued)**

The Foundation received three unconditional pledges of \$3,000 each in fiscal year 2019 that met the criteria for recognition as contribution with donor restrictions in the year of pledge. The Foundation received \$1,000 on each of the pledges in fiscal year 2019. 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 2021.

The Foundation received an unconditional pledge of \$30,000 in fiscal year 2019 that met the criteria for recognition as a contribution with donor restrictions in the year of pledge. The Foundation received \$6,750 on the pledge in fiscal year 2019. The remaining pledge of \$23,250 will be received over a four-year period ending in fiscal year 2023.

The expected amounts to be received by fiscal year are as follows:

|      |           |               |
|------|-----------|---------------|
| 2020 | \$        | 13,500        |
| 2021 |           | 11,500        |
| 2022 |           | 8,500         |
| 2023 |           | 8,500         |
| 2024 |           | 3,300         |
|      | <u>\$</u> | <u>45,300</u> |

Collectability of the pledges is considered to be reasonably assured and there is no allowance, nor present value discount, recorded as of June 30, 2019 or 2018.

**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, assets with donor restrictions are reclassified to assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

During fiscal years 2019 and 2018, \$817,665 and \$952,942, respectively, were released from net assets with donor restrictions and used for the following purposes:

|  | <u>2019</u>       | <u>2018</u>       |
|--|-------------------|-------------------|
| Scholarships for students of the College | \$ 709,980        | \$ 690,660        |
| Grants benefitting the College           | 107,685           | 262,282           |
|  | <u>\$ 817,665</u> | <u>\$ 952,942</u> |

Notes to Basic Financial Statements

**Note 14. Component Unit (Continued)**

The Foundation's assets with donor restrictions consists of donor-restricted endowment funds that are perpetual in nature and assets that must meet a specific purpose (criteria). These assets will be used as follows:

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <u>Perpetual in nature:</u>              |                     |                     |
| Scholarships for students of the College | \$ 1,365,944        | \$ 1,312,880        |
| Grants benefitting the College           | 215,957             | 215,957             |
|  | <u>1,581,901</u>    | <u>1,528,837</u>    |
| <u>Purpose restrictions:</u>             |                     |                     |
| Scholarships for students of the College | 1,952,409           | 2,200,909           |
| Grants benefitting the College           | 68,484              | 118,551             |
|  | <u>2,020,893</u>    | <u>2,319,460</u>    |
| Total assets with donor restrictions     | <u>\$ 3,602,794</u> | <u>\$ 3,848,297</u> |

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, 2019 and 2018.

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.

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 retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation 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.

Notes to Basic Financial Statements

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**Note 14. Component Unit (Continued)**

Changes in endowment net assets with donor restrictions for the years ended June 30 are as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| Net assets, beginning of year                  | \$ 2,026,932 | \$ 1,857,120 |
| Investment return:                             |              |              |
| Investment income, net of fees                 | 99,694       | 89,544       |
| New gifts                                      | 49,422       | 104,508      |
| Change in classification of donor restrictions | (5,000)      | 20,182       |
| Appropriation for expenditure                  | (73,061)     | (44,422)     |
| Net assets, end of year                        | \$ 2,097,987 | \$ 2,026,932 |

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, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments for the years ended June 30, 2019 and 2018.

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 the *Nature of activities and significant accounting policies* section, the Foundation receives donated services and other operating support from the College. For the years ended June 30, 2019 and 2018, donated service revenue and related expenses with the College were approximately \$753,435 and \$615,896, respectively.

**Notes to Basic Financial Statements**

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**Note 14. Component Unit (Continued)**

***ii) Donated Securities***

The Foundation received stock donations of \$31,268 and \$38,238 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, noncash donation revenue and related expenses were approximately \$107,148 and \$228,333, respectively.

## **Required Supplementary Information**



**College of Lake County  
Community College District No. 532**

**Required Supplementary Information**

**Schedule of the College's Proportionate Share of the Net Pension Liability - SURS Pension Plan - GASB 68**

| For the fiscal year ending*   | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| College's proportion percentage of the net pension liability                                      | 0.00%                 | 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              | 435,486,283           | 409,201,081           | 396,192,850           | 358,337,760           | 345,012,299           |
| <b>Total</b>  | <b>\$ 435,486,283</b> | <b>\$ 409,201,081</b> | <b>\$ 396,192,850</b> | <b>\$ 358,337,760</b> | <b>\$ 345,012,299</b> |
| College's covered payroll   | \$ 56,607,275         | \$ 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 | 769.31%               | 721.44%               | 718.93%               | 652.62%               | 600.32%               |
| Plan fiduciary net position as a percentage of the total pension liability                        | 41.27%                | 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

| For the fiscal year ending   | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                  | \$ 123,611    | \$ 121,959    | \$ 121,581    | \$ 144,948    | \$ 225,318    | \$ 204,318    | \$ 217,455    | \$ 158,916    | \$ 113,891    | \$ 76,824     |
| Contributions in relation to the contractually required contribution | (123,611)     | (121,959)     | (121,581)     | (144,948)     | (225,318)     | (204,318)     | (217,455)     | (158,916)     | (113,891)     | (76,824)      |
| Contribution deficiency (excess)                                     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| College's covered payroll  | \$ 59,713,364 | \$ 56,607,275 | \$ 56,720,116 | \$ 55,108,575 | \$ 54,907,365 | \$ 57,471,457 | \$ 57,415,228 | \$ 58,129,259 | \$ 53,677,576 | \$ 51,692,015 |
| Contributions as a percentage of covered payroll                     | 0.21%         | 0.22%         | 0.21%         | 0.26%         | 0.41%         | 0.36%         | 0.38%         | 0.27%         | 0.21%         | 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**

| <b>For the fiscal year ending</b>                                | <b>2019</b>         | <b>2018</b>         |
|--|---------------------|---------------------|
| <b>Total OPEB liability</b>                                      |                     |                     |
| Service cost   | \$ 26,808           | \$ 22,516           |
| Interest on total OPEB liability                                 | 272,026             | 270,269             |
| Changes of benefit terms   | -                   | 56,095              |
| Differences between expected and actual experience               | -                   | 203,342             |
| Changes of assumptions or other inputs                           | 320,345             | 344,111             |
| Benefit payments   | (507,003)           | (624,870)           |
| Other changes  | 189,375             | 68,879              |
| Net change in total OPEB liability                               | <u>301,551</u>      | <u>340,342</u>      |
| Total OPEB liability - beginning                                 | <u>9,381,880</u>    | <u>9,041,538</u>    |
| Total OPEB liability - ending                                    | <u>\$ 9,683,431</u> | <u>\$ 9,381,880</u> |
| Covered-employee payroll   | \$ 32,734,614       | \$ 33,547,455       |
| Total OPEB liability as a percentage of covered-employee payroll | 29.58%              | 27.97%              |

**Notes to Schedules**

*Changes of benefit terms.* In the 2016 valuation, the plan was for employees continuously employed by the College 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 2.79% from 2.98% 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**

| <b>For the fiscal year ending*</b>  | <b>2019</b>           | <b>2018</b>           | <b>2017</b>           |
|---|-----------------------|-----------------------|-----------------------|
| Employer's proportion of the collective net OPEB liability  | 3.062167%             | 3.116623%             | 2.961604%             |
| Employer's proportionate share of the collective net OPEB liability   | \$ 57,729,548         | \$ 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 | 57,729,509            | 56,087,349            | 56,158,988            |
| <b>Total</b>  | <b>\$ 115,459,057</b> | <b>\$ 112,923,231</b> | <b>\$ 110,058,833</b> |
| Employee covered payroll  | \$ 53,482,032         | \$ 54,077,972         | \$ 53,683,264         |
| Collective net OPEB liability as a percentage of the employee covered payroll   | 107.9%                | 105.1%                | 100.4%                |
| Plan fiduciary net position as a percentage of the total pension liability  | -3.54%                | -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   | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Statutorily-required contribution                                  | \$ 287,661    | \$ 267,410    | \$ 270,390    | \$ 268,416    | \$ 263,511    | \$ 268,863    | \$ 263,828    | \$ 263,414    | \$ 243,780    | \$ 235,748    |
| Contributions in relation to the statutorily-required contribution | (287,661)     | (267,410)     | (270,390)     | (268,416)     | (263,511)     | (268,863)     | (263,828)     | (263,414)     | (243,780)     | (235,748)     |
| Contribution (excess) deficiency                                   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Employer's employee covered payroll                                | \$ 57,714,148 | \$ 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 |
| 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%         |

Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

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**Note 1. SURS Pension Plan**

*Changes of benefit terms.* There were no benefit changes recognized in the total pension liability as of June 30, 2018.

*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, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of the following new assumptions as of June 30, 2018:

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumptions to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

*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. 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. Participating employers are considered employer contributing entities.

Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

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**Note 2. Community College Health Insurance Plan**

|                           |               |
|---------------------------|---------------|
| Valuation Date            | June 30, 2017 |
| Measurement Date          | June 30, 2018 |
| Sponsor's Fiscal Year End | June 30, 2019 |

**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, 2018, 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 includes 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 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 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.

| <b>Contents</b>   | <b>Tables</b> |
|---|---------------|
| <b>Financial Trends</b><br>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         |
| <b>Revenue Capacity</b><br>These tables contain information to help the reader understand and assess the College's most significant local revenue source, property taxes.                                       | 3 - 6         |
| <b>Debt Capacity</b><br>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        |
| <b>Demographic and Economic Information</b><br>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       |
| <b>Operating Information</b><br>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

|                                  | <u>2019</u>           | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           | <u>2015</u>           | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011</u>           | <u>2010</u>           |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net investment in capital assets | \$ 137,765,063        | \$ 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         |
| Restricted for:                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Debt service                     | 1,766,833             | 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             |
| Capital projects                 | 401,660               | 218,533               | 198,883               | 1,469,753             | 12,548,437            | 7,493,234             | 1,631,704             | 1,914,268             | 754,227               | 1,063,084             |
| Other                            | 1,069,392             | 972,947               | 981,553               | 856,651               | 617,430               | 790,910               | 904,521               | 289,439               | 698,222               | 601,233               |
| Unrestricted                     | <u>27,936,714</u>     | <u>30,228,136</u>     | <u>92,318,940</u>     | <u>98,938,193</u>     | <u>79,048,204</u>     | <u>72,184,158</u>     | <u>73,118,295</u>     | <u>62,925,272</u>     | <u>53,903,877</u>     | <u>39,814,025</u>     |
| Total net position               | <u>\$ 168,939,662</u> | <u>\$ 166,821,785</u> | <u>\$ 205,805,361</u> | <u>\$ 196,171,296</u> | <u>\$ 189,936,267</u> | <u>\$ 176,758,148</u> | <u>\$ 167,276,249</u> | <u>\$ 156,132,659</u> | <u>\$ 147,422,439</u> | <u>\$ 133,522,359</u> |

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

|                                     | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                | 2011                 | 2010                |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|---------------------|
| Operating revenues:                 |                      |                      |                      |                      |                      |                      |                      |                     |                      |                     |
| Student tuition and fees            | \$ 32,575,340        | \$ 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       |
| Less scholarship allowances         | (8,473,503)          | (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)         |
| Net student tuition and fees        | 24,101,837           | 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          |
| Auxiliary enterprises               | 7,807,720            | 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          |
| Other operations                    | 790,868              | 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           |
| Total operating revenues            | <u>32,700,425</u>    | <u>32,654,089</u>    | <u>36,925,362</u>    | <u>35,213,348</u>    | <u>35,187,962</u>    | <u>35,491,688</u>    | <u>36,196,562</u>    | <u>35,303,075</u>   | <u>35,948,004</u>    | <u>35,043,072</u>   |
| Operating expenses:                 |                      |                      |                      |                      |                      |                      |                      |                     |                      |                     |
| Education and general:              |                      |                      |                      |                      |                      |                      |                      |                     |                      |                     |
| Instruction                         | 76,397,392           | 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          |
| Academic support                    | 6,511,693            | 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           |
| Student services                    | 14,297,934           | 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           |
| Public service                      | 7,087,267            | 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           |
| Institutional support               | 30,379,912           | 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          |
| Operations and maintenance of plant | 15,576,795           | 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           |
| Financial aid                       | 6,038,694            | 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           |
| Depreciation                        | 11,089,342           | 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           |
| Loss on disposition of assets       | -                    | -                    | 423,435              | -                    | -                    | -                    | -                    | -                   | -                    | -                   |
| Auxiliary enterprises               | 7,354,175            | 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          |
| Total operating expenses            | <u>174,733,204</u>   | <u>169,993,379</u>   | <u>152,289,356</u>   | <u>146,271,382</u>   | <u>143,186,595</u>   | <u>145,846,246</u>   | <u>144,084,144</u>   | <u>131,442,486</u>  | <u>121,745,507</u>   | <u>120,180,424</u>  |
| Operating loss                      | <u>(142,032,779)</u> | <u>(137,339,290)</u> | <u>(115,363,994)</u> | <u>(111,058,034)</u> | <u>(107,998,633)</u> | <u>(110,354,558)</u> | <u>(107,887,582)</u> | <u>(96,139,411)</u> | <u>(85,797,503)</u>  | <u>(85,137,352)</u> |
| Nonoperating revenues (expenses):   |                      |                      |                      |                      |                      |                      |                      |                     |                      |                     |
| Local property taxes                | 70,188,736           | 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          |
| Personal property replacement tax   | 1,173,320            | 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             |
| State appropriations                | 56,831,307           | 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          |
| Federal grants and contracts        | 12,425,833           | 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          |
| Local grants and contracts          | 1,728,169            | 1,365,480            | 1,167,546            | 1,255,820            | 845,458              | 916,302              | 865,085              | 911,393             | 951,778              | 1,067,360           |
| Investment income                   | 3,349,198            | 866,590              | 534,166              | 407,757              | 326,129              | 238,692              | 126,529              | 91,810              | 109,959              | 155,791             |
| Interest expense                    | (1,600,623)          | (1,438,766)          | (1,274,501)          | (196,847)            | (627,939)            | (212,979)            | (637,083)            | (536,972)           | (422,128)            | (504,788)           |
| Net nonoperating revenues           | <u>144,095,940</u>   | <u>144,409,862</u>   | <u>124,998,059</u>   | <u>117,293,053</u>   | <u>121,176,752</u>   | <u>119,836,457</u>   | <u>118,432,325</u>   | <u>104,849,631</u>  | <u>99,697,583</u>    | <u>91,825,223</u>   |
| Increase before capital             |                      |                      |                      |                      |                      |                      |                      |                     |                      |                     |
| contributions                       | 2,063,161            | 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           |
| Capital appropriations              | 54,716               | 13,592,627           | -                    | -                    | -                    | -                    | 685,416              | -                   | -                    | -                   |
| Increase in net position            | <u>\$ 2,117,877</u>  | <u>\$ 20,663,199</u> | <u>\$ 9,634,065</u>  | <u>\$ 6,235,029</u>  | <u>\$ 13,178,119</u> | <u>\$ 9,481,899</u>  | <u>\$ 11,230,159</u> | <u>\$ 8,710,220</u> | <u>\$ 13,900,080</u> | <u>\$ 6,687,871</u> |

\*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.

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532**

Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)  
Last Ten Fiscal Years

| <b>Fiscal Year Ended June 30,</b> | <b>Levy Year</b> | <b>Residential Property</b> | <b>Commercial Property</b> | <b>Industrial Property</b> | <b>Farm &amp; Other Property</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Taxable Value</b> | <b>Assessed Value as a Percentage of Actual Value</b> | <b>%</b> |
|-----------------------------------|------------------|-----------------------------|----------------------------|----------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|----------|
| 2019                              | 2018             | \$ 20,165,580,283           | \$ 3,914,091,856           | \$ 1,015,593,123           | \$ 178,673,420                   | \$ 25,273,938,682                   | 0.282                        | \$ 75,821,816,046                     | 33.33   | %        |
| 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   |          |

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.

**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 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2019                   | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            |
| <b>College direct rates</b>              |                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Bonds                                    | \$ 0.007               | \$ 0.007        | \$ 0.007        | \$ 0.007        | \$ 0.008        | \$ 0.008        | \$ 0.008        | \$ 0.007        | \$ 0.006        | \$ 0.006        |
| Educational                              | 0.216                  | 0.214           | 0.218           | 0.229           | 0.234           | 0.226           | 0.207           | 0.180           | 0.148           | 0.132           |
| Operation & maintenance                  | 0.057                  | 0.057           | 0.058           | 0.061           | 0.062           | 0.060           | 0.055           | 0.051           | 0.062           | 0.061           |
| Tort judgement & liability insurance     | 0.002                  | 0.002           | 0.002           | 0.002           | 0.002           | 0.002           | 0.002           | 0.002           | 0.002           | 0.002           |
| <b>Total direct rate</b>                 | <u>\$ 0.282</u>        | <u>\$ 0.281</u> | <u>\$ 0.285</u> | <u>\$ 0.299</u> | <u>\$ 0.306</u> | <u>\$ 0.296</u> | <u>\$ 0.272</u> | <u>\$ 0.240</u> | <u>\$ 0.218</u> | <u>\$ 0.201</u> |
| <b>Lake County rate</b>                  | 0.612                  | 0.622           | 0.632           | 0.663           | 0.682           | 0.663           | 0.608           | 0.554           | 0.505           | 0.464           |
| <b>Lake County Forest Preserves rate</b> | 0.182                  | 0.187           | 0.193           | 0.208           | 0.210           | 0.218           | 0.212           | 0.201           | 0.198           | 0.200           |
| <b>Elementary School rates</b>           | 1.391 - 7.728          | 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   |
| <b>Unit School rates</b>                 | 4.395 - 8.790          | 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   |
| <b>High School rates</b>                 | 1.336 - 4.420          | 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   |
| <b>Township rates</b>                    | 0.035 - 0.808          | 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   |
| <b>Sanitary District rates</b>           | 0.050 - 0.222          | 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    |
| <b>Park District rates</b>               | 0.411 - 1.090          | 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   |
| <b>Library District rates</b>            | 0.218 - 0.623          | 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   |
| <b>Fire District rates</b>               | 0.144 - 1.111          | 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   |
| <b>City &amp; Village rates</b>          | 0.015 - 5.617          | 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   |
| <b>Special Service Area rates</b>        | 0.057 - 10.526         | 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   |

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

| Taxpayer                             | Levy Year 2018                            |      |  | Levy Year 2009                            |      |  |
|--------------------------------------|---|------|--|---|------|--|
|                                      | Taxable Assessed Value <sup>(a) (b)</sup> | Rank | Percentage of Total District Taxable Assessed Value <sup>(a)</sup> | Taxable Assessed Value <sup>(a) (b)</sup> | Rank | Percentage of Total District Taxable Assessed Value <sup>(a)</sup> |
| Abbott Manufacturing, Inc.           | \$ 148,781,607                            | 1    | 0.59 %   | \$ 167,866,409                            | 1    | 0.58 %   |
| Gurnee Mills (The Mills Corp)        | 51,756,964                                | 2    | 0.20   | 59,179,562                                | 2    | 0.20   |
| Discover Properties LLC              | 46,012,145                                | 3    | 0.18   | 46,566,431                                | 3    | 0.16   |
| Marvin F Poer & Co.                  | 32,641,506                                | 4    | 0.13   | 41,128,691                                | 5    | 0.14   |
| Walmart Stores Inc                   | 29,337,966                                | 5    | 0.12   | -   | -    | -  |
| Takeda Pharmaceuticals North America | 27,389,366                                | 6    | 0.11   | -   | -    | -  |
| Kemper Lakes Business Center         | 26,503,925                                | 7    | 0.10   | -   | -    | -  |
| Baxter Healthcare Corp               | 26,337,394                                | 8    | 0.10   | 32,839,963                                | 8    | 0.11   |
| Walgreen Co                          | 26,197,999                                | 9    | 0.10   | -   | -    | -  |
| Hawthorn LP                          | 25,482,639                                | 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   |
| Midwest Family Housing LLC           | -   | -    | -  | 32,739,885                                | 9    | 0.11   |
| Long Ridge Office Portfolio LP       | -   | -    | -  | 31,473,325                                | 10   | 0.11   |
|                                      | <u>\$ 440,441,511</u>                     |      | <u>1.73 %</u>  | <u>\$ 529,502,746</u>                     |      | <u>1.82 %</u>  |

<sup>(a)</sup> Includes only the parcels with equalized assessed valuations of over \$5,000,000.

<sup>(b)</sup> 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<br>Year Ended<br>June 30 | Levy<br>Year | Taxes Levied<br>for the<br>Fiscal Year | Collected within the calendar<br>year of the levy |                       | Collections<br>in Subsequent<br>Years <sup>(a)</sup> | Total Collections to Date |                       |
|---------------------------------|--------------|--|---|-----------------------|--|---------------------------|-----------------------|
|                                 |              |  | Amount  | Percentage<br>of Levy |  | Amount                    | Percentage<br>of Levy |
| 2019                            | 2018         | \$ 71,235,607                          | \$ 35,293,993                                     | 49.55 %               | \$ -   | \$ 35,293,992             | 49.55 %               |
| 2018                            | 2017         | 69,349,671                             | 39,041,580  | 56.30                 | 30,095,695   | 69,137,275                | 99.69                 |
| 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                 |

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.

<sup>(a)</sup> 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

| <b>Fiscal Year</b> | <b>General Obligation Limited Tax Funding Bonds</b> | <b>General Obligation Limited Tax Debt Certificates</b> | <b>Capital Appreciation Limited Tax Bonds</b> | <b>General Obligation Bonds - Alternate Revenue Source</b> | <b>Unamortized Premium</b> | <b>Discount on Capital Appreciation Bonds</b> | <b>Total Outstanding Debt</b> | <b>Percentage of Taxable Assessed Value of Property<sup>(a)</sup></b> | <b>Per FTE Student Count<sup>(b)</sup></b> |
|--------------------|---|---|---|--|----------------------------|---|-------------------------------|---|--|
| 2019               | \$ 54,445,000                                       | \$ -  | \$ -  | \$ -   | \$ 549,072                 | \$ -  | \$ 54,994,072                 | 0.282%  | 8,019                                      |
| 2018               | 59,860,000  | -   | -   | -  | 804,874                    | -   | 60,664,874                    | 0.281%  | 8,163                                      |
| 2017               | 63,765,000  | 305,000   | -   | -  | 1,341,415                  | -   | 65,411,415                    | 0.285%  | 8,208                                      |
| 2016               | 68,660,000  | 605,000   | -   | -  | 1,725,715                  | -   | 70,990,715                    | 0.299%  | 8,365                                      |
| 2015               | 73,420,000  | 900,000   | -   | -  | 2,148,846                  | -   | 76,468,846                    | 0.306%  | 8,422                                      |
| 2014               | 77,990,000  | 1,185,000   | -   | -  | 2,544,400                  | -   | 81,719,400                    | 0.296%  | 9,463                                      |
| 2013               | 20,535,000  | 1,470,000   | -   | -  | 593,202                    | -   | 22,598,202                    | 0.272%  | 9,551                                      |
| 2012               | 21,500,000  | 1,735,000   | -   | -  | 656,875                    | -   | 23,891,875                    | 0.240%  | 9,498                                      |
| 2011               | 6,920,000   | 2,515,000   | -   | -  | 89,657                     | -   | 9,524,657                     | 0.218%  | 9,975                                      |
| 2010               | 7,000,000   | 3,235,000   | 1,000,000                                     | -  | 111,596                    | (19,734)                                      | 11,326,862                    | 0.201%  | 9,922                                      |

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

<sup>(a)</sup> See Table 3 for Taxable Assessed Value of Property.

<sup>(b)</sup> 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

| <u>Fiscal year</u> | <u>Total<br/>Outstanding<br/>Debt</u> | <u>Less: Amounts<br/>Available<br/>in Debt<br/>Service Fund</u> | <u>Net General<br/>Bonded Debt</u> | <u>Population</u> | <u>Percentage of<br/>Taxable Assessed<br/>Value of<br/>Property<sup>(a)</sup></u> | <u>Net Bonded<br/>Debt Per<br/>Capita</u> |
|--------------------|---------------------------------------|---|------------------------------------|-------------------|---|---|
| 2019               | \$ 54,994,072                         | \$ 1,766,833  | \$ 53,227,239                      | 705,456           | 0.282%  | \$ 75.95                                  |
| 2018               | 60,664,874                            | 1,742,886   | 58,921,988                         | 703,520           | 0.281%  | 83.75                                     |
| 2017               | 65,411,415                            | 1,699,029   | 63,712,386                         | 703,047           | 0.285%  | 90.62                                     |
| 2016               | 70,990,715                            | 1,663,861   | 69,326,854                         | 703,910           | 0.299%  | 98.49                                     |
| 2015               | 76,468,846                            | 1,639,556   | 74,829,290                         | 705,186           | 0.306%  | 106.11                                    |
| 2014               | 81,719,400                            | 1,477,210   | 80,242,190                         | 703,019           | 0.296%  | 114.14                                    |
| 2013               | 22,598,202                            | 1,357,333   | 21,240,869                         | 702,120           | 0.272%  | 30.25                                     |
| 2012               | 23,891,875                            | 1,163,008   | 22,728,867                         | 706,222           | 0.240%  | 32.18                                     |
| 2011               | 9,524,657                             | 3,821,509   | 5,703,148                          | 703,462           | 0.218%  | 8.11                                      |
| 2010               | 11,326,862                            | 3,683,898   | 7,642,964                          | 704,034           | 0.201%  | 10.86                                     |

<sup>(a)</sup> See Table 3 for Taxable Assessed Value of Property.

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



Table 9

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532**

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

| <b>Fiscal Year</b> | <b>Levy Year</b> | <b>Assessed Valuation</b> | <b>Bond Debt Limit*</b> | <b>Amount of Debt Applicable to Debt Limit</b> | <b>Legal Debt Margin</b> | <b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b> |
|--------------------|------------------|---------------------------|-------------------------|--|--------------------------|---|
| 2019               | 2018             | \$ 25,273,938,682         | \$ 726,625,737          | \$ 54,994,072                                  | \$ 671,631,665           | 7.57%   |
| 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%   |

\*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<br>Year | Alternate Revenue Bonds <sup>(a)</sup> |              |          |          |
|----------------|--|--------------|----------|----------|
|                | Available<br>Revenue                   | Debt Service |          | Coverage |
|                |  | Principal    | Interest |          |
| 2019           | \$ -                                   | \$ -         | \$ -     | -        |
| 2018           | -                                      | -            | -        | -        |
| 2017           | -                                      | -            | -        | -        |
| 2016           | -                                      | -            | -        | -        |
| 2015           | -                                      | -            | -        | -        |
| 2014           | -                                      | -            | -        | -        |
| 2013           | -                                      | -            | -        | -        |
| 2012           | -                                      | -            | -        | -        |
| 2011           | -                                      | -            | -        | -        |
| 2010           | 409,200                                | 320,000      | 7,360    | 1.25     |

<sup>(a)</sup> 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

| <b>Fall<br/>Term</b> | <b>Enrollment</b> |            | <b>Gender</b> |               | <b>Attendance</b> |                  | <b>Enrollment Status</b> |                   |                  | <b>In-District<br/>Residency</b> | <b>Average<br/>Age</b> |
|----------------------|-------------------|------------|---------------|---------------|-------------------|------------------|--------------------------|-------------------|------------------|----------------------------------|------------------------|
|                      | <b>Headcount</b>  | <b>FTE</b> | <b>Male</b>   | <b>Female</b> | <b>Full-time</b>  | <b>Part-time</b> | <b>New</b>               | <b>Continuing</b> | <b>Returning</b> |                                  |                        |
| 2018                 | 14,193            | 8,019      | 6,401         | 7,792         | 4,164             | 10,029           | 3,471                    | 7,424             | 3,298            | 95%                              | 27.7                   |
| 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                   |

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532**

Reimbursable Claimed Hours (Unaudited)

Last Ten Fiscal Years

| <b>Fiscal<br/>Year</b> | <b>Baccalaureate</b> | <b>Business</b> | <b>Technical</b> | <b>Health</b> | <b>Remedial</b> | <b>Adult<br/>Basic<br/>Secondary<br/>Education</b> | <b>Total</b> |
|------------------------|----------------------|-----------------|------------------|---------------|-----------------|--|--------------|
| 2019                   | 152,718              | 7,962           | 18,316           | 13,543        | 19,072          | 20,578   | 232,189      |
| 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      |

Amounts are based on midterm enrollment.

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532**

Principal Employers (Unaudited)

Current Year and Nine Years Ago

| Employer                     | 2019                     |      |   | 2010                     |      |   |
|------------------------------|--------------------------|------|---|--------------------------|------|---|
|                              | Employees <sup>(a)</sup> | Rank | Percentage of Total County Employees <sup>(a)</sup> | Employees <sup>(a)</sup> | Rank | Percentage of Total County Employees <sup>(a)</sup> |
| Abbott Laboratories          | 11,000                   | 1    | 2.83%   | -                        | -    | -   |
| Aon Corp                     | 9,000                    | 2    | 2.32%   | 15,700                   | 2    | 4.25%   |
| Abbvie Inc                   | 4,000                    | 3    | 1.03%   | -                        | -    | -   |
| Discover Financial Svc       | 2,976                    | 4    | 0.77%   | 3,500                    | 6    | 0.95%   |
| Advocate Health Care         | 2,333                    | 5    | 0.60%   | -                        | -    | -   |
| Visual Pak                   | 2,000                    | 6    | 0.51%   | -                        | -    | -   |
| Baxter Healthcare Corp       | 1,900                    | 7    | 0.49%   | 4,600                    | 4    | 12.46%  |
| Walgreens Boots Alliance Inc | 1,900                    | 7    | 0.49%   | -                        | -    | -   |
| CDW Corporation              | 1,800                    | 8    | 0.46%   | 2,800                    | 9    | 0.76%   |
| Medline Industries Inc       | 1,600                    | 9    | 0.41%   | -                        | -    | -   |
| Pfizer Inc                   | 1,600                    | 9    | 0.41%   | -                        | -    | -   |
| Zebra Technologies Corp      | 1,500                    | 10   | 0.39%   | -                        | -    | -   |
| Department of the Navy       | -                        | -    | -   | 25,000                   | 1    | 6.77%   |
| Hewitt Associates, LLC       | -                        | -    | -   | 6,000                    | 3    | 1.63%   |
| Motorola Inc                 | -                        | -    | -   | 4,000                    | 5    | 1.08%   |
| HSBC, Inc                    | -                        | -    | -   | 3,100                    | 7    | 0.84%   |
| County of Lake               | -                        | -    | -   | 2,800                    | 8    | 0.76%   |
| Condell Health Network       | -                        | -    | -   | 2,500                    | 10   | 0.68%   |
|                              | <u>41,609</u>            |      | <u>10.70%</u>                                       | <u>70,000</u>            |      | <u>18.01%</u>                                       |

(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       | 2017 Reaffirmation of Accreditation           |
| Population in District 2019 estimate (note 1): | 705,456                                       |
| Percentage change from 2017 census estimate    | -0.38%  |
| Employment in District (note 2):               |   |
| Labor force, civilian (June 2019)              | 388,554                                       |
| Unemployment rate (June 2019)                  | 3.5%  |

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       |                 |

|  | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Enrollment (Fall Semester, based on 10th day enrollment) (note 4): |             |             |             |             |             |             |             |             |             |             |
| Total headcount  | 14,194      | 14,590      | 14,768      | 14,964      | 15,410      | 17,685      | 17,577      | 17,389      | 18,091      | 18,092      |
| Percent change   | -2.71%      | -1.21%      | -1.31%      | -2.89%      | -12.86%     | 0.61%       | 1.08%       | -3.88%      | -0.01%      | 10.59%      |
| Total student semester hours                                       | 120,288     | 122,477     | 123,131     | 125,468     | 126,344     | 141,940     | 143,283     | 142,475     | 149,623     | 148,807     |
| Total FTE semester hours   | 8,019       | 8,165       | 8,209       | 8,365       | 8,423       | 9,463       | 9,552       | 9,498       | 9,975       | 9,920       |
| Percent change   | -1.79%      | -0.54%      | -1.86%      | -0.69%      | -10.99%     | -0.93%      | 0.57%       | -4.78%      | 0.55%       | 11.31%      |
| Total seats taken  | 35,389      | 36,071      | 36,178      | 38,874      | 37,064      | 44,709      | 45,014      | 44,721      | 46,940      | 47,387      |
| Percent change   | -1.89%      | -0.30%      | -6.94%      | 4.88%       | -17.10%     | -0.68%      | 0.66%       | -4.73%      | -0.94%      | 11.05%      |
| Degrees and certificates awarded (note 5):                         |             |             |             |             |             |             |             |             |             |             |
| A.A., A.S., and A.E.S.   | 1030        | 1084        | 1105        | 1042        | 975         | 995         | 1,254       | 823         | 706         | 648         |
| A.A.S.   | 380         | 380         | 350         | 433         | 408         | 391         | 533         | 429         | 377         | 423         |
| A.F.A./A.P.  | 5           | 0           | 4           | 1           | 4           | 4           | 6           | 1           | 2           | 1           |
| Certificates   | 1605        | 1721        | 1561        | 1900        | 2337        | 2,210       | 4,467       | 876         | 926         | 910         |
| Total, degrees/certificates  | 3020        | 3185        | 3020        | 3376        | 3724        | 3,600       | 6,260       | 2,129       | 2,011       | 1,982       |
| College Workforce (Fall semester) (note 6):                        |             |             |             |             |             |             |             |             |             |             |
| Faculty/academic support   | 878         | 872         | 841         | 866         | 807         | 951         | 1,014       | 1,027       | 976         | 963         |
| Administrators   | 59          | 56          | 51          | 58          | 60          | 60          | 67          | 66          | 59          | 60          |
| Prof./Tech.  | 250         | 241         | 244         | 238         | 251         | 247         | 260         | 227         | 196         | 184         |
| Clerical   | 99          | 135         | 145         | 144         | 138         | 150         | 174         | 165         | 160         | 150         |
| Maintenance and others   | 119         | 114         | 115         | 118         | 124         | 127         | 131         | 125         | 141         | 148         |
| % Women*   | 60%         | 60%         | 61%         | 60%         | 61%         | 61%         | 63%         | 63%         | 59%         | 60%         |
| % Minorities*  | 31%         | 31%         | 29%         | 29%         | 30%         | 28%         | 32%         | 30%         | 21%         | 29%         |
| * 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 2019 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.

**COLLEGE OF LAKE COUNTY**  
**COMMUNITY COLLEGE DISTRICT NO. 532**  
 Capital Asset Statistics by Facility (Unaudited)  
 Last Ten Fiscal Years

|   | Fiscal Year |         |         |         |         |         |         |         |         |         |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2019        | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    | 2012    | 2011    | 2010    |
| <b>Grayslake Campus-purchased 1968</b>              |             |         |         |         |         |         |         |         |         |         |
| Size of campus (acres) <sup>(a)</sup>               | 270.7       | 270.7   | 270.7   | 270.7   | 270.7   | 270.0   | 223.4   | 223.4   | 223.4   | 223.4   |
| Gross square footage <sup>(b)</sup>                 | 854,432     | 854,432 | 812,432 | 790,702 | 789,082 | 789,082 | 789,082 | 789,082 | 789,082 | 789,082 |
| Square footage rented <sup>(c)</sup>                | 5,000       | 5,000   | 5,000   | 5,000   | 5,000   | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  |
| Number of classrooms <sup>(h)</sup>                 | 100         | 100     | 100     | 100     | 100     | 97      | 97      | 97      | 97      | 97      |
| Number of laboratories <sup>(h)</sup>               | 107         | 107     | 99      | 99      | 99      | 94      | 94      | 94      | 94      | 94      |
| <b>Lakeshore Campus-purchased 1979/1995</b>         |             |         |         |         |         |         |         |         |         |         |
| Size of campus (acres) <sup>(f)</sup>               | 2.8         | 2.8     | 2.8     | 2.8     | 2.8     | 1.7     | 1.4     | 1.4     | 0.7     | 0.5     |
| Gross square footage <sup>(g)</sup>                 | 76,153      | 76,153  | 71,599  | 71,599  | 71,599  | 71,599  | 71,599  | 71,599  | 71,599  | 71,599  |
| Number of classrooms <sup>(h)</sup>                 | 13          | 13      | 13      | 13      | 13      | 14      | 14      | 14      | 14      | 14      |
| Number of laboratories <sup>(h)</sup>               | 18          | 18      | 18      | 18      | 18      | 7       | 7       | 7       | 7       | 7       |
| <b>Southlake Center-purchased 1997</b>              |             |         |         |         |         |         |         |         |         |         |
| Size of campus (acres) <sup>(d)</sup>               | 20.6        | 20.6    | 20.6    | 20.6    | 20.6    | 20.6    | 20.6    | 20.6    | 20.6    | 20.6    |
| Gross square footage <sup>(i)</sup>                 | 68,803      | 68,803  | 68,803  | 66,269  | 66,269  | 66,269  | 66,269  | 66,269  | 66,269  | 66,269  |
| Number of classrooms <sup>(h)</sup>                 | 16          | 16      | 16      | 16      | 16      | 20      | 20      | 20      | 20      | 20      |
| Number of laboratories <sup>(h)</sup>               | 13          | 13      | 13      | 12      | 12      | 8       | 8       | 8       | 8       | 8       |
| <b>1 North Genesse-purchased 2002<sup>(e)</sup></b> |             |         |         |         |         |         |         |         |         |         |
| 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 <sup>(c)</sup>                | 19,330      | 19,330  | 19,330  | 19,330  | 19,330  | 19,330  | 19,330  | 19,330  | 19,330  | 19,330  |
| Number of classrooms available                      | 11          | 11      | 11      | 11      | 11      | 11      | 11      | 11      | 11      | 11      |
| Number of laboratories available                    | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |

<sup>(a)</sup> 2003: Land transferred to Village of Grayslake for Fire Station. 2010: IDOT road expansion

<sup>(b)</sup> 2005: Technology Building addition. 2010: Disposal of buildings 2, 3 and pole barn. 2017: Café Willow and infilled courtyard.

2018: Science building addition.

<sup>(c)</sup> The College no longer rents to the Lake County Job Center, however the Lake County Regional Board of Education is still onsite.

<sup>(d)</sup> 2006: Land transferred to Village of Vernon Hills for future road development.

<sup>(e)</sup> Building renovated before occupancy began July 1, 2004.

<sup>(f)</sup> 2015 Parking Garage purchased at the Lakeshore Campus, but is not heated.

<sup>(g)</sup> Lakeshore Parking Garage is not heated, so no additional square footage is added. 2018: 128 W. Madison (Campus Police).

<sup>(h)</sup> Information based on Spring 2015 Term from 25Live.

<sup>(i)</sup> Southlake Chemistry lab

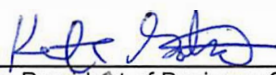
Source: College of Lake County Facilities Department

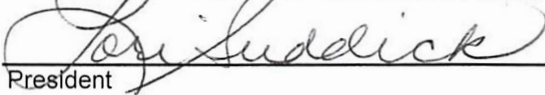
**College of Lake County  
Community College District No. 532**

Certification of Chargeback Reimbursement  
Fiscal Year 2019  
Year Ended June 30, 2019

All fiscal year 2019 noncapital audited operating expenditures from the following funds:

|  |                    |
|--|--------------------|
| 1. Education Fund  | \$ 81,272,216      |
| 2. Operations and Maintenance Fund   | 9,875,741          |
| 3. Operations and Maintenance Fund (Restricted)  | 8,444,485          |
| 4. Bond and Interest Fund  | 1,791,300          |
| 5. Public Building Commission Rental Fund  |                    |
| 6. Restricted Purposes Fund  | 20,595,733         |
| 7. Audit Fund  | 145,955            |
| 8. Liability, Protection, and Settlement Fund  | 723,472            |
| 9. Auxiliary Enterprise Fund (Subsidy Only)  | 8,145,527          |
| 10. Total noncapital audited expenditures  | 130,994,428        |
| 11. Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds | 9,745,071          |
| 12. Total costs included   | <u>140,739,499</u> |
| 13. Total certified semester credit hours for FY 2019  | <u>232,188</u>     |
| 14. Per capita cost  | 606                |
| 15. All FY 2018 state and federal operating grants for noncapital expenditures, except ICCB grants   | <u>17,610,654</u>  |
| 16. Less FY 2017 state and federal grants per semester credit hour   | 76                 |
| 17. Less each district's average ICCB grant rate for fiscal year 2018  | 28                 |
| 18. Less each district's student tuition per semester credit hour for fiscal year 2020   | 122                |
| 19. Equals charge-back reimbursement per semester credit hour  | <u>\$ 380</u>      |

Approved:  10/22/2019  
 Vice President of Business Services and Finance/CFO Date

Approved:  10.22.19  
 President Date



College of Lake County  
Community College District No. 532

All Funds Summary  
Uniform Financial Statement Number 1  
Year Ended June 30, 2019

|   | 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, 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 |
| Revenues:                               |                |               |                         |                        |                            |                          |                   |             |            |   |                        |                |
| Local tax revenue                       | 54,810,243     | 14,269,256    | -                       | 1,815,249              | -                          | -                        | -                 | -           | -          | 467,307                                   | -                      | 71,362,055     |
| All other local revenue                 | -              | -             | -                       | -                      | -                          | 602,358                  | -                 | -           | -          | -   | -                      | 602,358        |
| ICCB grants                             | 7,681,245      | -             | -                       | -                      | -                          | 1,055,394                | -                 | -           | -          | -   | -                      | 8,736,639      |
| All other state revenue                 | -              | -             | -                       | -                      | -                          | 1,910,204                | -                 | -           | -          | -   | -                      | 1,910,204      |
| Federal revenue                         | -              | -             | -                       | -                      | -                          | 12,425,833               | -                 | -           | -          | -   | -                      | 12,425,833     |
| Student tuition and fees                | 28,720,240     | -             | 2,864,994               | -                      | -                          | 2,718,276                | -                 | 803,086     | -          | -   | -                      | 35,106,596     |
| All other revenue                       | 2,115,716      | 74,229        | 1,049,853               | -                      | 8,504,842                  | 2,082,845                | 507,820           | -           | -          | -   | 32,666                 | 14,367,971     |
| Total revenues                          | 93,327,444     | 14,343,485    | 3,914,847               | 1,815,249              | 8,504,842                  | 20,794,910               | 507,820           | 803,086     | -          | 467,307                                   | 32,666                 | 144,511,656    |
| Expenditures:                           |                |               |                         |                        |                            |                          |                   |             |            |   |                        |                |
| Instruction                             | 40,957,267     | -             | -                       | -                      | -                          | -                        | -                 | -           | -          | -   | -                      | 40,957,267     |
| Academic support                        | 3,327,352      | -             | -                       | -                      | -                          | -                        | -                 | -           | -          | -   | -                      | 3,327,352      |
| Student services                        | 8,113,974      | -             | -                       | -                      | -                          | -                        | -                 | 779,669     | -          | -   | -                      | 8,893,643      |
| Public service                          | 1,316,765      | -             | -                       | -                      | -                          | 5,227,425                | -                 | -           | -          | -   | -                      | 6,544,190      |
| Auxiliary services                      | -              | -             | -                       | -                      | 8,179,710                  | -                        | -                 | -           | -          | -   | -                      | 8,179,710      |
| Operations and maintenance              | 2,035,293      | 7,700,774     | -                       | -                      | -                          | -                        | -                 | -           | -          | -   | -                      | 9,736,067      |
| Institutional support                   | 25,982,799     | 2,554,708     | 17,723,429              | 1,791,302              | -                          | -                        | -                 | -           | 145,995    | 723,472                                   | -                      | 48,921,705     |
| Scholarships and student grants         | 316,854        | -             | -                       | -                      | -                          | 15,494,823               | -                 | -           | -          | -   | -                      | 15,811,677     |
| Total expenditures                      | 82,050,304     | 10,255,482    | 17,723,429              | 1,791,302              | 8,179,710                  | 20,722,248               | -                 | 779,669     | 145,995    | 723,472                                   | -                      | 142,371,611    |
| Other financing sources (uses):         |                |               |                         |                        |                            |                          |                   |             |            |   |                        |                |
| Debt proceeds                           | -              | -             | -                       | -                      | -                          | -                        | -                 | -           | -          | -   | -                      | -              |
| Net transfers                           | (2,292,062)    | (10,968,075)  | 13,338,637              | -                      | -                          | -                        | (388,500)         | -           | 150,000    | 160,000                                   | -                      | -              |
| Total other financing sources (uses)    | (2,292,062)    | (10,968,075)  | 13,338,637              | -                      | -                          | -                        | (388,500)         | -           | 150,000    | 160,000                                   | -                      | -              |
| Fund balance (deficit) at June 30, 2019 | \$ 36,201,380  | \$ 5,803,196  | \$ 37,472,789           | \$ 1,766,833           | \$ 2,051,902               | \$ 1,829,199             | \$ 17,669,320     | \$ 878,502  | \$ 34,407  | \$ 5,397                                  | \$ 1,185,813           | \$ 104,898,738 |

**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, 2019**

---

|   |                       |
|---|-----------------------|
| Total fund balances - Uniform Financial Statement Number 1  | \$ 104,898,738        |
| 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.   | 191,808,054           |
| 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.   | 123,611               |
| 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.      | 287,661               |
| Unamortized refunding cost is considered a deferred outflow of resources in the basic financial statements; however, they are not recorded in the uniform financial statements.                             | 951,082               |
| 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. | (5,143,932)           |
| 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  | (54,994,072)          |
| Post-employment benefits  | (67,412,979)          |
| Amounts held in trust for others  | (878,501)             |
| Unearned rent   | (700,000)             |
|   | <hr/>                 |
| Net position - Statement of Net Position  | <u>\$ 168,939,662</u> |

**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, 2019**

|   |                     |
|---|---------------------|
| Net change in fund balances—Uniform Financial Statement Number 1  | \$ 2,140,045        |
| <p>Amounts reported for the general purpose Statement of Revenues, Expenses, and Changes in Net Position are different because:</p>   |                     |
| <p>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:</p>                                      |                     |
| Capital contributions   | 54,716              |
| Capital outlays   | 9,544,989           |
| Depreciation expense  | <u>(11,089,342)</u> |
|   | (1,489,637)         |
| Net book value of disposal of capital assets are not reported in the uniform financial statements.  | (11,631)            |
| 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. | 1,652               |
| 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.         | 20,251              |
| 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  | 5,670,802           |
| Amortization of loss of refunding   | (63,756)            |
| Post-employment benefits  | (4,148,934)         |
| Amounts held in trust for others  | (20,915)            |
| Unearned rent   | <u>20,000</u>       |
| Increase in net position - Statement of Revenues, Expenses, and Changes in Net Position   | <u>\$ 2,117,877</u> |

**College of Lake County**  
**Community College District No. 532**

Summary of Capital Assets and Debt  
 Uniform Financial Statement Number 2  
 Year Ended June 30, 2019

|  | <b>Capital Asset/<br/>Debt Account<br/>Groups<br/>June 30, 2018</b> | <b>Additions</b>    | <b>Deletions</b>      | <b>Capital Asset/<br/>Debt Account<br/>Groups<br/>June 30, 2019</b> |
|--|---|---------------------|-----------------------|---|
| Fixed assets:                          |   |                     |                       |   |
| Sites and improvements                 | \$ 25,646,001   | \$ 106,923          | \$ -                  | \$ 25,752,924   |
| Buildings, additions, and improvements | 217,928,494   | 9,474,724           | -                     | 227,403,218   |
| Capitalized collections                | 1,041,319   | 165,000             | -                     | 1,206,319   |
| Construction work in progress          | 4,295,169   | 4,396,863           | (7,082,676)           | 1,609,356   |
| Equipment, furniture, and machinery    | 40,734,754  | 2,538,871           | (181,671)             | 43,091,954  |
| Fixed assets                           | 289,645,737   | 16,682,381          | (7,264,347)           | 299,063,771   |
| Accumulated depreciation               | (96,336,415)  | (11,089,342)        | 170,040               | (107,255,717)   |
| Net fixed assets                       | <u>\$ 193,309,322</u>   | <u>\$ 5,593,039</u> | <u>\$ (7,094,307)</u> | <u>\$ 191,808,054</u>   |
| Fixed debt:                            |   |                     |                       |   |
| Bonds payable                          | \$ 59,860,000   | \$ -                | \$ (5,415,000)        | \$ 54,445,000   |
| Total fixed liabilities                | <u>\$ 59,860,000</u>  | <u>\$ -</u>         | <u>\$ (5,415,000)</u> | <u>\$ 54,445,000</u>  |

The College has no tax anticipation warrants or notes outstanding at June 30, 2019.

**College of Lake County**  
**Community College District No. 532**

Operating Funds Revenues and Expenditures  
 Uniform Financial Statement Number 3  
 Year Ended June 30, 2019

|                                   | <b>Education<br/>Fund</b> | <b>O&amp;M<br/>Fund</b> | <b>Total<br/>Operating</b> |
|-----------------------------------|---------------------------|-------------------------|----------------------------|
| Operating revenues by source:     |                           |                         |                            |
| Local government:                 |                           |                         |                            |
| Current taxes                     | \$ 54,810,243             | \$ 14,269,256           | \$ 69,079,499              |
| Charge-back revenue               | -                         | -                       | -                          |
| Total local government            | <u>54,810,243</u>         | <u>14,269,256</u>       | <u>69,079,499</u>          |
| State government:                 |                           |                         |                            |
| ICCB credit hour grants           | 7,146,755                 | -                       | 7,146,755                  |
| Vocational education and other    | 534,490                   | -                       | 534,490                    |
| Total state government            | <u>7,681,245</u>          | <u>-</u>                | <u>7,681,245</u>           |
| Student tuition and fees:         |                           |                         |                            |
| Tuition and fees                  | 28,720,240                | -                       | 28,720,240                 |
| Total student tuition and fees    | <u>28,720,240</u>         | <u>-</u>                | <u>28,720,240</u>          |
| Other sources:                    |                           |                         |                            |
| Investment revenue                | 2,008,176                 | -                       | 2,008,176                  |
| Other                             | 107,540                   | 74,229                  | 181,769                    |
| Transfers                         | 388,500                   | -                       | 388,500                    |
| Total other sources               | <u>2,504,216</u>          | <u>74,229</u>           | <u>2,578,445</u>           |
| Total revenue                     | <u>93,715,944</u>         | <u>14,343,485</u>       | <u>108,059,429</u>         |
| Less nonoperating items*:         |                           |                         |                            |
| Tuition charge-back revenue       |                           |                         |                            |
| Transfers from nonoperating funds | 388,500                   | -                       | 388,500                    |
| Adjusted revenue                  | <u>\$ 93,327,444</u>      | <u>\$ 14,343,485</u>    | <u>\$ 107,670,929</u>      |

**College of Lake County**  
**Community College District No. 532**

Operating Funds Revenues and Expenditures (Continued)  
 Uniform Financial Statement Number 3  
 Year Ended June 30, 2019

|  | Education<br>Fund | O&M<br>Fund   | Total<br>Operating |
|--|-------------------|---------------|--------------------|
| Operating expenditures:                    |                   |               |                    |
| Instruction                                | \$ 40,957,267     | \$ -          | \$ 40,957,267      |
| Academic support                           | 3,327,352         | -             | 3,327,352          |
| Student services                           | 8,113,974         | -             | 8,113,974          |
| Public service                             | 1,316,765         | -             | 1,316,765          |
| Operations and maintenance                 | 2,035,293         | 7,700,774     | 9,736,067          |
| Institutional support                      | 25,982,799        | 2,554,708     | 28,537,507         |
| Scholarships and student grants            | 316,854           | -             | 316,854            |
| Transfers                                  | 2,292,062         | 10,968,075    | 13,260,137         |
| Total operating expenditures by<br>program | 84,342,366        | 21,223,557    | 105,565,923        |
| Less nonoperating items*:                  |                   |               |                    |
| Tuition charge-back                        | -                 | -             | -                  |
| Transfers to nonoperating funds            | 2,292,062         | 10,968,075    | 13,260,137         |
| Adjusted expenditures                      | \$ 82,050,304     | \$ 10,255,482 | \$ 92,305,786      |
| By object:                                 |                   |               |                    |
| Salaries                                   | \$ 60,235,751     | \$ 4,086,932  | \$ 64,322,683      |
| Employee benefits                          | 9,279,803         | 1,546,900     | 10,826,703         |
| Contractual services                       | 3,715,088         | 818,989       | 4,534,077          |
| General materials and supplies             | 3,145,441         | 159,790       | 3,305,231          |
| Conference and meetings                    | 771,199           | 12,848        | 784,047            |
| Fixed charges                              | 1,100,279         | 773,325       | 1,873,604          |
| Utilities                                  | 3,703             | 2,462,878     | 2,466,581          |
| Capital outlay                             | 778,090           | 379,740       | 1,157,830          |
| Other                                      | 3,020,950         | 14,080        | 3,035,030          |
| Transfers                                  | 2,292,062         | 10,968,075    | 13,260,137         |
| Total operating expenditures by<br>object  | 84,342,366        | 21,223,557    | 105,565,923        |
| Less nonoperating items*:                  |                   |               |                    |
| Tuition charge-back                        | -                 | -             | -                  |
| Transfers to nonoperating funds            | 2,292,062         | 10,968,075    | 13,260,137         |
| Adjusted expenditures                      | \$ 82,050,304     | \$ 10,255,482 | \$ 92,305,786      |

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

**College of Lake County**  
**Community College District No. 532**

Restricted Purposes Fund Revenues and Expenditures  
 Uniform Financial Statement Number 4  
 Year Ended June 30, 2019

|  | <b>Restricted<br/>Purposes<br/>Fund</b> |
|--|---|
| <hr/>  |   |
| Revenue by source:                               |   |
| Local government:                                |   |
| Other local government                           | \$ 602,358                              |
| Total local government                           | <u>602,358</u>                          |
| State government:                                |   |
| ICCB – State Adult Education Grant               | 220,215                                 |
| ICCB – State Basic and Performance Revenue Grant | 776,395                                 |
| ICCB – Preschool for All                         | 58,784                                  |
| Other  | 1,910,204                               |
| Total state government                           | <u>2,965,598</u>                        |
| Federal government:                              |   |
| U.S. Department of Education                     | 11,521,608                              |
| Other  | 904,225                                 |
| Total federal government                         | <u>12,425,833</u>                       |
| Student tuition and fees:                        |   |
| Tuition and fees                                 | <u>2,718,276</u>                        |
| Other sources:                                   |   |
| Other  | 2,082,845                               |
| Total other sources                              | <u>2,082,845</u>                        |
| Total restricted purposes fund revenues          | <u><u>\$ 20,794,910</u></u>             |

**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, 2019

|   | <b>Restricted<br/>Purposes<br/>Fund</b> |
|---|---|
| <hr/>   |   |
| Restricted purposes fund expenditures, by program:      |   |
| Public services   | \$ 5,227,425                            |
| Scholarships and student grants                         | <u>15,494,823</u>                       |
| Total restricted purposes fund expenditures, by program | <u><u>\$ 20,722,248</u></u>             |
|   |   |
| Restricted purposes fund expenditures, by object:       |   |
| Salaries  | \$ 3,452,815                            |
| Employee benefits                                       | 319,766                                 |
| Contractual services                                    | 308,222                                 |
| General materials and supplies                          | 249,557                                 |
| Travel and conference/meetings                          | 104,202                                 |
| Fixed charges   | 15,467                                  |
| Capital outlay  | 126,515                                 |
| Other   | <u>16,145,704</u>                       |
| Total restricted purposes fund expenditures, by object  | <u><u>\$ 20,722,248</u></u>             |



**College of Lake County**  
**Community College District No. 532**

Current Funds\* – Expenditures by Activity  
 Uniform Financial Statement Number 5  
 Year Ended June 30, 2019

|                                  |                      |
|----------------------------------|----------------------|
| Instruction:                     |                      |
| Instructional programs           | <u>\$ 40,957,267</u> |
| Academic support:                |                      |
| Library center                   | 1,809,202            |
| Academic computing support       | 123,721              |
| Other                            | <u>1,394,429</u>     |
| Total academic support           | <u>3,327,352</u>     |
| Student services:                |                      |
| Admission and records            | 747,272              |
| Counseling and career services   | 3,241,247            |
| Financial aid administration     | 799,529              |
| Other                            | <u>3,325,926</u>     |
| Total student services           | <u>8,113,974</u>     |
| Public service:                  |                      |
| Community education              | 3,806,745            |
| Community services               | 1,215,529            |
| Other                            | <u>1,521,916</u>     |
| Total public services            | <u>6,544,190</u>     |
| Auxiliary services               | <u>8,179,710</u>     |
| Operations and maintenance:      |                      |
| Maintenance                      | 1,692,184            |
| Custodial services               | 2,420,645            |
| Grounds                          | 602,101              |
| Transportation                   | 78,670               |
| Utilities                        | 2,210,479            |
| Administration                   | 607,164              |
| Other                            | <u>2,124,824</u>     |
| Total operations and maintenance | <u>\$ 9,736,067</u>  |

**College of Lake County**  
**Community College District No. 532**

Current Funds\* – Expenditures by Activity  
 Uniform Financial Statement Number 5 (Continued)  
 Year Ended June 30, 2019

|   |                              |
|---|------------------------------|
| Institutional support:                    |                              |
| Executive management                      | \$ 980,854                   |
| Fiscal operations                         | 1,053,561                    |
| Community relations                       | 2,616,494                    |
| Administrative support                    | 1,633,841                    |
| Board of trustees                         | 327,836                      |
| General institutional                     | 16,481,533                   |
| Institutional research                    | 595,334                      |
| Administrative data processing            | 5,717,521                    |
| Total institutional support               | <u>29,406,974</u>            |
| Scholarships, student grants, and waivers | <u>15,811,677</u>            |
| Total current funds expenditures          | <u><u>\$ 122,077,211</u></u> |

\* 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) (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, 2019, 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) as of June 30, 2019, 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, 2019, 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 97 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 97 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 97 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 22, 2019 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 22, 2019

**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) (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, 2019, and the related notes to the Illinois Community College Board (ICCB) State grants financial statements, and have issued our report thereon dated October 22, 2019.

**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 22, 2019

**College of Lake County  
Community College District No. 532**

State Adult Education Grant  
Balance Sheet  
June 30, 2019

|                                     | <b>State<br/>Basic</b> | <b>State<br/>Performance</b> | <b>Total</b>      |
|-------------------------------------|------------------------|------------------------------|-------------------|
| <b>Assets</b>                       |                        |                              |                   |
| Cash                                | \$ -                   | \$ -                         | \$ -              |
| Accounts receivable                 | 113,693                | 41,586                       | 155,279           |
|                                     | <u>\$ 113,693</u>      | <u>\$ 41,586</u>             | <u>\$ 155,279</u> |
| <b>Liabilities and Fund Balance</b> |                        |                              |                   |
| Liabilities                         |                        |                              |                   |
| Due to other funds                  | \$ 113,693             | \$ 41,586                    | \$ 155,279        |
| Total liabilities                   | 113,693                | 41,586                       | 155,279           |
| Fund balance                        | -                      | -                            | -                 |
|                                     | <u>\$ 113,693</u>      | <u>\$ 41,586</u>             | <u>\$ 155,279</u> |
| Total liabilities and fund balance  | <u>\$ 113,693</u>      | <u>\$ 41,586</u>             | <u>\$ 155,279</u> |

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, 2019

|   | <b>State<br/>Basic</b> | <b>State<br/>Performance</b> | <b>Total</b>   |
|---|------------------------|------------------------------|----------------|
| Revenues:                                   |                        |                              |                |
| State sources                               | \$ 568,465             | \$ 207,930                   | \$ 776,395     |
| Expenditures – by program:                  |                        |                              |                |
| Instructional and student services:         |                        |                              |                |
| Instruction                                 | 362,285                | 61,438                       | 423,723        |
| Social work services                        | -                      | -                            | -              |
| Guidance services                           | 22,102                 | -                            | 22,102         |
| Assistive and adaptive equipment            | -                      | -                            | -              |
| Assessment and testing                      | 115,566                | 107,461                      | 223,027        |
| Student transportation services             | -                      | -                            | -              |
| Literacy services                           | -                      | 15,385                       | 15,385         |
| Child care services                         | 227                    | -                            | 227            |
| Total instructional and student services    | <u>500,180</u>         | <u>184,284</u>               | <u>684,464</u> |
| Program support:                            |                        |                              |                |
| Improvement of instructional services       | -                      | 1,017                        | 1,017          |
| General administration                      | -                      | 2,258                        | 2,258          |
| Operation and maintenance of plant services | -                      | -                            | -              |
| Workforce coordination                      | -                      | 17,592                       | 17,592         |
| Data and information services               | 68,285                 | 1,043                        | 69,328         |
| Marketing                                   | -                      | 1,736                        | 1,736          |
| Approve indirect costs                      | -                      | -                            | -              |
| Total program support                       | <u>68,285</u>          | <u>23,646</u>                | <u>91,931</u>  |
| Total expenditures                          | <u>568,465</u>         | <u>207,930</u>               | <u>776,395</u> |
| Excess of Expense over Revenues             | -                      | -                            | -              |
| Fund balance at July 1, 2018                | <u>-</u>               | <u>-</u>                     | <u>-</u>       |
| Fund balance at June 30, 2019               | <u>\$ -</u>            | <u>\$ -</u>                  | <u>\$ -</u>    |



**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, 2019

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|                                       |                           |                               |
|---------------------------------------|---------------------------|-------------------------------|
| State Basic                           | Actual expenditure amount | Actual expenditure percentage |
| Instruction (45% minimum required)    | \$362,285                 | 64%                           |
| Program Support (15% maximum allowed) | \$68,285                  | 12%                           |
| State Performance                     | Actual expenditure amount | Actual expenditure percentage |
| Instruction (No minimum required)     | \$61,438                  | 30%                           |
| Program Support (No maximum allowed)  | \$23,646                  | 11%                           |

Grant Programs  
Notes to ICCB State Grants Financial Statements

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**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.



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, 2019. 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, 2019, 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 22, 2019

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532**

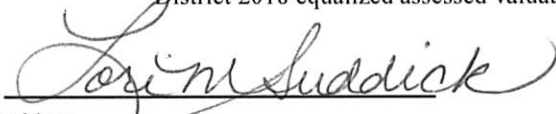
Schedule of Enrollment Data and Other  
Bases Upon Which Claims were Filed  
Year ended June 30, 2019

**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                                 | 23,462.0        | —              | 66,232.0        | —              | 63,024.0        | —              | 152,718.0        | —              |
| Business occupational                         | 1,075.0         | —              | 3,261.0         | 46.0           | 3,579.5         | —              | 7,915.5          | 46.0           |
| Technical occupational                        | 1,401.0         | —              | 7,792.5         | —              | 9,122.0         | —              | 18,315.5         | —              |
| Health occupational                           | 1,935.0         | —              | 5,107.5         | —              | 6,500.5         | —              | 13,543.0         | —              |
| Remedial development                          | 2,172.0         | —              | 10,493.0        | —              | 6,407.0         | —              | 19,072.0         | —              |
| Adult basic education/<br>secondary education | 922.5           | 1,003.5        | 5,564.5         | 3,775.5        | 6,823.2         | 2,489.0        | 13,310.2         | 7,268.0        |
| <b>Total</b>                                  | <b>30,967.5</b> | <b>1,003.5</b> | <b>98,450.5</b> | <b>3,821.5</b> | <b>95,456.2</b> | <b>2,489.0</b> | <b>224,874.2</b> | <b>7,314.0</b> |

|  |   |                        |
|--|---|------------------------|
|  | <b>Attending<br/>out-of-district<br/>on chargeback<br/>or contractual<br/>agreement</b> | <b>Total</b>           |
| Semester credit hours (all terms)              | 226,178.2   | 226,850.2              |
|  | <b>Dual Credit</b>  | <b>Dual Enrollment</b> |
| Reimbursable semester credit hours (all terms) | 6,309.0   | 1,257.0                |
|  | <b>Total</b>  | <b>Total</b>           |
|  | 7,566.0   | 7,566.0                |

District 2018 equalized assessed valuation \$ 25,273,938,682

  
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, 2019

**Reconciliation of Total Semester Credit Hours**

|  | <b>Total<br/>unrestricted<br/>credit hours</b> | <b>Total<br/>unrestricted<br/>credit hours<br/>certified to<br/>the ICCB</b> | <b>Difference</b> | <b>Total<br/>restricted<br/>credit hours</b> | <b>Total<br/>restricted<br/>credit hours<br/>certified to<br/>the ICCB</b> | <b>Difference</b> |
|--|--|--|-------------------|--|--|-------------------|
| Baccalaureate                          | 152,718.0                                      | 152,718.0  | —                 | —  | —  | —                 |
| Business occupational                  | 7,915.5  | 7,915.5  | —                 | 46.0   | 46.0   | —                 |
| Technical occupational                 | 18,315.5                                       | 18,315.5   | —                 | —  | —  | —                 |
| Health occupational                    | 13,543.0                                       | 13,543.0   | —                 | —  | —  | —                 |
| Remedial development                   | 19,072.0                                       | 19,072.0   | —                 | —  | —  | —                 |
| Adult basic education/ adult secondary | 13,310.2                                       | 13,310.2   | —                 | 7,268.0                                      | 7,268.0  | —                 |
| Total                                  | <u>224,874.2</u>                               | <u>224,874.2</u>   | <u>—</u>          | <u>7,314.0</u>                               | <u>7,314.0</u>   | <u>—</u>          |

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

|  | <b>Total<br/>attending</b> | <b>Total<br/>attending<br/>as certified<br/>to the ICCB</b> | <b>Difference</b> |
|--|----------------------------|---|-------------------|
| Reimbursable in-district residents                                   | 226,178.2                  | 226,178.2   | —                 |
| Reimbursable out-of-district on charge-back or contractual agreement | 672.0                      | 672.0   | —                 |
| Total  | <u>226,850.2</u>           | <u>226,850.2</u>  | <u>—</u>          |

|                 | <b>Total<br/>reimbursable</b> | <b>Total<br/>reimbursable<br/>certified to<br/>ICCB</b> | <b>Difference</b> |
|-----------------|-------------------------------|---|-------------------|
| Dual Credit     | 6,309.0                       | 6,309.0   | —                 |
| Dual Enrollment | 1,257.0                       | 1,257.0   | —                 |
| Total           | <u>7,566.0</u>                | <u>7,566.0</u>  | <u>—</u>          |

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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