



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED  
JUNE 30, 2021 & 2020



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

Grayslake, Illinois

Comprehensive Annual Financial Report  
June 30, 2021 and 2020

Prepared by:

Greg Kozak  
Interim Vice President, Business Services & Finance/CFO

Constance M. Kravitz, CPA  
Controller

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

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November 4, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the College of Lake County, Community College District No. 532 (the College) 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). The Public Community College Act requires community colleges to submit audited financial statements with the Illinois Community College Board (ICCB) by December 30. 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 Annual Report for the fiscal year ended June 30, 2021. 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, 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 must 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 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 accreditation model. It is a member of the North Central Association of Colleges and Schools (NCA). CLC transitioned to the Open Pathway accreditation model in fall 2018 and is on a 10-year accreditation cycle. The next reaccreditation visit will occur in the 2027-2028 academic year.

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. The College delivers education, training, and services across three campuses: Grayslake, Lakeshore (Waukegan), and Southlake (Vernon Hills). The 2020 U.S. Census population of Lake County was 714,342. Current Economic Modeling Specialists International (EMSI) figures show the 2021 population to be 692,855, a 3% decrease over the 2020 census. *EMSI* projects a continued decline in the Lake County population projecting a population of 686,343 by 2030.

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.. The College employs more than 746 full-time and 1,490 part-time staff members, including administrator, professional, specialist and classified staff, as well as full-time faculty, adjunct faculty, 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. The 2024 Strategic Plan Pillars include: (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 is an open access institution offering high quality affordable liberal arts and career credentials across nine fields of interest to meet the transfer and workforce needs of the

community. The College provides access to credentials through multiple pathways including dual credit, adult education, and developmental education. 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.

The College is committed to equity in access and success for every student through holistic student supports that help students achieve academic, personal and career growth. Supports provided to students include academic advising, mental health counseling, a food pantry, financial aid, career and job placement, tutoring, technology, disability services, emergency funding and scholarship resources. Additionally, the College provides a robust array of co-curricular opportunities through student life with 12 intercollegiate sports teams, 40 student clubs, and international study abroad programming.

The College aims to provide innovative education and workforce solutions to support businesses and economic development through incumbent workforce contract training, professional development, seminars, international trade, and small business development. The College also provides cultural enrichment to the community through music, theatre and dance, and art exhibits through the James Lumber Center for performing arts and the Robert T. Wright Community Gallery of Art, in addition to many special events., The College also offers resources and services to the community, such as affordable child care and dental hygiene services, a fitness center, a farm market, and a bike share program.

A component unit of the College is the College of Lake County Foundation (the Foundation). The Foundation, established in 1974, provides resources to advance the mission of the College and support projects in the 2024 Strategic Plan, the 2020 Master Plan, as well as provide resources for students to earn their academic credential. Resources raised through donations, grants, and events 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. 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 excluded from this report.

The College's established annual budget follows Illinois Statutes and the ICCB Fiscal Management Manual. As defined in the Illinois Community College Act (110 ILCS 805/3-20) and the College's Board Policy 105, the Board of Trustees prepares and adopts the annual College budget. The College aligns its planning and budget process with the Government Finance Officers Association's best practices in community college budgeting to ensure alignment of resources with student outcomes and continuous improvement. The process begins in October before the applicable fiscal year. The method utilizes broad college-wide engagement across units, divisions and departments, and shared governance, in addition to Board guidance and input at various points throughout the process.

The planning process begins with priority setting before budget entry processes begin and are used to guide decisions about budget allocation. The priorities are set as the aspiration and framework for the advancement of the strategic plan. Priorities emerge from the planning and budget process in the form of an annual college plan. Decisions are made within the context of

the available resources (people, money, and time). Not all priorities require budget resources, and not all priorities are advanced as goals in the college plan.

The priorities are aligned with the 2024 Strategic Plan pillars, strategies, and metrics. The priorities are communicated in a formal document and used as a critical decision-making tool to prioritize requests and the strategic allocation of resources leading to the budget proposal.

The annual budget ensures that the College complies with all legal provisions, as defined by State statutes. 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 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 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, Alight/Aon Hewitt Corp., Discover Financial Services Inc., Advocate Health Care, Visual Pak, Baxter international, Walgreens Boots Alliance Inc., CDW Corp., and Medline Industries Inc. The Naval Station Great Lakes, the Navy's largest training installation and the home of the Navy's only Boot Camp, with over 20,000 Sailors, Marines, Soldiers, and Department of Defense (DoD) civilians who live and work on its 1600-acre campus. In addition, Lake County has tourist attractions such as Gurnee Mills (Simon Property Group), Great Wolf Resorts indoor water resort, and Six Flags Great America, which in 2019 was in the top 20 largest amusement parks in North America.

While the local economy was on an upward trajectory for several years, economic trends for local unemployment and poverty took a swift turn in 2020 due to the impact of the COVID-19 pandemic. Historic trends show that increased unemployment tends to impact the College's enrollment positively. In 2020, unemployment in Lake County, Illinois increased dramatically



from a low of 3.7% in February to a high of 14.7% in April after the March State shutdown orders to mitigate the spread of COVID-19. Since that time, unemployment rates have dropped steadily. As of August 2021, unemployment was 5.4%, a decrease of 3.4 percentage points compared to the prior year (August 2020).

After a positive growth in enrollment in Spring 2020 and Summer 2020 after a multi-year decline, the pandemic disrupted this shift in Fall 2020 despite high local unemployment. In Fall 2020, the College experienced an 8.3% decline in the number of college-level students enrolled, its most significant fall-to-fall enrollment decline since fall 2014. Fall 2021 is demonstrating a rebound with college-level enrollment decline of -0.6%, but an overall enrollment increase of 2.2% and a credit hour increase of 1.1%. Dual credit and adult education enrollment increased 6.5% and 27.8%, respectively. While the College's enrollment has steadily declined in smaller increments for the past several years, the swift drop in enrollment in fall 2020, an effect of the pandemic, was unprecedented and affected community colleges across the country. Fortunately, through investments in an enrollment pipeline strategy, student success initiatives and program expansions, CLC's declines were less severe than many of its regional and state peers as demonstrated in fall 2021 enrollment data.

Contrary to the impact of COVID-19 on local unemployment and poverty rates, other economic indicators seem to point to a robust local economy. As of the first half of 2021, the U.S. Bureau of Labor Statistics reported an increase in consumer prices of 3.1%, substantially higher than the 1.2% increase in the first half of 2020. Additionally, the Illinois Association of Realtors reports homes prices in Lake County continued to increase throughout 2020 and into 2021 despite the pandemic. As of the second quarter of 2021, the median home sale price increased 34% over the median price in 2019, from \$246,000 to \$330,000. This median home price continues to portend well for the College's revenue from future property taxes. Another positive indicator is the increase in Lake County's value of new construction, which declined 18% from 2019-2020 but is projected to increase 25% by 2021.

The College is committed to good stewardship of the resources provided through local taxpayers, tuition, fees, and state funding through continuous improvement efforts that achieve cost efficiency in operations and revenue growth opportunities.

**Long-term financial planning.** The College issues a three-year financial plan, which ensures that the College's financial projections are consistent with the institution's overall vision, strategic plan, master plan, and core values. The plan is part of the annual planning cycle that integrates college improvement projects with the required financial resources to meet strategic planning objectives.

The financial plan includes three years of financial projections, four years of revenue and expense history, and the current budget totals. The financial plan sets forth a framework for the Board of Trustees and the Administration to examine future implications of major financial and policy decisions. The plan identifies the priorities, resources, time frame for preparing budgets, as well as revenue projections. The plan is 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.

Strategic planning is a systematic and ongoing activity that the College uses to set the College's priorities and allocate resources. The 2024 Strategic Plan was established through a detailed examination of economic and social trends and a comprehensive collaborative input process with the community, workforce, students, and employees.. The 2024 Strategic Plan, adopted June 25, 2019, aligns to the mission, vision, and values and provides direction through six strategic pillars, each with five strategies to effect transformative change and improved student success outcomes. The 2024 Strategic Plan also includes CLC's definition of student success, as well as the diversity, equity, and inclusion statements. 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).

With the adoption of the 2024 Strategic Plan to achieve a collaborative student-focused culture, CLC launched a master planning process in summer 2019. The goal of the master plan development process was to align the College's facilities and technological infrastructure with the 2024 Strategic Plan Pillars. The intent was to ensure physical spaces were designed to optimize student engagement in holistic student supports and state-of-the-art learning with specialized areas to meet the needs of the highly skilled industry sectors of Lake County.

During fall 2021, the Administration collaborated with the Board to evaluate proposed projects and prioritization for the Master Plan 2020. This review included establishing a Capital Financing Plan structure to continue CLC's history of optimizing College, State, and Grant funds to advance projects. In addition, the review leveraged the CLC Foundation and community partnerships in support of capital fundraising to support major capital projects and improvements. The College has set aside resources to build capacity within the Foundation for this development work. A target for resource development through capital fundraising and grants to support Master Plan 2020 Phase 0 efforts was set at 20%.

The Board's endorsement for the full vision and concepts of Master Plan 2020 was provided with the FY2022 budget approval. Given some of the immediate workforce needs in Lake County, the Board supported the early launch of several projects that are represented in Master Plan 2020. A few projects were put in motion to bridge the prior master plan and Master Plan 2020. These projects, those bridging the former master plan and those that were recently launched, collectively form the Master Plan 2020 Phase 0 projects. However, funding for the full vision was not requested in the FY2022 budget. In a still uncertain pandemic environment and with a commitment to finish what was started within the organizational capacity available and an intent to optimize all existing spaces before building new square footage, the funding in the FY2022 budget is limited to Phase 0 projects.

Funding for Phase 0 projects is achieved through the FY2022 Bond and Surplus Allocation Plan. Capital fundraising is intentionally designed into the FY2022 budget, the Phase 0 projects are not dependent on these potential resources, with the exception of the Urban Farm at the Lakeshore Campus. FY2022 Master Plan 2020 Phase 0 projects include:

- Advanced Technology Center Phase 1 – Funding includes FY2022 Bond Plan, FY2020 Surplus \$2M and FY2021 planned Surplus \$7M.
  - Fundraising goal - \$20M

- Brae Loch Culinary – Funding includes FY2020 Surplus \$1.5M and planned FY2021 Surplus (\$800K furniture and equipment).
- Lower Level A Wing Culinary Renovation – Project related to Brae Loch Culinary includes moving the SHARE Market to the "storefront window" of the existing Prairie restaurant. Funding includes FY2021 Surplus \$1.3M (construction and instructional equipment).
- Building E/UCLC Renovation for Administrative Office Moves – Funding includes FY2020 Surplus \$500K and FY2021 planned Surplus \$161,046K.
- Outdoor Sports Complex – Funding includes a \$10M FY2022 Bond Plan. Project is an early priority in Master Plan 2020 and includes only outdoor sports fields and facilities that need to be upgraded to meet competition standards and college-level image.
- Lakeshore Campus Student Center – Capital Development Board project already funded. Total project \$47.9M.
- Lakeshore Campus Urban Farm – Project to be funded through capital fundraising only. Total project estimated at \$6M. Total received to date \$2M.
- Deferred Maintenance –
  - \$9,342,000 funded through FY2022 Bond Plan Includes (Performing Arts Building CDB roof project underway)
  - \$645,997 FY2022 Fund 3 Plan (comprehensive fee revenue budget)
  - \$845,424 FY2020 Surplus (in progress and funding previously approved for A wing dock and sealcoat lots 1 & 8)
  - \$600K Life Safety Upgrades Grayslake Campus

**Relevant financial policies.** The College has established policy with 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 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, after a review of existing policy, the College's bond counsel and financial advisor recommended the Board's debt management policy to be updated to improve the College's debt issuance ability, monitoring, and tax and regulatory compliance.

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, professional liability, and a \$20M 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 make recommendations for improving and mitigating risk to property, employees and students.

**Major initiatives.** The College launched its Equity in Student Access & Success Plan subsequently with the 2024 Strategic Plan, which provides the detailed plan of initiatives from FY2021 to FY2025 to address systemic inequities in student credential completion. The Equity Plan sets the target of improved three-year graduation rates for the Fall 2024 cohort at 45% with no opportunity gaps among student groups. Progress is to be achieved through a full-scale programming within the Lancer Success Framework, an intentionally designed student experience pathway from point of access to graduation. To support this transformational journey, the College joined national and regional networks to provide professional development, coaching resources, and connection to high-performing higher education peers, including the Strategic Horizons Network, Achieving the Dream, and the Illinois Equity In Attainment (ILEA) initiative.

In response to the COVID-19 pandemic, the College quickly mobilized a cross-functional team and implemented the College's Emergency Operations Plan. The Emergency Operations Team (EOT) successfully adopted new instructional and administrative technologies to support students in completing the Spring 2020 term, assisted students with brief summer 2020 term courses, and prepared for the current Fall 2020 and Spring 2021 terms. The Federal Higher Education Emergency Relief Funds (HEERF I, II, & III) and State funding supported critical efforts to provide resources to students to keep them engaged in their educational pathway and providing resources to the College to address the unanticipated expenses of navigating a pandemic. The College leveraged the pandemic moment to implement new methods of learning delivery across multiple modalities, which advanced the flexible and accessible learning strategies within the 2024 Strategic Plan. During the pandemic, a new delivery structure emerged with online anytime (traditional asynchronous online), online-live (real-time Zoom remote), hybrid classes, and in-person delivery for content unable to be delivered virtually. Additionally, efforts in strategic scheduling and expansion of holistic student supports, such as laptop and hotspot technologies were implemented.

The College's Emergency Operations Team continues to meet weekly to manage college-wide accountability to the plan, communicate resources and updates about pandemic management, provide ongoing monitoring of scientific data, collect and report campus data, and monitor indicators to determine necessary shifts in health and safety controls.

For the Fiscal Year 2022, College of Lake County continues its focus the 2024 Strategic Plan, the 2020 Master Plan and the Equity in Access and Success Plan to enact improved outcomes for students, expand community and workforce partnerships, and develop a collaborative student-focused culture.

## **AWARDS AND ACKNOWLEDGMENTS**

**GFOA Certificate of Achievement.** The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the College of Lake County for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the nineteenth consecutive year that the government had 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.

The College has applied for the GFOA Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2020.

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.

**Acknowledgments.** The ACFR 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 to provide the time and resources required to produce such an extensive report.

Respectfully submitted,

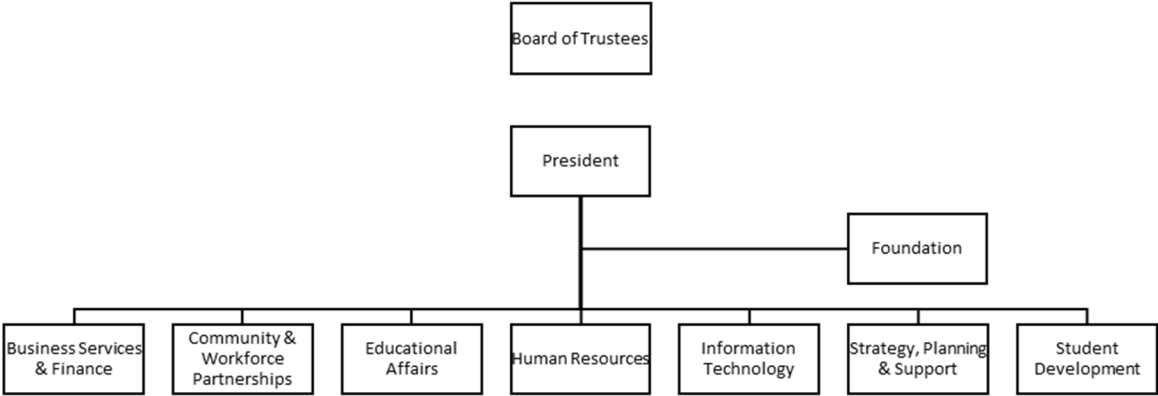


Greg Kozak,  
Interim Vice President of Business Services and Finance/CFO



Constance M. Kravitz, CPA,  
Controller

**Chart of Organization – Community College District 532**



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

**Principal Officials**

**Year ended, June 30, 2021**

<b><u>Board of Trustees</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>
Amanda D. Howland, J.D.	Chair	2027
Julie B. Shroka, M.A.	Vice Chair	2025
Torrie Mark Newsome, J.D.	Secretary	2025
Gerri Songer, M.A.	Trustee	2027
Matthew J. Stanton, J.D.	Trustee	2023
Robert Tomei, Jr., J.D.	Trustee	2023
Paul Virgilio, B.S., S.E., P.E.	Trustee	2027
Daniel Blaine	Student Trustee	2022

<b><u>Trustee Emeritus of the Board</u></b>	<b><u>Years of Service</u></b>
Richard A. Anderson, J.D.	1974 - 2021
William M. Griffin, Ed.D.	1995 – 2001, 2003 – 2021
Patricia Jones	1989 – 2009
Barbara D. Oilschlager	1989 – 2019

**Officers of the College (as of June 30, 2021)**

Dr. Lori Suddick, President

Sue Fay, Executive Director Human Resources  
Ethics Officer

Ken Gotsch, Vice President Business Services & Finance  
Chief Financial Officer

Derrick Harden, Vice President Strategy  
Chief of Staff

Karen Hlavin, Chief Information Officer

Greg Kozak, Chief Information Officer and  
Interim Vice President Business Services & Finance/Chief Finance Officer

Constance M. Kravitz, Interim Treasurer

Dr. Ali O'Brien, Vice President Community & Workforce Partnerships

Dr. Sonya Williams, Vice President Education  
Chief Academic Officer

### **Officials Issuing Report**

Greg Kozak, Chief Information Officer and  
Interim Vice President Business Services & Finance/Chief Finance Officer

Constance M. Kravitz, Interim Treasurer and  
Controller

### **Unit/Division Issuing Report**

Business Services & Finance Unit  
Finance Division





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, 2021 and 2020, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As stated in Note 13 to the financial statements, during the year ended June 30, 2021, the College implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which required a restatement of the June 30, 2019 net position. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the management's discussion and analysis (pages 4-14), and pension and other post-employment benefit obligations (OPEB) information on pages 61-66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Uniform Financial Statements, as required by the Illinois Community College Board, and the other information, consisting of 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 (pages 84-93), 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.

*RSM VS LLP*

Chicago, Illinois  
November 4, 2021

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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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, 2021 and 2020. 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 2021**

Total operating revenues were \$32,872,269 and total operating expenses were \$201,491,751 for the year ended June 30, 2021. The difference produced an operating loss of \$168,619,482.

Net non-operating revenues of \$165,689,949 for the year ended June 30, 2021 offset the operating loss and resulted in an overall decrease in net position (before state capital appropriations and capital contributions) of \$2,929,533. Non-operating revenues included local property taxes of \$73,718,780, replacement tax of \$1,767,670, state appropriations of \$70,820,292, federal grants and contracts of \$19,122,053, local grants and contracts of \$1,510,590 and investment income of \$339,141; offset by interest expense of \$1,588,577.

Operating revenue accounted for 16.4% of the College's total revenue and non-operating revenue accounted for 83.6% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$25,919,349, auxiliary enterprise revenues totaling \$5,782,375, and other operating revenues of \$1,170,545.

Total net position decreased from \$166,616,051 at the beginning of the year (as restated) to \$164,486,518 at the end of the year.

**Financial Highlights Fiscal Year 2020**

Total operating revenues were \$33,769,274 and total operating expenses were \$191,139,421 for the year ended June 30, 2020. The difference produced an operating loss of \$157,370,147.

Net non-operating revenues of \$162,165,950 for the year ended June 30, 2020 offset the operating loss and resulted in an overall increase in net position (before state capital appropriations and capital contributions) of \$4,795,803. Non-operating revenues included local property taxes of \$72,033,390, replacement tax of \$1,268,697, state appropriations of \$67,561,737, federal grants and contracts of \$18,536,382, local grants and contracts of \$1,481,612 and investment income of \$2,933,132; offset by interest expense of \$1,649,000.

Operating revenue accounted for 17.2% of the College's total revenue and non-operating revenue accounted for 82.8% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$26,603,396, auxiliary enterprise revenues totaling \$5,772,169, and other operating revenues of \$1,393,709.

Total net position increased from \$161,457,953 at the beginning of the year (as restated) to \$166,616,051 at the end of the year.

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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**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 the 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, 2021, 2020 and 2019 was \$164.5 million, \$166.6 million after restatement of \$.9 million, and \$160.6 million after restatement of (\$8.9 million), respectively, a decrease of \$2.1 million, an increase of \$6.0 million, and \$2.7 million, respectively. Total assets and deferred outflows of resources were \$360.1 million, \$357.1 million, and \$350.5 million, and total liabilities and deferred inflows of resources were \$195.6 million, \$190.4 million, and \$190.0 million at June 30, 2021, 2020 and 2019, 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 at historical cost, reduced by depreciation.

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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

A summary of the statements of net position at June 30, 2021, 2020, and 2019 are as follows:

Statements of Net Position

	June 30, (in Thousands)		
	2021	2020 (as restated)	2019 (as restated)
Current assets	\$ 120,409	\$ 117,449	\$ 117,046
Restricted assets	11,476	10,990	402
Other noncurrent assets	32,664	36,245	36,727
Capital assets, net of depreciation	189,990	185,375	191,808
<b>Total assets</b>	<b>354,539</b>	<b>350,059</b>	<b>345,983</b>
Deferred outflows of resources	5,532	6,997	4,554
Current liabilities	21,612	20,451	20,538
Long-term liabilities	123,266	122,944	125,862
<b>Total liabilities</b>	<b>144,878</b>	<b>143,395</b>	<b>146,400</b>
Deferred inflows of resources	50,706	47,045	43,557
Net position:			
Net investment in capital assets	138,672	137,105	137,765
Restricted	17,514	17,812	3,238
Unrestricted	8,301	11,699	19,577
<b>Total net position</b>	<b>\$ 164,487</b>	<b>\$ 166,616</b>	<b>\$ 160,580</b>

The College had a current ratio of 5.6, 5.7, and 5.7 times at June 30, 2021, 2020 and 2019, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2021, for every dollar of current liabilities, the College has \$5.60 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 2021 Compared to 2020

Current assets increased by \$3.0 million primarily due to an increase in investments of \$4.4 million offset by a decrease in cash of \$1.2 million.

Deferred outflows decreased by \$1.5 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.

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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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Noncurrent assets increased by \$1.5 million due to an increase in restricted cash of \$.5 million. Additionally, capital assets increased by \$4.6 million as net capital additions were greater than depreciation and deletions during the year. This was offset by a decrease in other long-term investments of \$3.6 million. See above where short term investments (current assets) increased by \$4.4 million. Due to negative effects of COVID-19 on interest rates, the College implemented an investment strategy focusing on shorter term investments.

Current liabilities increased by \$1.2 million primarily due to an increase in accrued expenses of \$1.0 million.

Deferred inflows increased by \$3.7 million due to an increase in deferred property tax revenue of \$1.0 million and an increase in credits related to post-employment benefits other than pensions (OPEB) of \$2.8 million. Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent liabilities increased \$.3 million due to the acquisition of a debt certificate of \$9.0 million offset by bond principal payments of \$5.9 million and a decrease in the OPEB liability of \$2.4 million.

Net Position - Fiscal Year 2020 Compared to 2019

Current assets increased by \$.4 million primarily due to an increase in receivables and cash of \$8.3 million offset by a decrease in investments of \$8.0 million.

Deferred outflows increased by \$2.4 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 increased by \$3.7 million due to an increase in restricted assets of \$10.6 million. Additionally, capital assets decreased by \$6.4 million due to the fact that net capital additions were less than depreciation and deletions during the year.

Current liabilities increased by \$.9 million (not including June 30, 2021 restatement of \$.9 million due to implementation of GASB 84) primarily due to an increase in accrued expenses of \$1.1 million, which was offset by a decrease in unearned tuition and rent of \$.3 million.

Deferred inflows increased by \$3.5 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 \$2.6 million. Additional information can be found in Notes 1 and 7 in the basic financial statements.

Noncurrent liabilities decreased \$2.9 million due to bond principal payments of \$5.8 million and other long-term obligations decreased by \$.2 million. The OPEB liability increased \$3.2 million during Fiscal Year 2020.

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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

***Changes in Net Position***

Summary of the change in net position, total revenues less total expenses, for the years ended June 30, 2021, 2020 and 2019 is as follows:

Changes in Net Position Years ended June 30, (in thousands)			
	2021	2020	2019
Total revenues	\$ 200,951	\$ 197,946	\$ 178,452
Total expenses	203,080	192,788	175,752
Increase (decrease) in net position	(2,129)	5,158	2,700
Net position at the beginning of the year (as previously reported)	166,616	160,580	166,822
Prior period restatement	-	878	(8,942)
Net position at the beginning of the year (as restated)	-	161,458	157,880
Net position at the end of the year	<u>\$ 164,487</u>	<u>\$ 166,616</u>	<u>\$ 160,580</u>

***Revenues***

Summaries of revenues for the years ended June 30, 2021, 2020 and 2019 are as follows:

Revenue Summary Years ended June 30, (in thousands)			
	2021	2020	2019
<b>Operating:</b>			
Student tuition and fees, net	\$ 25,919	\$ 26,603	\$ 24,102
Auxiliary enterprise	5,782	5,772	6,718
Other operations	1,171	1,394	1,881
Total operating revenues	<u>32,872</u>	<u>33,769</u>	<u>32,701</u>
<b>Nonoperating:</b>			
Local property taxes	73,719	72,033	70,189
Personal property replacement taxes	1,768	1,269	1,173
State appropriations	70,820	67,562	56,831
Federal and local grants and contracts	20,633	20,018	14,154
Investment income, net	339	2,933	3,349
Total nonoperating revenues	<u>167,279</u>	<u>163,815</u>	<u>145,696</u>
State capital appropriations	800	349	-
Capital contributions	-	13	55
Total capital contributions	<u>800</u>	<u>362</u>	<u>55</u>
Total revenues	<u>\$ 200,951</u>	<u>\$ 197,946</u>	<u>\$ 178,452</u>



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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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Revenues - Fiscal Year 2021 Compared to 2020

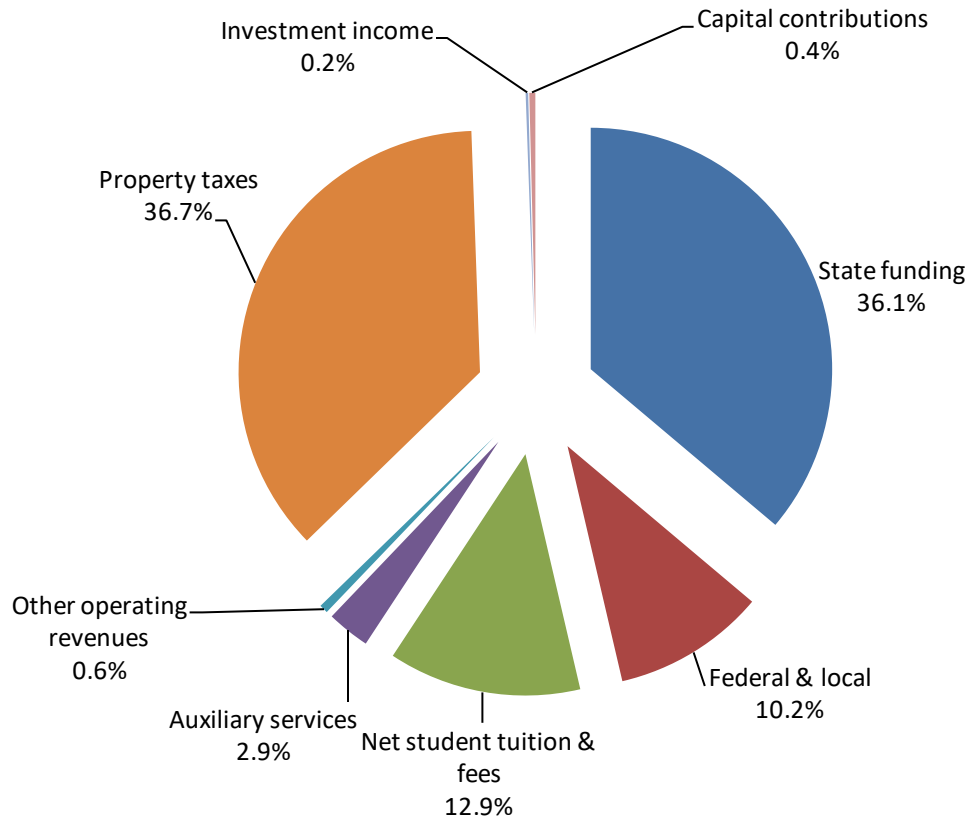
Operating revenue decreased by \$.9 million. Student tuition and fees decreased by \$.7 million and other revenue decreased by \$.2 million. Non-operating revenue increased by \$3.4 million. State appropriations increased by \$3.3 million, Federal and local grants increased by \$.6 million and property taxes increased by \$1.7 million. Investment income decreased by \$2.6 million.

The increase in state appropriations was mainly due to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of \$4.1 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. As an offset, there was a decrease in the on-behalf payment from the State for postemployment benefits other than pensions of \$1.5 million. There was an increase of \$.6 million in Federal and local grants. Higher Education Emergency Relief Fund grants as a result of COVID-19 related legislation were \$2.3 million higher in fiscal year 2021 versus fiscal year 2020. This was offset by a decrease in Pell funding of \$1.7 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. There was a substantial decrease in investment income of \$2.6 million as a result of a change in investment strategy focusing on shorter term investments due to the uncertainty of COVID-19.

Fiscal year 2021 State capital contributions was \$.8 million for a State grant for classroom modernization.

The pie chart on the next page 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 36.7%. The next highest sources were state funding of 36.1% and net student tuition and fees at 12.9%.

College of Lake County  
Revenues  
Year ended June 30, 2021



Revenues - Fiscal Year 2020 Compared to 2019

Operating revenue increased by \$1.1 million, of which \$.8 million was due to GASB 84 implementation. Student tuition and fees increased by \$1.6 million (not including change due to GASB 84 in fiscal year 2020) offset by a decrease in auxiliary and other revenue \$1.4 million. Non-operating revenue increased by \$18.1 million. State appropriations increased by \$10.7 million, Federal and local grants increased by \$5.9 million and property taxes increased by \$1.8 million. Investment income decreased by \$.4 million.

The increase in state appropriations was due to several factors. There was an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of \$8.3 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. There was a new Illinois Workforce Equity Grant of \$1.5 million and an increase in the Illinois Base Operating Grant of \$.7 million. The increase in Federal and local grants was mainly due to CARES Act funding of \$5.0 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. There was a decrease in the on-behalf payment from the State for postemployment benefits other than pensions of \$.6 million.

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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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***Expenses***

Summaries of expenses for the years ended June 30, 2021, 2020 and 2019 are as follows:

Expenses			
Years ended June 30, (in thousands)			
	2021	2020	2019
Instruction	\$ 84,361	\$ 81,887	\$ 76,045
Academic support	6,125	6,533	6,489
Student services	18,157	16,516	14,232
Public service	11,426	9,490	7,078
Institutional support	34,307	34,315	30,300
Operations and maintenance of plant	15,553	14,471	15,525
Financial aid	12,944	9,339	6,039
Depreciation	12,184	11,672	11,089
Auxiliary enterprises	6,434	6,916	7,354
Interest expense	1,589	1,649	1,601
<b>Total</b>	<b>\$ 203,080</b>	<b>\$ 192,788</b>	<b>\$ 175,752</b>

Expenses - Fiscal Year 2021 Compared to 2020

Total expenses increased by \$10.3 million. Salaries increased by \$1.2 million. The amount of the State's pension expense for the State University Retirement System (SURS) that is associated with the College is recorded by the College as pension expense (compensation and benefits) and nonoperating revenue (State appropriations) and increased by \$4.1 million compared to FY2020. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate.

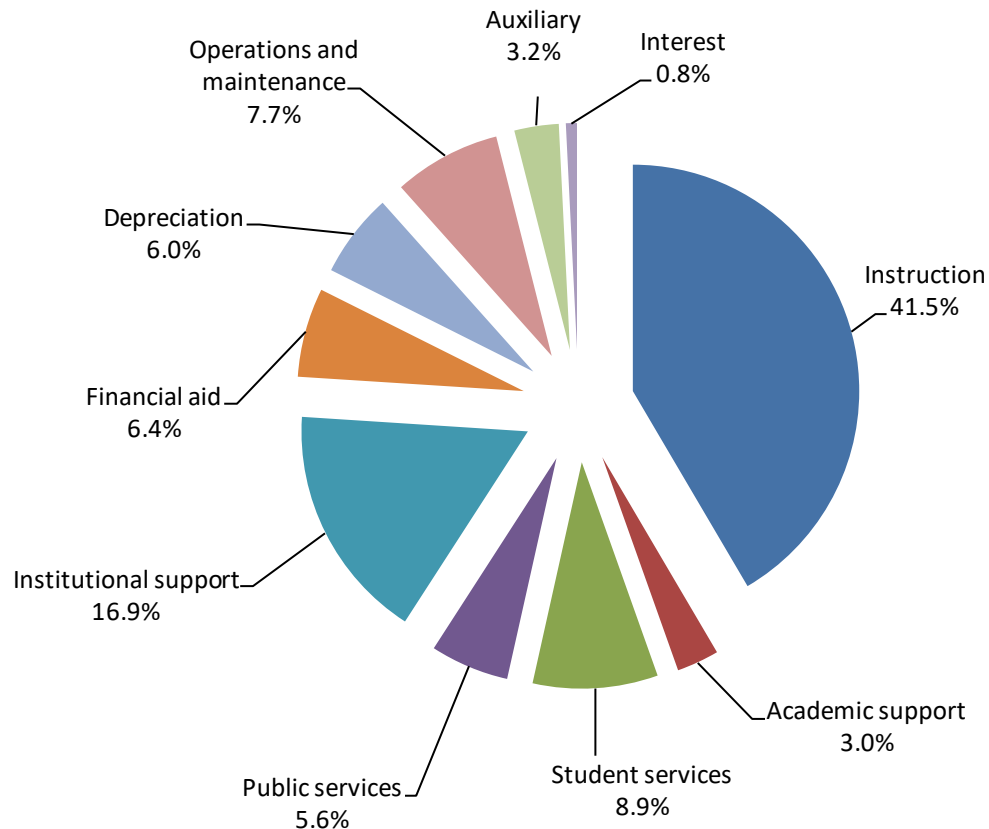
Post-retirement benefits other than pensions (OPEB) had a decrease of \$1.5 million pertaining to the State's OPEB expense for CIP that is associated with the College and recorded by the College as pension expense (compensation and benefits) and nonoperating revenue (State appropriations). The College Plan OPEB expense was similar to the prior year expense.

Depreciation increased by \$.5 million due to the increase in assets placed in service recently.

*Operating Expenses*

The pie chart on the next page shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 68.6% of total operating expenses. Direct services to students include instruction at 41.5%, academic support at 3.0%, student services at 8.9%, public services at 5.6%, financial aid at 6.4%, and auxiliary enterprises at 3.2%. Indirect services to students accounted for 31.4% of total expenses. Indirect services to students include operations and maintenance at 7.7%, institutional support at 16.9%, depreciation at 6.0% and interest at 0.8%.

College of Lake County  
Operating Expenses  
Year ended June 30, 2021



Expenses - Fiscal Year 2020 Compared to 2019

Total expenses increased by \$17.0 million, of which \$.7 million was due to GASB 84 implementation in fiscal year 2020. Salaries increased by \$5.5 million. The amount of the State's pension expense for the State University Retirement System (SURS) that is associated with the College is recorded by the College as a pension expense (compensation and benefits) and nonoperating revenue (State appropriations) and increased by \$8.3 million compared to FY2019. 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 \$.3 million pertaining to the State's OPEB expense for CIP that is associated with the College and recorded by the College as pension expense (compensation and benefits) and nonoperating revenue (State appropriations). The College Plan OPEB expense was similar to the prior year expense.

Depreciation increased by \$.6 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.

Management's Discussion and Analysis  
June 30, 2021 and 2020

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**Capital Asset and Debt Administration**

**Capital Assets**

As of June 30, 2021, 2020 and 2019, the College investment in capital assets totaled \$320.5 million, \$304.2 million, and \$299.1 million, respectively. Capital assets, net of accumulated depreciation of \$130.5 million, \$118.8 million, and \$107.3 million, totaled \$190.0 million, \$185.4 million, and \$191.8 million, respectively.

Capital Assets			
Years ended June 30, (in thousands)			
	2021	2020	2019
	2021	2020	2019
Capital assets:			
Construction in progress	\$ 3,286	\$ 2,361	\$ 1,610
Land	14,714	12,488	12,488
Capitalized collections	1,220	1,220	1,206
Land improvements	13,438	13,366	13,265
Buildings and improvements	235,768	228,874	227,403
Furniture and equipment	52,030	45,845	43,092
	320,456	304,154	299,064
Total capital assets			
Less accumulated depreciation	130,466	118,779	107,256
Capital assets, net	\$ 189,990	\$ 185,375	\$ 191,808

**Construction Projects**

Major construction projects in progress as of June 30, 2021 included:

- Lakeshore Student Services Center and Bookstore
- Advanced Technology Center (design)

The total cost of construction in progress as of June 30, 2021 was \$3.3 million.

**Capital Asset Additions (being depreciated)**

Capital assets added during fiscal year 2021 include:

- Property for Advanced Technology Center
- Roofing to support solar panels
- DAS Cellular Antenna System
- Classroom modernizations

The total cost of capital asset additions other than construction in progress in fiscal year 2021 was \$15.9 million.

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

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

**Management's Discussion and Analysis  
June 30, 2021 and 2020**

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***Debt Payments***

For the years ended June 30, 2021, 2020 and 2019, the College paid \$5.9 million, \$5.6 million, and \$5.4 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.

**Future Outlook**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could potentially have a negative impact to the College's financial position. The related financial impact and duration of this event cannot be reasonably estimated at this time.

**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, 2021 and 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (notes 1 and 2)	\$ 47,984,380	\$ 49,176,426
Investments (note 2)	24,029,301	19,672,493
Receivables:		
Property taxes, net of allowance of \$369,831 in 2021 and \$361,277 in 2020	39,861,053	41,738,254
Government claims	330,704	1,564,134
Tuition, net of allowance of \$1,901,103 in 2021 and \$2,410,764 in 2020	2,597,091	2,578,484
Other	4,794,328	1,629,434
Inventories	558,552	825,011
Prepaid expenses	253,300	264,827
Total current assets	<u>120,408,709</u>	<u>117,449,063</u>
Noncurrent assets:		
Restricted cash and cash equivalents (notes 1 and 2)	11,475,632	10,989,529
Other long-term investments (note 2)	32,664,380	36,244,746
Capital assets, not being depreciated (note 3)	19,220,470	16,069,151
Capital assets being depreciated, net (note 3)	170,769,857	169,306,133
Total noncurrent assets	<u>234,130,339</u>	<u>232,609,559</u>
Total assets	<u>354,539,048</u>	<u>350,058,622</u>
<b>Deferred outflows of resources (note 1)</b>	<u>5,531,629</u>	<u>6,996,893</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	3,758,946	3,129,869
Accrued expenses (note 4)	8,226,523	7,216,382
Tuition refunds payable	132,106	110,182
Unearned tuition and rent	3,057,645	3,284,612
Current portion of long-term obligations (note 5)	6,105,000	5,860,000
Other current liabilities	332,119	849,437
Total current liabilities	<u>21,612,339</u>	<u>20,450,482</u>
Noncurrent liabilities:		
Long-term obligations (notes 5 and 7)	122,625,480	122,284,266
Unearned rent revenue (note 10)	640,000	660,000
Total noncurrent liabilities	<u>123,265,480</u>	<u>122,944,266</u>
Total liabilities	<u>144,877,819</u>	<u>143,394,748</u>
<b>Deferred inflows of resources (note 1)</b>	<u>50,706,340</u>	<u>47,044,716</u>
<b>Net Position</b>		
Net investment in capital assets	138,671,398	137,105,005
Restricted for:		
Debt service	1,825,264	1,798,466
Capital projects	11,475,632	10,989,529
Other	4,213,362	5,024,429
Unrestricted	8,300,862	11,698,622
Total net position	<u>\$ 164,486,518</u>	<u>\$ 166,616,051</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, 2021 and 2020

	2021	2020
Operating revenues:		
Student tuition and fees	\$ 34,479,843	\$ 34,670,241
Less scholarship allowances	(8,560,494)	(8,066,845)
Net student tuition and fees	25,919,349	26,603,396
Auxiliary enterprises	5,782,375	5,772,169
Other operations	1,170,545	1,393,709
Total operating revenues	<u>32,872,269</u>	<u>33,769,274</u>
Operating expenses:		
Education and general:		
Instruction	84,360,795	81,887,559
Academic support	6,125,172	6,532,572
Student services	18,157,529	16,516,333
Public service	11,426,304	9,490,378
Institutional support	34,306,898	34,314,871
Operations and maintenance of plant	15,552,767	14,470,925
Financial aid	12,944,144	9,339,131
Depreciation	12,184,532	11,671,615
Auxiliary enterprises	6,433,610	6,916,037
Total operating expenses	<u>201,491,751</u>	<u>191,139,421</u>
Operating loss	<u>(168,619,482)</u>	<u>(157,370,147)</u>
Nonoperating revenues (expenses):		
Local property taxes	73,718,780	72,033,390
Personal property replacement tax	1,767,670	1,268,697
State appropriations	70,820,292	67,561,737
Federal grants and contracts	19,122,053	18,536,382
Local grants and contracts	1,510,590	1,481,612
Investment income	339,141	2,933,132
Interest expense	(1,588,577)	(1,649,000)
Total nonoperating revenues (expenses), net	<u>165,689,949</u>	<u>162,165,950</u>
Increase before capital contributions	(2,929,533)	4,795,803
State capital appropriations	800,000	348,795
Capital contributions	-	13,500
Total capital contributions	<u>800,000</u>	<u>362,295</u>
Increase (decrease) in net position	(2,129,533)	5,158,098
Net position at the beginning of the year (as previously reported)	166,616,051	160,579,452
Prior period restatement (note 13)	-	878,501
Net position at the beginning of the year (as restated)	<u>166,616,051</u>	<u>161,457,953</u>
Net position at the end of the year	<u>\$ 164,486,518</u>	<u>\$ 166,616,051</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, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Tuition and fees	\$ 25,695,699	\$ 25,218,480
Payments to suppliers	(52,862,712)	(45,287,785)
Payments to employees	(77,110,693)	(75,456,391)
Auxiliary enterprise charges	5,782,375	5,772,169
Other	984,320	1,386,046
Net cash used in operating activities	<u>(97,511,011)</u>	<u>(88,367,481)</u>
Cash flows from noncapital financing activities:		
Local property taxes	76,589,155	66,776,293
Personal property replacement tax	1,617,868	1,275,520
State appropriations	15,167,600	13,580,290
Federal grants and contracts	17,679,931	17,241,369
Local grants and contracts	1,510,590	1,481,612
Net cash provided by noncapital financing activities	<u>112,565,144</u>	<u>100,355,084</u>
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	9,000,000	-
Principal paid on debt	(5,860,000)	(5,630,000)
Interest paid on debt	(1,670,506)	(1,807,975)
Purchases of capital assets	(16,894,131)	(5,150,762)
Net cash used in capital and related financing activities	<u>(15,424,637)</u>	<u>(12,588,737)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	60,275,540	82,738,257
Purchases of investments	(61,624,318)	(73,437,594)
Interest on investments	1,013,339	2,241,662
Net cash (used in) provided by investing activities	<u>(335,439)</u>	<u>11,542,325</u>
Net (decrease) increase in cash and cash equivalents	(705,943)	10,941,191
Cash and cash equivalents, beginning of year	<u>60,165,955</u>	<u>49,224,764</u>
Cash and cash equivalents, end of year	<u>\$ 59,460,012</u>	<u>\$ 60,165,955</u>
Reconciliation to Statements of Net Position:		
Unrestricted cash and cash equivalent	\$ 47,984,380	\$ 49,176,426
Restricted cash and cash equivalents	11,475,632	10,989,529
Total cash and cash equivalents	<u>\$ 59,460,012</u>	<u>\$ 60,165,955</u>

(Continued)

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

Statements of Cash Flows (Continued)  
Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	\$ (168,619,482)	\$ (157,370,147)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	12,184,532	11,671,615
Pension expense for special funding situation	55,210,544	51,108,420
OPEB expense for special funding situation	1,036,966	2,528,009
Changes in assets, liabilities and deferrals:		
Net College OPEB related deferred outflows/inflows	147,461	(320,584)
Net CIP OPEB related deferred outflows/inflows	3,927,472	445,844
Receivables (net)	(236,006)	(303,189)
Inventories and prepaid expenses	277,986	(141,286)
Accounts payable	616,358	(246,880)
Accrued expenses	(1,290,685)	4,583,832
Other current liabilities	(537,318)	(36,705)
Deferred tuition and fees	(228,839)	(286,410)
Net cash used in operating activities	<u>\$ (97,511,011)</u>	<u>\$ (88,367,481)</u>

Supplemental schedule of noncash capital and related financing activities:

Capital contributions	\$ -	\$ 13,500
State capital appropriations	800,000	348,795
(Loss) gain on investments	(572,336)	788,185

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, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 1,404,887	\$ 651,544
Pledges receivables	1,119,492	131,502
Other receivables	-	15,000
Prepaid expenses	171	
Investments	5,994,439	4,481,421
	<u>5,994,439</u>	<u>4,481,421</u>
Total assets	<u>\$ 8,518,989</u>	<u>\$ 5,279,467</u>
<b>Liabilities</b>		
Accounts payable	\$ 55	\$ 1,905
Grants and scholarships payable	137,701	12,872
Deferred revenue	2,040	2,500
Total liabilities	<u>139,796</u>	<u>17,277</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	1,112,187	805,710
With donor restrictions:		
Purpose restrictions	5,486,524	2,836,780
Perpetual in nature	1,780,482	1,619,700
	<u>7,267,006</u>	<u>4,456,480</u>
Total net assets	<u>8,379,193</u>	<u>5,262,190</u>
Total liabilities and net assets	<u>\$ 8,518,989</u>	<u>\$ 5,279,467</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, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at June 30, 2019	\$ 687,795	\$ 3,602,794	\$ 4,290,589
Public support and revenue:			
Contributions and gifts	236,259	1,344,134	1,580,393
Special events revenue	182,415	-	182,415
Donated services	763,243	-	763,243
Other noncash donations	34,839	-	34,839
Net assets released from restrictions	635,956	(635,956)	-
Total public support	1,852,712	708,178	2,560,890
Other income:			
Investment income	111,281	157,058	268,339
Total other income	111,281	157,058	268,339
Total public support and revenue	1,963,993	865,236	2,829,229
Expenses:			
Program services:			
Grants and scholarships	1,128,877	-	1,128,877
Noncash donations to College of Lake County	34,839	-	34,839
Supporting services:			
Management and general	243,409	-	243,409
Travel/meeting	18,765	-	18,765
Fundraising	431,738	-	431,738
Total expenses	1,857,628	-	1,857,628
Increase in net assets before other item	106,365	865,236	971,601
Other item:			
Change in donor designation	11,550	(11,550)	-
Increase in net assets	117,915	853,686	971,601
Net assets at June 30, 2020	805,710	4,456,480	5,262,190
Public support and revenue:			
Contributions and gifts	283,469	2,959,719	3,243,188
Special events revenue	77,446	-	77,446
Less: cost of direct benefits to donors	(12,583)	-	(12,583)
Donated services	777,667	-	777,667
Other noncash donations	40,585	66,926	107,511
Net assets released from restrictions	933,181	(933,181)	-
Total public support	2,099,765	2,093,464	4,193,229
Other income:			
Investment income	279,969	722,062	1,002,031
Total other income	279,969	722,062	1,002,031
Total public support and revenue	2,379,734	2,815,526	5,195,260
Expenses:			
Program services:			
Grants and scholarships	1,280,831	-	1,280,831
Noncash donations to College of Lake County	40,585	-	40,585
Noncash donations to other organizations	66,926	-	66,926
Supporting services:			
Management and general	246,483	-	246,483
Travel/meeting	655	-	655
Fundraising	442,777	-	442,777
Total expenses	2,078,257	-	2,078,257
Increase in net assets before other item	301,477	2,815,526	3,117,003
Other item:			
Change in donor designation	5,000	(5,000)	-
Increase in net assets	306,477	2,810,526	3,117,003
Net assets at June 30, 2021	\$ 1,112,187	\$ 7,267,006	\$ 8,379,193

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 fundraising 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. External investment pools are reported at net asset value based on amortized cost, which approximates fair value. Illinois Portfolio, IIT class and Illinois Trust – Illinois TERM series are external investment pools. 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 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 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 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>	2021	2020
Deferred charges - College OPEB plan	\$ 817,018	\$ 1,058,693
Deferred charges - CIP OPEB plan	3,750,083	4,914,891
Subtotal - deferred outflows of pension-related resources	4,567,101	5,973,584
Deferred grant-related pension contributions	140,958	135,983
Deferred refunding cost	823,570	887,326
Total deferred outflows of resources	\$ 5,531,629	\$ 6,996,893

**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, changes in proportion and differences between employer contributions and proportionate share of contributions, differences between expected and actual experience and net difference between projected and actual investment earnings on plan investments of the College's CIP plan are considered to be deferred inflows. See Note 7 for further discussion of the College's deferred inflows of resources.

Differences between expected and actual experience and changes of assumptions of the College's other post employment benefit plan are considered to be deferred inflows. See Note 7 for further discussion of the College's deferred inflows of resources.

**Notes to Basic Financial Statements**

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

Deferred Inflows of Resources are summarized below:

<b>Deferred Inflows of Resources</b>	2021	2020
Deferred property tax revenue	\$ 37,127,421	\$ 36,134,247
Deferred credits - College OPEB plan	217,478	311,692
Deferred credits - CIP OPEB plan	13,361,441	10,598,777
Total deferred inflows of resources	<u>\$ 50,706,340</u>	<u>\$ 47,044,716</u>

**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:** For the purpose of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) and additions to/deductions from SURS plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees. 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.



**Notes to Basic Financial Statements**

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

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 \$7,200,000 of the College's unrestricted net position for the future payment of OPEB costs and claims.

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

Operating Revenue

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

Nonoperating Revenue

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

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

**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. However, due to the COVID-19 pandemic, the County Board permitted taxpayers to make four equal installments due in June, August, September and November 2020.

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% of the property taxes extended for the 2020 tax year are recorded as revenue in the fiscal year ended June 30, 2021. The remaining revenue related to the 2020 tax year extension has been deferred and will be recorded as revenue in fiscal year 2022. Based upon collection histories, the College records real property taxes at approximately 100% of the extended levy.

**Eliminations:** 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.

**Notes to Basic Financial Statements**

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

**Pending accounting pronouncements:** GASB Statement No. 87, *Leases*, will be effective for the College beginning with its year ended June 30, 2022. 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.

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, 2022. 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. 91, *Conduit Debt Obligations*, will be effective for the College beginning with its year ended June 30, 2023. 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.

GASB Statement No. 92, *Omnibus 2020*, will be effective for the College beginning with its year ended June 30, 2022. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the College beginning with its year ended June 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the College with its year ended June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the College with its year ended June 30, 2023. The primary objectives of this Statement are to (1) define a SBITA; (2) establish that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) require note disclosures regarding a SBITA.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will be effective for the College with its year ended June 30, 2022. The primary objective of this Statement is to result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

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

**Notes to Basic Financial Statements**

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

Management has not yet completed its evaluation of the impact of the provisions of the standards on its financial statements. However, the impact of GASB Statement No. 87 will likely be material to the College.

**Reclassifications:** Certain 2020 balances have been reclassified to conform with the current-year presentation without any effect on previously reported net position totals or changes in net position.

**Subsequent Events:** In August 2021, the Board of Trustees authorized the administration to issue three separate series of General Obligation (“GO”) Bonds under the 2021 plan of finance: 1) refunding of 2012 Limited Bonds; 2) new money Limited Bonds to retire 2020 Debt Certificates and; 3) New Money Alternative Revenue Bonds to provide for capital improvements and associated costs.

**Note 2. Deposits and Investments**

As of June 30, 2021 and 2020, the College had the following cash, cash equivalents and investments:

	2021	2020
	Carrying Value	
Cash and cash equivalents:		
Cash accounts	\$ 13,302,115	\$ 19,590,143
Restricted accounts - money market	11,475,632	10,989,529
Illinois Trust IIIT Class	34,682,265	29,586,283
Total cash and cash equivalents	59,460,012	60,165,955
Investments:		
Certificates of deposit	2,763,655	3,172,106
Illinois TERM	-	1,250,000
U.S. Treasury Bond/Note	13,151,773	10,527,652
U.S. Agency Collat. Mortgage Obligation	2,532,046	3,998,360
U.S. Agency Bond/Note	6,913,033	7,802,582
U.S. Mortgage-Backed Security	1,358,232	2,327,099
Commercial Paper	14,296,865	12,492,616
Supra-National Agency Bond/Note	4,227,318	892,154
Corporate Note	6,830,184	10,057,718
Private Placement Bond	-	206,601
Municipal Bond/Note	4,620,575	3,190,351
Total investments	56,693,681	55,917,239
Total cash, cash equivalents and investments	\$ 116,153,693	\$ 116,083,194
Current assets:		
Cash and cash equivalents	\$ 47,984,380	\$ 49,176,426
Investments	26,044,058	19,672,493
Noncurrent assets:		
Restricted cash and cash equivalents	11,475,632	10,989,529
Other long-term investments	30,649,623	36,244,746
Total cash, cash equivalents and investments	\$ 116,153,693	\$ 116,083,194

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

**Notes to Basic Financial Statements**

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

As of June 30, 2021 and 2020, the College's investments had the following maturities:

	2021 Maturities				Total
	Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years	
Certificates of deposit	\$ 2,763,655	\$ -	\$ -	\$ -	\$ 2,763,655
U.S. Treasury Bond/Note	2,233,344	10,918,429	-	-	13,151,773
U.S. Agency Collat. Mortgage Obligation	92,737	1,833,516	556,716	49,077	2,532,046
U.S. Agency Bond/Note	366,348	6,546,685	-	-	6,913,033
U.S. Mortgage-Backed Security	-	-	719,706	638,526	1,358,232
Commercial Paper	14,296,865	-	-	-	14,296,865
Supra-National Agency Bond/Note	366,348	3,860,970	-	-	4,227,318
Corporate Note	1,460,669	5,369,515	-	-	6,830,184
Municipal Bond/Note	1,812,299	2,808,276	-	-	4,620,575
Total investments	<u>\$ 23,392,265</u>	<u>\$ 31,337,391</u>	<u>\$ 1,276,422</u>	<u>\$ 687,603</u>	<u>\$ 56,693,681</u>

	2020 Maturities				Total
	Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years	
Certificates of deposit	\$ 3,172,106	\$ -	\$ -	\$ -	\$ 3,172,106
Illinois TERM	1,250,000	-	-	-	1,250,000
U.S. Treasury Bond/Note	-	10,527,652	-	-	10,527,652
U.S. Agency Collat. Mortgage Obligation	195,429	2,660,538	1,041,363	101,030	3,998,360
U.S. Agency Bond/Note	384,363	7,418,219	-	-	7,802,582
U.S. Mortgage-Backed Security	-	-	1,400,114	926,985	2,327,099
Commercial Paper	12,492,616	-	-	-	12,492,616
Supra-National Agency Bond/Note	-	892,154	-	-	892,154
Corporate Note	1,143,069	8,914,649	-	-	10,057,718
Private Placement Bond	-	206,601	-	-	206,601
Municipal Bond/Note	1,034,910	2,155,441	-	-	3,190,351
Total investments	<u>\$ 19,672,493</u>	<u>\$ 32,775,254</u>	<u>\$ 2,441,477</u>	<u>\$ 1,028,015</u>	<u>\$ 55,917,239</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.

**Notes to Basic Financial Statements**

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

The Illinois Trust measures the Illinois Portfolio, IIIT Class at net asset value based on amortized cost, which approximates fair value. The Illinois Trust also maintains a weighted average maturity of 60 days or less. The value of the Colleges' investments in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. All funds deposited in the pool are classified as cash equivalents. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235. The Illinois Portfolio, IIIT class is rated AAAM by Standard & Poor's.

The Illinois Trust - Illinois TERM series is a fixed-rate, fixed-term portfolio with a maximum term of one year. The term program is designed to meet the cash flow requirements of investors with the cash flows from the portfolio. A participant selects a planned maturity date on which the portfolio seeks to produce a share price of at least \$1.00 for the participant that redeems on said date. Participants may request premature redemption, but the portfolio may charge significant penalties for any redemption prior to the agreed-upon redemption date and the net asset value may be more or less than \$1.00 per share. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235. The Illinois TERM series is rated AAAM by Fitch.

Credit ratings for the College's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2021 (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)					
	(As a percentage of total fair value for debt securities)					
	AAA/Aaa	A-1+/P-1	A-1/P-1	AA+/Aaa	A-2/P-1	A-1/NR
U.S. Agency Collat. Mortgage Obligation	0%	0%	0%	100%	0%	0%
U.S. Agency Bond/Note	0%	0%	0%	100%	0%	0%
U.S. Mortgage-Backed Security	0%	0%	0%	100%	0%	0%
Commercial Paper	0%	14%	58%	0%	14%	14%
Supra-National Agency Bond/Note	100%	0%	0%	0%	0%	0%
Certificates of Deposit	0%	0%	100%	0%	0%	0%

Notes to Basic Financial Statements

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

Due to the mix of corporate notes and municipal bond/notes, the ratings for those are listing below:

S&P/Moody's	Percent of total fair value for Corporate Notes	Percent of total fair value for Municipal Bond/Notes
AAA/Aaa	0%	4%
AAA/Aa1	0%	10%
AA+/Aa1	2%	8%
AA+/NR	0%	7%
AA/Aa2	0%	14%
AA/A1	7%	0%
AA-/Aa2	3%	0%
AA/Aa3	0%	2%
A+/Aa3	0%	29%
A+/A1	6%	0%
A+/A2	8%	0%
A+/A3	2%	0%
A/A1	5%	0%
A/A2	12%	0%
A-/A2	15%	0%
BBB+/A1	3%	0%
BBB+/A2	20%	0%
BBB+/A3	17%	0%
NR/Aa1	0%	12%
NR/Aa2	0%	12%
NR/NR	0%	2%

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% of the total fixed income investments. The College held no single investment that exceeded 5% of the total invested balance at June 30, 2021 and 2020.

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, 2021 and 2020, 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.

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

**Notes to Basic Financial Statements**

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

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, 2021 are summarized below:

Investment	Fair Value Measurements Using			
		Level 1	Level 2	Level 3
U.S. Treasury Bond/Note	\$ 13,151,773	\$ 13,151,773	\$ -	\$ -
U.S. Agency Collat. Mortgage Obligation	2,532,046	-	2,532,046	-
U.S. Agency Bond/Note	6,913,033	-	6,913,033	-
U.S. Mortgage-Backed Security	1,358,232	-	1,358,232	-
Commercial Paper	14,296,865	-	14,296,865	-
Supra-National Agency Bond/Note	4,227,318	-	4,227,318	-
Corporate Note	6,830,184	-	6,830,184	-
Municipal Bond/Note	4,620,575	-	4,620,575	-
<b>Total</b>	<b>\$ 53,930,026</b>	<b>\$ 13,151,773</b>	<b>\$ 40,778,253</b>	<b>\$ -</b>

Investments measured at fair value on a recurring basis as of June 30, 2020 are summarized below:

Investment	Fair Value Measurements Using			
		Level 1	Level 2	Level 3
U.S. Treasury Bond/Note	\$ 10,527,652	\$ 10,527,652	\$ -	\$ -
U.S. Agency Collat. Mortgage Obligation	3,998,360	-	3,998,360	-
U.S. Agency Bond/Note	7,802,582	-	7,802,582	-
U.S. Mortgage-Backed Security	2,327,099	-	2,327,099	-
Commercial Paper	12,492,616	-	12,492,616	-
Supra-National Agency Bond/Note	892,154	-	892,154	-
Corporate Note	10,057,718	-	10,057,718	-
Private Placement Bond	206,601	-	206,601	-
Municipal Bond/Note	3,190,351	-	3,190,351	-
<b>Total</b>	<b>\$ 51,495,133</b>	<b>\$ 10,527,652</b>	<b>\$ 40,967,481</b>	<b>\$ -</b>

The College has cash equivalents and investments as of June 30, 2021 and 2020 measured at amortized cost or net asset value (NAV) based on amortized cost as follows:

	2021	2020
Illinois Trust IIIT Class	\$ 34,682,265	\$ 29,586,283
Participating certificates of deposit	2,763,655	3,172,106
Illinois TERM	-	1,250,000
<b>Total</b>	<b>\$ 37,445,920</b>	<b>\$ 34,008,389</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, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Construction in progress	\$ 2,361,455	\$ 1,853,623	\$ 928,996	\$ 3,286,082
Land	12,487,877	2,226,692	-	14,714,569
Capitalized collections	1,219,819	-	-	1,219,819
Total capital assets not being depreciated	<u>16,069,151</u>	<u>4,080,315</u>	<u>928,996</u>	<u>19,220,470</u>
Capital assets being depreciated:				
Land improvements	13,366,438	71,314	-	13,437,752
Buildings and improvements	228,874,052	7,348,674	455,003	235,767,723
Furniture and equipment	45,844,536	6,244,021	58,045	52,030,512
Total capital assets being depreciated	<u>288,085,026</u>	<u>13,664,009</u>	<u>513,048</u>	<u>301,235,987</u>
Less accumulated depreciation:				
Land improvements	8,019,405	683,594	-	8,702,999
Buildings and improvements	80,313,465	7,689,423	439,250	87,563,638
Furniture and equipment	30,446,023	3,811,515	58,045	34,199,493
Total accumulated depreciation	<u>118,778,893</u>	<u>12,184,532</u>	<u>497,295</u>	<u>130,466,130</u>
Total capital assets being depreciated, net	<u>169,306,133</u>	<u>1,479,477</u>	<u>15,753</u>	<u>170,769,857</u>
Total capital assets, net	<u>\$ 185,375,284</u>	<u>\$ 5,559,792</u>	<u>\$ 944,749</u>	<u>\$ 189,990,327</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, 2020 was as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Construction in progress	\$ 1,609,356	\$ 852,213	\$ 100,114	\$ 2,361,455
Land	12,487,877	-	-	12,487,877
Capitalized collections	1,206,319	13,500	-	1,219,819
Total capital assets not being depreciated	<u>15,303,552</u>	<u>865,713</u>	<u>100,114</u>	<u>16,069,151</u>
Capital assets being depreciated:				
Land improvements	13,265,047	101,391	-	13,366,438
Buildings and improvements	227,403,218	1,470,834	-	228,874,052
Furniture and equipment	43,091,954	2,901,021	148,439	45,844,536
Total capital assets being depreciated	<u>283,760,219</u>	<u>4,473,246</u>	<u>148,439</u>	<u>288,085,026</u>
Less accumulated depreciation:				
Land improvements	7,345,899	673,506	-	8,019,405
Buildings and improvements	72,760,676	7,552,789	-	80,313,465
Furniture and equipment	27,149,142	3,445,320	148,439	30,446,023
Total accumulated depreciation	<u>107,255,717</u>	<u>11,671,615</u>	<u>148,439</u>	<u>118,778,893</u>
Total capital assets being depreciated, net	<u>176,504,502</u>	<u>(7,198,369)</u>	<u>-</u>	<u>169,306,133</u>
Total capital assets, net	<u>\$ 191,808,054</u>	<u>\$ (6,332,656)</u>	<u>\$ 100,114</u>	<u>\$ 185,375,284</u>

**Note 4. Accrued Expenses**

Accrued expenses consisted of the following at June 30:

	2021	2020
Accrued payroll and benefits	\$ 2,876,388	\$ 2,947,299
Accrued vacation	3,259,270	2,795,591
Accrued construction retainage	25,927	104,730
Accrued health insurance claims	554,960	612,596
Accrued workers' compensation claims	338,144	394,228
Accrued expenses - other	1,171,834	361,938
Total accrued expenses	<u>\$ 8,226,523</u>	<u>\$ 7,216,382</u>

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

**Notes to Basic Financial Statements**

**Note 5. Long-Term Obligations**

The College has the following outstanding bonds payable as of June 30, 2021 and 2020:

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, 2021 and 2020 was \$10,325,000 and \$11,840,000, 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, 2021 and 2020 was \$10,735,000 and \$14,965,000, 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, 2021 and 2020 was \$21,895,000 and \$22,010,000, respectively.

On November 30, 2020, the College authorized a Taxable Debt Certificate, Series 2020 with a principal amount of up to \$10,000,000 and shall bear interest at a variable rate per annum. The variable interest rate is the lower of (i) 1.25% plus a calculated index of LIBOR (LIBO Rate Index) or (ii) 13.5% per annum. If the LIBO Rate Index shall be less than 0.50%, such rate shall be deemed to be 0.50%. For the year ending June 30, 2021, the variable interest rate was 1.75%. The College is also subject to a fee of 0.25% times the average daily difference between the maximum principal amount of \$10,000,000 and the outstanding principal amount of the certificate at the end of each month to be payable quarterly. The College has the option to redeem the certificate prior to its maturity date of November 30, 2022 from any available funds, in whole or in part as determined by the College, on any date. The principal balance at June 30, 2021 was \$9,000,000.

Changes in long-term obligations during the year ended June 30, 2021 were as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
General obligation bonds:					
Par	\$ 48,815,000	\$ -	\$ 5,860,000	\$ 42,955,000	\$ 6,105,000
Premium	342,605	-	155,106	187,499	-
Total general obligation bonds, net	49,157,605	-	6,015,106	43,142,499	6,105,000
Debt certificate	-	9,000,000	-	9,000,000	-
Postemployment benefits:					
College Plan	18,466,521	-	183,388	18,283,133	-
CIP plan	60,520,140	-	2,215,292	58,304,848	-
Total postemployment benefits	78,986,661	-	2,398,680	76,587,981	-
	<u>\$ 128,144,266</u>	<u>\$ 9,000,000</u>	<u>\$ 8,413,786</u>	<u>\$ 128,730,480</u>	<u>\$ 6,105,000</u>

**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, 2020 were as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year
General obligation bonds:					
Par	\$ 54,445,000	\$ -	\$ 5,630,000	\$ 48,815,000	\$ 5,860,000
Premium	549,072	-	206,467	342,605	-
Total general obligation bonds, net	54,994,072	-	5,836,467	49,157,605	5,860,000
Postemployment benefits					
College Plan	18,088,287	378,234	-	18,466,521	-
CIP plan	57,729,548	2,790,592	-	60,520,140	-
Total postemployment benefits	75,817,835	3,168,826	-	78,986,661	-
	<u>\$ 130,811,907</u>	<u>\$ 3,168,826</u>	<u>\$ 5,836,467</u>	<u>\$ 128,144,266</u>	<u>\$ 5,860,000</u>

The following is a schedule of the future debt service payments for general obligation bonds as of June 30, 2021:

Year ending June 30:	Principal	Interest	Total
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	3,435,000	706,800	4,141,800
2026	3,570,000	600,865	4,170,865
2027-2031	10,685,000	1,841,765	12,526,765
2032-2034	6,165,000	386,260	6,551,260
	<u>\$ 42,955,000</u>	<u>\$ 6,996,685</u>	<u>\$ 49,951,685</u>

The following is a schedule of the future debt service payments for taxable debt certificates as of June 30, 2021:

Year ending June 30:	Principal	Interest	Total
2022	\$ -	\$ 160,000	\$ 160,000
2023	9,000,000	66,667	9,066,667
	<u>\$ 9,000,000</u>	<u>\$ 226,667</u>	<u>\$ 9,226,667</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 (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 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 whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2020 can be found in SURS Comprehensive Annual Financial Report-Notes to the Financial Statements.

*Contributions.* The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 2021, respectively, was 13.02% and 12.70% 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 State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

**Notes to Basic Financial Statements**

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

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

Net Pension Liability

The net pension liability was measured as of June 30, 2020. At June 30, 2020, the collective net pension liability (NPL) was \$30,619,504,321. At June 30, 2019, the collective NPL was \$28,720,071,173.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the collective NPL to be recognized for the College is \$0. The proportionate share of the State's NPL associated with the College is \$502,516,432 or 1.6412%. The College's proportionate share changed by (0.0107%) from 1.6519% since the last measurement date on June 30, 2019. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2020, was determined based on the June 30, 2019 actuarial valuation. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

Pension Expense

At June 30, 2020, collective net pension expense was \$3,364,411,021. At June 30, 2019, collective net pension expense was \$3,094,666,252.

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

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position that is applicable to future reporting periods.

Collective Deferred Outflows and Deferred Inflows of Resources Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$170,987,483	\$0
Changes in assumptions	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
Total	\$1,118,666,290	\$0

**Notes to Basic Financial Statements**

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

Collective Deferred Outflows and Deferred Inflows of Resources for the Plan by Year to be Recognized in Future Pension Expenses

Year Ending June 30,	Net Deferred Outflows of Resources
2021	\$435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
2025	-
Thereafter	-
Total	\$1,118,666,290

**Deferral of Fiscal Year Contributions**

The College paid \$140,958 and \$135,983 in federal, trust or grant contributions during the years ended June 30, 2021 and 2020, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2020 and 2019, and are recognized as deferred outflows of resources as of June 30, 2021 and 2020.

**Assumptions and Other Inputs**

*Actuarial Assumptions.* The actuarial assumptions used in the June 30, 2020 and June 30, 2019 valuations 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, 2020 and June 30, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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

Notes to Basic Financial Statements

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

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
<b>Traditional Growth</b>		
Global Public Equity	44.0%	6.67%
<b>Stabilized Growth</b>		
Credit Fixed Income	14.0%	2.39%
Core Real Assets	5.0%	4.14%
Options Strategies	6.0%	4.44%
<b>Non-Traditional Growth</b>		
Private Equity	8.0%	9.66%
Non-Core Real Assets	3.0%	8.70%
<b>Inflation Sensitive</b>		
U.S. TIPS	6.0%	0.13%
<b>Principal Protection</b>		
Core Fixed Income	8.0%	-0.45%
<b>Crisis Risk Offset</b>		
Systematic Trend Following	2.1%	2.16%
Alternative Risk Premia	1.8%	1.60%
Long Duration	2.1%	0.86%
<b>Total</b>	100.0%	4.84%
<b>Inflation</b>		2.25%
<b>Expected arithmetic returns</b>		7.09%

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
<b>Total</b>	100%	4.80%
<b>Inflation</b>		2.75%
<b>Expected Arithmetic Return</b>		7.55%

**Notes to Basic Financial Statements**

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

*Discount Rate.* A single discount rate of 6.49% and 6.59% was used to measure the total pension liability as of June 30, 2020 and 2019, respectively. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% as of June 30, 2020 and 2019 and a municipal bond rate of 2.45% and 3.13% as of June 30, 2020 and 2019, respectively (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' 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's net position, can be found in SURS Comprehensive Annual Financial Report by accessing the website at [www.SURS.org](http://www.SURS.org).

**Note 7. Postemployment Benefits Other Than Pensions**

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. OPEB amounts for these plans are as follows for the years ended June 30:

	2021		2020
Net OPEB liability	\$ 76,587,981	\$	78,986,661
Deferred Inflows related to OPEB	4,567,101		5,973,584
Deferred Outflows related to OPEB	13,578,919		10,910,469
OPEB expense	3,625,040		6,733,916

	2021		2020
CIP OPEB plan expense	\$ 2,016,785	\$	3,530,612
less: deferred outflows	(304,605)		(294,176)
CIP OPEB on-behalf plan expense	1,036,966		2,528,009
College OPEB plan expense	875,894		969,471
<b>Total OPEB plans' expense</b>	<b>\$ 3,625,040</b>	<b>\$</b>	<b>6,733,916</b>



Notes to Basic Financial Statements

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

**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 trust fund administered by the state. The benefits, employer, employee, retiree and state contributions are dictated 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.

CIP has a special funding situation as described in 40 ILCS 15/1.4. The State is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through a trust.

*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 5% for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits.

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

*Contributions:* The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the state to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The employer contributions to the Plan for the years ended June 30, 2021, 2020, and 2019 were \$304,605, \$294,176, and \$287,661, respectively. The College contributions were equal to the required contributions for each year.

*OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources:* At June 30, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
College's proportionate share of the collective net OPEB liability	\$ 58,304,848	\$ 60,520,140
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the College	58,304,936	60,520,140
Total CIP net collective OPEB liability associated with the College	<u>\$ 116,609,784</u>	<u>\$ 121,040,280</u>

Notes to Basic Financial Statements

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

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to June 30, 2020. The prior fiscal year's collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to June 30, 2019. 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, 2020, 2019, and 2018 the College's proportions were 3.198706%, 3.204598%, and 3.062167%, respectively.

For the year ended June 30, 2021 and 2020, the College recognized revenue of \$1,036,966 and \$2,528,009, respectively, and OPEB expense of \$3,053,751 and \$6,058,621, respectively, for support provided by the State. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 529,650	\$ 3,263,204
Changes in proportion and differences between the College's contributions and proportionate share of contributions	2,915,828	774,957
Net difference between projected and actual investment earnings	-	2,469
Changes of assumptions	-	9,320,811
Total deferred amounts to be recognized in expense in future periods	3,445,478	13,361,441
College's contributions subsequent to the measurement date	304,605	-
	<u>\$ 3,750,083</u>	<u>\$ 13,361,441</u>

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 709,288	\$ 1,279,865
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,911,427	884,374
Net difference between projected and actual investment earnings	-	2,673
Changes of assumptions	-	8,431,865
Total deferred amounts to be recognized in expense in future periods	4,620,715	10,598,777
Employer contributions subsequent to the measurement date	294,176	-
	<u>\$ 4,914,891</u>	<u>\$ 10,598,777</u>

Notes to Basic Financial Statements

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

The College reported \$304,605 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, 2022. The College previously reported \$294,176 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date and was recognized as a reduction of the total OPEB liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30:</u>	
2022	\$ (2,747,468)
2023	(2,747,315)
2024	(2,190,128)
2025	(1,397,812)
2026	(833,240)
	<u>\$ (9,915,963)</u>

*Actuarial Assumptions:* The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 the measurement date, and as of June 30, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

	<u>2020</u>	<u>2019</u>
Inflation	2.25%	2.25%
Salary rate increases	3.25% to 12.25%	3.25% to 12.25%
Investment rate of return	0.00%	0.00%
Healthcare cost trend rates	8.25% trending to 4.25%	8.00 - 9.00% trending to 4.50-4.90%
Asset valuation method	Market Value	Market Value

For the actuarial valuations as of June 30, 2019 and 2018, 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-2017.

The actuarial assumptions used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018. The actuarial assumptions used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

The following OPEB-related assumption changes were made since the June 30, 2018 OPEB actuarial valuation date:

- The discount rate was changed from 3.13% at June 30, 2019 to 2.45% at June 30, 2020;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year-end June 30, 2020, premium changes through plan year-end 2020, and expectation of future trend increases after June 30, 2020;
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed;
- Per capita claim costs for plan year ended June 30, 2020 were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year 2021; and
- Healthcare plan participation rates by plan were updated based on observed experience.

Notes to Basic Financial Statements

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

In addition, the following OPEB-related assumption changes were made since the June 30, 2017 OPEB actuarial valuation date:

- The discount rate was changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year-end June 30, 2019, premium changes through plan year-end 2019, and expectation of future trend increases after June 30, 2019;
- The Excise Tax trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year ended June 30, 2019 were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020; 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.

*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, 2020 was 2.45%, which was a decrease from the June 30, 2019 rate of 3.13%. The discount rate as of June 30, 2019 was 3.13%, which was a decrease from the June 30, 2018 rate of 3.62%. 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 2.45% and 3.13%, respectively, 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 or 1 percentage point higher than the discount rate:

	1% Decrease	Current Discount Rate	1% Increase
College's proportionate share of the collective net OPEB liability 2021	\$ 66,434,064	\$ 58,304,848	\$ 51,294,674
College's proportionate share of the collective net OPEB liability 2020	\$ 69,461,129	\$ 60,520,140	\$ 52,931,426

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 current claims trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037. The key prior claims trend rates were 8.00% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027 for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

Notes to Basic Financial Statements

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

	Healthcare Cost Trend Rates		
	1% Decrease (a)	Assumption	1% Increase (b)
College's proportionate share of the collective net OPEB liability 2021	\$ 48,311,402	\$ 58,304,848	\$ 71,560,681
College's proportionate share of the collective net OPEB liability 2020	\$ 50,228,022	\$ 60,520,140	\$ 74,120,554

(a) For 2021, one percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037. For 2020, one percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.90% in 2027, for non-Medicare coverage, and 8.0% in 2020 decreasing to an ultimate trend rate of 3.50% in 2029 for Medicare coverage.

(b) For 2021, one percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037. For 2020, one percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.90% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 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 years ended June 30, 2021 and 2020.

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

*Plan Description:* The College also 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.

**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 (Continued)**

*Employees Covered by Benefit Terms:* As of June 30, 2021 and 2020, the following employees were covered by the benefit terms:

Active employees	352
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	388
Total	<u>740</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, 2021 and 2020, the College contributed \$875,894 and \$807,901, respectively, to the Plan.

*Total OPEB Liability:* The College's total OPEB liability of \$18,283,133 and \$18,466,521 was measured as of June 30, 2021 and 2020, respectively, and was determined by a rollforward from an actuarial valuation as of July 1, 2020 and July 1, 2017, respectively, the most recent actuarial valuation date.

*Actuarial Assumptions:* The total OPEB liability for June 30, 2021 and 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary rate increase	2.50%
Discount rate	2.16%
Healthcare cost trend rates	3.30-9.08% for 2021 decreasing to an ultimate rate of 5.40% for 2031 and later years. Medicare Part B Premium of 3.8% per year.
Retirees' share of benefit-related costs	Same as healthcare trend

Since the College Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was a 20-year general obligation bond index rate. The discount rate was based on the Bond Buyer 20-Bond GO Index. The rate at June 30, 2021, 2020 and 2019 was 2.16%, 2.21% and 3.50% respectively.

Mortality rates were based on the RP-2014 with White Collar Adjustment and MP-2017 Improvement Tables, weighted per SURS Experience Study Report dated February 26, 2018.

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

**Notes to Basic Financial Statements**

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

Changes in the Total OPEB Liability

Balance as of June 30, 2019	<u>\$ 18,088,287</u>
Changes for the year:	
Service cost	130,195
Interest	612,131
Changes of benefit terms	-
Differences by expected and actual experience	-
Changes in assumptions or other inputs	(369,557)
Benefit payments	917,286
Other changes	(911,821)
Net changes	<u>378,234</u>
Balance as of June 30, 2020	<u>\$ 18,466,521</u>
Changes for the year:	
Service cost	227,347
Interest	398,034
Changes of benefit terms	-
Differences by expected and actual experience	-
Changes in assumptions or other inputs	103,052
Benefit payments	(911,821)
Other changes	-
Net changes	<u>(183,388)</u>
Balance as of June 30, 2021	<u><u>\$ 18,283,133</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 Experience Study Report as of February 26, 2018.

*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 as of June 30, 2021 and 2020 using the discount rate of 2.16% and 2.21%, respectively, 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 or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability 2021	\$ 20,611,302	\$ 18,283,133	\$ 16,412,733
Total OPEB liability 2020	\$ 20,858,390	\$ 18,466,521	\$ 16,543,240

Notes to Basic Financial Statements

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

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 for non-Medicare coverage are 3.30% in 2021 increasing to an ultimate trend rate of 5.00% in 2026 for PPO/HMO Plans and 9.08% in 2021 decreasing to an ultimate trend rate of 5.40% in 2031 for CIP Plans. The key trend rates for Medicare coverage are 4.81% in 2022 decreasing to an ultimate trend rate of 3.80% for Medicare Part A and 6.72% decreasing to an ultimate trend rate of 3.80% for Medicare Part B.

	Healthcare Cost Trend Rates		
	1% Decrease (a)	Assumption	1% Increase (b)
Total OPEB liability 2021	\$ 17,266,246	\$ 18,283,133	\$ 19,480,573
Total OPEB liability 2020	\$ 17,481,228	\$ 18,466,521	\$ 19,624,026

(a) For 2021, one percentage point decrease in healthcare trend rates for non-Medicare coverage are 2.30% in 2021 increasing to an ultimate trend rate of 4.00% in 2026 for PPO/HMO Plans and 8.08% decreasing to an ultimate trend rate of 4.40% in 2031 for CIP Plans. For Medicare coverage, 3.81% in 2022 decreasing to an ultimate trend rate of 2.80% for Medicare Part A and 5.72% in 2022 decreasing to an ultimate trend rate of 2.80% for Medicare Part B.

For 2020, one percentage point decrease in healthcare trend rates for non-Medicare coverage are 2.30% in 2020 increasing to an ultimate trend rate of 4.00% in 2029 for PPO/HMO Plans and 8.08% decreasing to an ultimate trend rate of 4.00% in 2029 for CIP Plans. For Medicare coverage, 3.81% in 2020 decreasing to an ultimate trend rate of 2.80% in 2029 for Medicare Part A and 5.72% in 2020 decreasing to an ultimate trend rate of 2.80% in 2029 for Medicare Part B.

(b) For 2021, one percentage point increase in healthcare trend rates for non-Medicare coverage are 4.30% in 2021 increasing to an ultimate trend rate of 6.00% in 2026 for PPO/HMO Plans and 10.08% decreasing to an ultimate trend rate of 6.40% in 2031 for CIP Plans. For Medicare coverage, 5.81% in 2021 decreasing to an ultimate trend rate of 4.80% for Medicare Part A and 7.72% in 2021 decreasing to an ultimate trend rate of 4.80% for Medicare Part B.

For 2020, one percentage point increase in healthcare trend rates for non-Medicare coverage are 4.30% in 2020 increasing to an ultimate trend rate of 6.00% in 2029 for PPO/HMO Plans and 10.08% decreasing to an ultimate trend rate of 6.00% in 2029 for CIP Plans. For Medicare coverage, 5.81% in 2020 decreasing to an ultimate trend rate of 4.80% in 2029 for Medicare Part A and 7.72% in 2020 decreasing to an ultimate trend rate of 4.80% in 2029 for Medicare Part B.

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* For the years ended June 30, 2021 and 2020, the College recognized OPEB expense of \$875,894 and \$969,471, respectively. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



**Notes to Basic Financial Statements**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 202,119
Changes of assumptions	817,018	15,359
Total deferred amounts to be recognized in expense in future periods	<u>\$ 817,018</u>	<u>\$ 217,478</u>

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 285,838
Changes of assumptions	1,058,693	25,854
Total deferred amounts to be recognized in expense in future periods	<u>\$ 1,058,693</u>	<u>\$ 311,692</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>	
2022	\$ 250,513
2023	256,144
2024	83,303
2025	9,580
2026	-
	<u>\$ 599,540</u>

**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.

**Notes to Basic Financial Statements**

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**Note 8. Risk Management (Continued)**

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, 2021, 2020, and 2019, are as follows:

	2021	2020	2019
Claims payable – beginning of year	\$ 1,006,824	\$ 622,566	\$ 997,590
Claims and other expenses incurred	13,771,388	12,538,198	11,315,420
Claims paid	(13,885,108)	(12,153,940)	(11,690,444)
Claims payable – end of year	<u>\$ 893,104</u>	<u>\$ 1,006,824</u>	<u>\$ 622,566</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% 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, 2021 and 2020 was \$20,000. Unearned revenue related to the lease was \$640,000 and \$680,000 at June 30, 2021 and 2020, respectively.

**Note 11. Commitments**

In conjunction with the Illinois Capital Development Board, a State of Illinois agency, the College is in the process of expanding the Lakeshore campus including a new Student Center, replacing the Performing Arts Building roofing system and replacing a parking lot on the Grayslake campus. Total estimated costs are \$47,900,000, \$2,160,000 and \$1,150,000, respectively. The College's total share of the projects are \$11,975,600, \$1,035,000, and \$287,500, respectively. Total funds expended on the Lakeshore Campus project as of June 30, 2021 were \$1,619,372. No funds were expended on the other projects as of June 30, 2021.

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

**Notes to Basic Financial Statements**

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**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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Natural classification of total expenses:		
Salaries	\$ 77,503,461	\$ 76,413,820
Benefits	71,646,423	69,842,209
Contractual services	8,113,157	7,582,810
Materials and supplies	7,764,402	7,499,801
Travel and meetings	368,708	870,634
Fixed charges	2,278,187	2,260,188
Utilities	3,082,287	2,512,170
Interest	1,588,577	1,649,000
Depreciation	12,184,532	11,671,615
Other	18,550,594	12,486,174
Total expenses	<u>\$ 203,080,328</u>	<u>\$ 192,788,421</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**

For the fiscal year ended June 30, 2021, the College implemented GASB Statement No. 84, Fiduciary Activities. The implementation of this guidance resulted in a restatement to record the beginning net position of its student activity fund as of June 30, 2019 and June 30, 2020. The beginning net position has been restated to reflect the new guidance as follows:

Net Position, June 30, 2019	\$ 160,579,452
Record net position of student activity fund	<u>878,501</u>
Net Position as restated, June 30, 2019	<u>\$ 161,457,953</u>

The impact on the net position as of June 30, 2020 is as follows:

Net Position, June 30, 2020	\$ 165,642,800
Record net position of student activity fund	<u>973,251</u>
Net Position as restated, June 30, 2020	<u>\$ 166,616,051</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 (U.S. 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, whereby 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.

**Grants and scholarships payable:** Grants and scholarships payable are recorded in connection with amounts due to specified individuals or organizations. Unconditional grants are recognized in the financial statements when the grant is approved and communicated. Conditional grants are not recognized until the conditions on which they depend are substantially met.

**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 services are recorded for the approximate amount of the direct and indirect costs incurred in providing the services to the Foundation. 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. An allowance for uncollectible pledges is recognized based on historical experience, as necessary.

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

**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.

**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% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities during the period covered by these financial statements.

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

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

**New accounting pronouncements:** In 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. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2014-09 one year making it effective as of July 1, 2022 for the Foundation.

In September 2020, the FAS issued ASU 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The guidance addresses presentation and disclosure of contributed nonfinancial assets. The amendments in this update are effective for fiscal years beginning after June 15, 2021. The Foundation is currently evaluating the effect that this amendment will have on the financial statements.

**Risks and uncertainties:** As a result of the spread of the COVID-19 coronavirus, financial impacts could occur though such potential impact is unknown at this time.

**Subsequent events:** The Foundation's management has performed an analysis of the activities and transactions subsequent to June 30, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2021. Management has performed their analysis through November 4, 2021, the date the financial statements were available to be issued.

Notes to Basic Financial Statements

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

**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.

Cash and other financial assets available within one year at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,404,887	\$ 651,544
Pledges receivable	1,119,492	131,502
Other receivables	-	15,000
Prepaid expense	171	-
Investments	5,994,439	4,481,421
Financial assets at year-end	<u>8,518,989</u>	<u>5,279,467</u>
Less amounts not available to be used within one year:		
Investments not available for general expenditures	4,651,881	3,809,775
Pledges receivable due after one year	66,000	65,000
	<u>4,717,881</u>	<u>3,874,775</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,801,108</u>	<u>\$ 1,404,692</u>

Notes to Basic Financial Statements

Note 14. Component Unit (Continued)

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.

Level 3: Unobservable inputs where the valuations are derived from other methodologies. There were no Level 3 investments as of June 30, 2021 or June 30, 2020.

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

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

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets at June 30, 2021:				
Multi-managed domestic equity	\$ -	\$ 1,942,786	\$ -	\$ 1,942,786
Multi-managed international equity	-	1,058,919	-	1,058,919
Multi-managed fixed income	-	2,639,817	-	2,639,817
Publicly traded domestic equity	338,927	-	-	338,927
	<u>\$ 338,927</u>	<u>\$ 5,641,522</u>	<u>\$ -</u>	<u>\$ 5,980,449</u>
Assets at June 30, 2020:				
Multi-managed domestic equity	\$ -	\$ 1,359,096	\$ -	\$ 1,359,096
Multi-managed international equity	-	677,612	-	677,612
Multi-managed fixed income	-	2,434,113	-	2,434,113
Publicly traded domestic equity	-	-	-	-
	<u>\$ -</u>	<u>\$ 4,470,821</u>	<u>\$ -</u>	<u>\$ 4,470,821</u>

The Foundation did not have any transfers between any levels of the fair value hierarchy during the years ended June 30, 2021 or 2020. 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.



**Notes to Basic Financial Statements**

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

**Investments**

The cost and fair value of the Foundation's investments at June 30, 2021 and 2020 are as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Multi-managed domestic equity	\$ 1,483,657	\$ 1,942,786	\$ 1,221,171	\$ 1,359,096
Multi-managed international equity	800,882	1,058,919	696,293	677,612
Multi-managed fixed income	2,639,013	2,639,817	2,333,811	2,434,113
Publicly traded domestic equity	321,282	338,927	-	-
Temporarily uninvested cash	13,990	13,990	10,600	10,600
	<u>\$ 5,258,824</u>	<u>\$ 5,994,439</u>	<u>\$ 4,261,875</u>	<u>\$ 4,481,421</u>

Investment return for the years ended June 30, 2021 and 2020, was as follows:

	2021	2020
Return on investments:		
Interest and dividends	\$ 90,487	\$ 96,013
Realized gain on sale of investments	395,476	102,544
Investment income	485,963	198,557
Unrealized (loss) gain on investments	516,068	69,782
Total return on investments	<u>\$ 1,002,031</u>	<u>\$ 268,339</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.

**Pledges Receivable**

Pledges receivable consisted of the following at June 30, 2021:

Due in one year or less	\$ 1,059,492
Due between one and five years	66,000
Less: Allowance for uncollectibles	(6,000)
Total pledges receivable - net	<u>\$ 1,119,492</u>

Approximately 95% of pledges receivable were attributable to two donors at June 30, 2021. Collectability of the pledges is considered to be reasonably assured and there is no present value discount recorded as of June 30, 2021 or 2020. An allowance for uncollectible pledges of \$6,000 and \$2,500 was recognized for the years ended June 30, 2021 or 2020, respectively.

The Foundation received \$35,000 in fiscal year 2021 that was recognized as a contribution with donor restrictions to a specific program being implemented. The donor intends to give an additional \$35,000 during fiscal year 2022 subject to the program meeting certain performance obligations. Therefore, this intention is a conditional pledge and not recognized as a contributions in the current fiscal year.

**Notes to Basic Financial Statements**

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

**Restrictions on Net Assets**

The Foundation reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, 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 2021 and 2020, \$933,181 and \$635,956, respectively, were released from net assets with donor restrictions and used for the following purposes:

	<u>2021</u>	<u>2020</u>
Scholarships for students of the College	\$ 537,563	\$ 418,024
Grants benefiting the College	328,692	217,932
	66,926	-
	<u>\$ 933,181</u>	<u>\$ 635,956</u>

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:

	<u>2021</u>	<u>2020</u>
<u>Purpose restrictions:</u>		
Scholarships for students of the College	\$3,393,060	\$2,752,322
Grants benefitting the College	2,093,464	84,458
	<u>1,780,482</u>	<u>1,619,700</u>
<u>Perpetual in nature:</u>		
Scholarships for students of the College	1,544,524	1,383,743
Grants benefitting the College	235,958	235,957
	<u>5,486,524</u>	<u>2,836,780</u>
Total assets with donor restrictions	<u>\$7,267,006</u>	<u>\$4,456,480</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, 2021 and 2020.

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.

Notes to Basic Financial Statements

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

Interpretation of Relevant Law: The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation 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.

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

	2021	2020
Net assets, beginning of year	\$ 2,160,701	\$ 2,097,987
Investment return:		
Interest income, net of fees	413,402	97,232
New gifts	145,426	33,522
Change in classification of donor restrictions	8,411	(7,500)
Appropriation for expenditure	(66,350)	(60,540)
Net assets, end of year	\$ 2,661,590	\$ 2,160,701

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.

**Notes to Basic Financial Statements**

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

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, 2021 and 2020.

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% 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, 2021 and 2020, donated service revenue and related expenses with the College were approximately \$777,667 and \$763,243, respectively.

**ii) Donated Securities**

The Foundation received stock donations of \$11,817 and \$16,390 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, noncash donation revenue and related expenses were approximately \$40,585 and \$34,839, respectively. In 2021, the Foundation also received and distributed a noncash donation of approximately \$66,926 that was restricted for use by an unrelated organization that has similar goals as the College.

## **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*	2021	2020	2019	2018	2017	2016	2015
College's proportion percentage of the net pension liability	0.00%	0.00%	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	502,516,432	474,426,856	435,486,283	409,201,081	396,192,850	358,337,760	345,012,299
<b>Total</b>	<b>\$ 502,516,432</b>	<b>\$ 474,426,856</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	\$ 60,865,637	\$ 59,713,364	\$ 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	825.62%	794.51%	769.31%	721.44%	718.93%	652.62%	600.32%
Plan fiduciary net position as a percentage of the total pension liability	39.05%	40.71%	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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 140,958	\$ 135,983	\$ 123,611	\$ 121,959	\$ 121,581	\$ 144,948	\$ 225,318	\$ 204,318	\$ 217,455	\$ 158,916
Contributions in relation to the contractually required contribution	(140,958)	(135,983)	(123,611)	(121,959)	(121,581)	(144,948)	(225,318)	(204,318)	(217,455)	(158,916)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 62,476,394	\$ 60,865,637	\$ 59,713,364	\$ 56,607,275	\$ 56,720,116	\$ 55,108,575	\$ 54,907,365	\$ 57,471,457	\$ 57,415,228	\$ 58,129,259
Contributions as a percentage of covered payroll	0.23%	0.22%	0.21%	0.22%	0.21%	0.26%	0.41%	0.36%	0.38%	0.27%

College of Lake County  
Community College District No. 532

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

For the fiscal year ending	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 227,347	\$ 130,195	\$ 116,499	\$ 124,271
Interest on total OPEB liability	398,034	612,131	670,353	638,090
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(369,557)	-	-
Changes of assumptions or other inputs	103,052	917,286	576,324	(57,339)
Benefit payments	(911,821)	(911,821)	(1,197,673)	(1,201,999)
Net change in total OPEB liability	(183,388)	378,234	165,503	(496,977)
Total OPEB liability - beginning	18,466,521	18,088,287	17,922,784	18,419,761
Total OPEB liability - ending	\$ 18,283,133	\$ 18,466,521	\$ 18,088,287	\$ 17,922,784
Covered-employee payroll	\$ 32,849,553	\$ 32,048,345	\$ 32,734,614	\$ 33,547,455
Total OPEB liability as a percentage of covered-employee payroll	55.66%	57.62%	55.26%	53.43%

**Notes to Schedules**

Covered-employee payroll has been estimated based on total covered payroll for the postretirement plan members during the prior fiscal year.

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>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Employer's proportion of the collective net OPEB liability	3.198706%	3.204598%	3.062167%	3.116623%	2.961604%
Employer's proportionate share of the collective net OPEB liability	\$ 58,304,848	\$ 60,520,140	\$ 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	58,304,936	60,520,118	57,729,509	56,087,349	56,158,988
<b>Total</b>	<b>\$ 116,609,784</b>	<b>\$ 121,040,258</b>	<b>\$ 115,459,057</b>	<b>\$ 112,923,231</b>	<b>\$ 110,058,833</b>
Employee covered payroll	\$ 58,803,521	\$ 57,714,148	\$ 53,482,032	\$ 54,077,972	\$ 53,683,264
Collective net OPEB liability as a percentage of the employee covered payroll	99.2%	104.9%	107.9%	105.1%	100.4%
Plan fiduciary net position as a percentage of the total pension liability	-5.07%	-4.13%	-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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily-required contribution	\$ 304,605	\$ 294,176	\$ 287,661	\$ 267,410	\$ 270,390	\$ 268,416	\$ 263,511	\$ 268,863	\$ 263,828	\$ 263,414
Contributions in relation to the statutorily-required contribution	(304,605)	(294,176)	(287,661)	(267,410)	(270,390)	(268,416)	(263,511)	(268,863)	(263,828)	(263,414)
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's employee covered payroll	\$ 60,883,808	\$ 58,803,521	\$ 57,714,148	\$ 53,482,032	\$ 54,077,972	\$ 53,683,264	\$ 52,702,160	\$ 53,772,584	\$ 52,765,600	\$ 52,682,896
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, 2021

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**Note 1. SURS Pension Plan**

*Changes of benefit terms.* There were no benefit changes recognized in the collective total pension liability measured as of June 30, 2021.

*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% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- Investment return. Decrease the investment return assumptions to 6.75%. This reflects maintaining an assumed real rate of return of 4.50% and decreasing the underlying assumed price inflation to 2.25%.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (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% 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.

Notes to Required Supplementary Information  
For the Year Ended June 30, 2021

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Sponsor's Fiscal Year End	June 30, 2021

**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, 2020, 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	2.25%
Salary Increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% 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, 2018 actuarial valuation of SURS.
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-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, and gradually decreases to and ultimate trend of 4.25%. There is no additional trend rate due to the repeal of 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> 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> 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> These tables present information to help the reader understand and assess the College's debt burden and its ability to issue additional debt.	7 - 9
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	10 - 12
<b>Operating Information</b> These tables provide information about the College's operations and resources to assist the reader with understanding the College's economic condition.	13 - 15

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net investment in capital assets	\$ 138,671,398	\$ 137,105,005	\$ 137,765,063	\$ 133,659,285	\$ 110,606,958	\$ 93,242,840	\$ 96,082,639	\$ 94,812,636	\$ 90,264,397	\$ 89,840,672
Restricted for:										
Debt service	1,825,264	1,798,466	1,766,833	1,742,884	1,699,027	1,663,859	1,639,557	1,477,210	1,357,332	1,163,008
Capital projects	11,475,632	10,989,529	401,660	218,533	198,883	1,469,753	12,548,437	7,493,234	1,631,704	1,914,268
Other	4,213,362	5,024,429	1,069,392	972,947	981,553	856,651	617,430	790,910	904,521	289,439
Unrestricted	<u>8,300,862</u>	<u>11,698,622</u>	<u>19,576,504</u>	<u>21,285,812</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>
Total net position	<u>\$ 164,486,518</u>	<u>\$ 166,616,051</u>	<u>\$ 160,579,452</u>	<u>\$ 157,879,461</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>

Source: College's Annual Financial Statements.

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

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues:										
Student tuition and fees	\$ 34,479,843	\$ 34,670,241	\$ 32,575,340	\$ 33,337,717	\$ 33,337,854	\$ 31,874,294	\$ 31,146,347	\$ 31,049,548	\$ 32,039,591	\$ 31,571,415
Less scholarship allowances	(8,560,494)	(8,066,845)	(8,473,503)	(9,582,422)	(6,324,730)	(7,171,782)	(7,117,501)	(7,092,007)	(7,735,180)	(8,199,350)
Net student tuition and fees	25,919,349	26,603,396	24,101,837	23,755,295	27,013,124	24,702,512	24,028,846	23,957,541	24,304,411	23,372,065
Auxiliary enterprises	5,782,375	5,772,169	7,807,720	7,792,791	8,381,236	9,459,100	10,071,648	10,061,743	10,409,564	10,757,207
Other operations	1,170,545	1,393,709	790,868	1,106,003	1,531,002	1,051,736	1,087,468	1,472,404	1,482,587	1,173,803
Total operating revenues	32,872,269	33,769,274	32,700,425	32,654,089	36,925,362	35,213,348	35,187,962	35,491,688	36,196,562	35,303,075
Operating expenses:										
Education and general:										
Instruction	84,360,795	81,887,559	76,045,064	75,018,758	68,660,469	62,300,046	57,017,699	57,226,921	56,918,482	51,721,715
Academic support	6,125,172	6,532,572	6,489,262	6,769,502	6,294,811	6,235,402	5,732,988	5,051,720	5,377,091	5,368,352
Student services	18,157,529	16,516,333	14,231,942	13,532,836	12,132,575	10,710,983	10,615,904	10,302,808	9,977,245	9,108,675
Public service	11,426,304	9,490,378	7,077,855	7,662,649	6,803,924	8,774,300	12,527,397	13,578,437	13,578,437	8,686,815
Institutional support	34,306,898	34,314,871	30,299,698	31,349,783	26,829,298	28,289,814	27,282,833	26,795,577	25,889,885	24,459,148
Operations and maintenance of plant	15,552,767	14,470,925	15,525,058	12,445,257	10,918,085	10,755,620	10,981,649	10,849,289	10,175,688	9,501,273
Financial aid	12,944,144	9,339,131	6,038,694	5,969,760	5,003,653	4,856,633	5,741,816	7,246,038	6,325,221	6,626,759
Depreciation	12,184,532	11,671,615	11,089,342	9,586,974	7,503,136	5,338,718	5,096,492	4,830,835	4,441,546	4,334,200
Loss on disposition of assets	-	-	-	-	423,435	-	-	-	-	-
Auxiliary enterprises	6,433,610	6,916,037	7,354,175	7,657,860	7,719,970	9,009,866	10,059,357	11,015,661	11,400,549	11,635,549
Total operating expenses	201,491,751	191,139,421	174,151,090	169,993,379	152,289,356	146,271,382	143,186,595	145,846,246	144,084,144	131,442,486
Operating loss	(168,619,482)	(157,370,147)	(141,450,665)	(137,339,290)	(115,363,994)	(111,058,034)	(107,998,633)	(110,354,558)	(107,887,582)	(96,139,411)
Nonoperating revenues (expenses):										
Local property taxes	73,718,780	72,033,390	70,188,736	68,268,042	66,976,264	66,153,206	64,961,915	63,591,948	62,139,690	60,194,469
Personal property replacement tax	1,767,670	1,268,697	1,173,320	1,054,387	1,280,857	1,159,689	1,266,744	1,177,861	1,164,330	1,139,553
State appropriations	70,820,292	67,561,737	56,831,307	61,287,667	44,951,735	34,646,252	37,894,602	34,341,721	34,600,754	27,664,030
Federal grants and contracts	19,122,053	18,536,382	12,425,833	13,006,462	11,361,992	13,867,176	16,509,843	19,782,912	20,173,020	15,385,348
Local grants and contracts	1,510,590	1,481,612	1,728,169	1,365,480	1,167,546	1,255,820	845,458	916,302	865,085	911,393
Investment income	339,141	2,933,132	3,349,198	866,590	534,166	407,757	326,129	238,692	126,529	91,810
Interest expense	(1,588,577)	(1,649,000)	(1,600,623)	(1,438,766)	(1,274,501)	(196,847)	(627,939)	(212,979)	(637,083)	(536,972)
Net nonoperating revenues	165,689,949	162,165,950	144,095,940	144,409,862	124,998,059	117,293,053	121,176,752	119,836,457	118,432,325	104,849,631
(Decrease) increase before capital contributions	(2,929,533)	4,795,803	2,645,275	7,070,572	9,634,065	6,235,029	13,178,119	9,481,899	10,544,743	8,710,220
Capital appropriations	800,000	362,295	54,716	13,592,627	-	-	-	-	685,416	-
(Decrease) increase in net position	\$ (2,129,533)	\$ 5,158,098	\$ 2,699,991	\$ 20,663,199	\$ 9,634,065	\$ 6,235,029	\$ 13,178,119	\$ 9,481,899	\$ 11,230,159	\$ 8,710,220

\*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>
2021	2020	\$ 20,581,699,143	\$ 4,090,385,245	\$ 1,040,264,295	\$ 177,196,556	\$ 25,889,545,239	0.290	\$ 77,668,635,717	33.33 %
2020	2019	20,587,233,421	4,127,785,289	1,038,989,785	173,381,722	25,927,390,217	0.282	77,782,170,651	33.33
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

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>College direct rates</b>										
Bonds	\$ 0.007	\$ 0.007	\$ 0.007	\$ 0.007	\$ 0.007	\$ 0.007	\$ 0.008	\$ 0.008	\$ 0.008	\$ 0.007
Educational	0.222	0.215	0.216	0.214	0.218	0.229	0.234	0.226	0.207	0.180
Operation & maintenance	0.059	0.057	0.057	0.057	0.058	0.061	0.062	0.060	0.055	0.051
Tort judgement & liability insurance	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Total direct rate	<u>\$ 0.290</u>	<u>\$ 0.282</u>	<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>
<b>Lake County rate</b>	0.060	0.597	0.612	0.622	0.632	0.663	0.682	0.663	0.608	0.554
<b>Lake County Forest Preserves rate</b>	0.182	0.180	0.182	0.187	0.193	0.208	0.210	0.218	0.212	0.201
<b>Elementary School rates</b>	1.551 - 7.219	1.472 - 4.577	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
<b>Unit School rates</b>	4.544 - 7.013	4.396 - 7.058	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
<b>High School rates</b>	1.445 - 4.327	1.375 - 4.291	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
<b>Township rates</b>	0.094 - 4.490	0.015 - 4.587	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
<b>Sanitary District rates</b>	0.003 - 2.984	0.050 - 0.217	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
<b>Park District rates</b>	0.030 - 1.045	0.029 - 1.057	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
<b>Library District rates</b>	0.232 - 0.553	0.223 - 0.574	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
<b>Fire District rates</b>	0.144 - 1.039	0.140 - 1.057	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
<b>City &amp; Village rates</b>	0.094 - 4.490	0.015 - 4.587	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
<b>Special Service Area rates</b>	0.129 - 1.806	0.158 - 6.210	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

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 2020			Levy Year 2011		
	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.	\$ 162,862,333	1	0.63 %	\$ 172,987,362	1	0.63 %
Chicago Title Land Trust Co	108,866,363	2	0.42			-
Wells Fargo Real Estate Tax Service	83,844,470	3	0.32			-
Abbvie Inc	56,246,245	4	0.22			-
Gurnee Mills (The Mills Corp)	51,635,403	5	0.20	53,815,372	2	0.20
Discover Properties LLC	47,699,829	6	0.18	45,454,923	3	0.17
Marvin F Poer & Company	33,622,320	7	0.13	33,864,282	6	0.12
Property Ta Property	29,828,146	8	0.12			-
Horizon Properties Holding LLC	29,638,894	9	0.11			-
Walmart Stores Inc	28,937,875	10	0.11			-
Midwest Family Housing LLC	-		-	40,424,333	4	0.15
Van Vlissingen & Co.	-		-	38,885,591	5	0.14
JBC Funds Parkway North LLC	-		-	32,276,631	7	0.12
Baxter Healthcare Corp	-		-	29,461,064	8	0.11
Long Ridge Office Portfolio LP	-		-	29,217,672	9	0.11
Takeda Pharmaceuticals North America	-		-	28,994,016	10	0.11
	<u>\$ 633,181,878</u>		<u>2.45 %</u>	<u>\$ 505,381,246</u>		<u>1.87 %</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 Year Ended June 30	Levy Year	Taxes Levied for the Fiscal Year	Collected within the calendar year of the levy		Collections in Subsequent Years <sup>(a)</sup>	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2021	2020	\$ 74,994,505	\$ 37,093,830	49.46 %	\$ -	\$ 37,093,830	49.46 %
2020	2019	72,991,048	31,042,418	42.53	40,881,077	71,923,495	98.54
2019	2018	71,235,607	35,293,993	49.55	35,514,249	70,808,242	99.40
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

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>
2021	\$ 42,955,000	\$ 9,000,000	\$ -	\$ -	\$ 187,499	\$ -	\$ 52,142,499	0.290%	6,975
2020	48,815,000	-	-	-	342,605	-	49,157,605	0.282%	9,975
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

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 10 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 Outstanding Debt</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Population</u>	<u>Percentage of Taxable Assessed Value of Property<sup>(a)</sup></u>	<u>Net Bonded Debt Per Capita</u>
2021	\$ 52,142,499	\$ 1,825,264	\$ 41,317,235	* 714,342	0.290%	\$ 57.84
2020	49,157,605	1,798,466	47,359,139	696,535	0.282%	67.99
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

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

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

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

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Bond Debt Limit*</u>	<u>Amount of Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2021	2020	\$ 25,889,545,239	\$ 744,324,426	\$ 52,142,499	\$ 692,181,927	7.01%
2020	2019	25,927,390,217	745,412,469	49,157,605	696,254,864	6.59%
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).

Table 10

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

Student Enrollment Demographic Statistics (Unaudited)

Last Ten Fiscal Years

<b>Fall Term</b>	<b>Enrollment</b>		<b>Gender</b>		<b>Attendance</b>		<b>Enrollment Status</b>			<b>In-District Residency</b>	<b>Average 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>		
2020	11,854	6,975	5,030	6,824	3,966	7,888	2,700	6,574	2,580	96%	26.1
2019	13,743	9,975	6,205	7,538	4,140	9,603	3,487	7,177	3,079	95%	27.5
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

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

Reimbursable Claimed Hours (Unaudited)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Baccalaureate</b>	<b>Business</b>	<b>Technical</b>	<b>Health</b>	<b>Remedial</b>	<b>Adult Basic Secondary Education</b>	<b>Total</b>
2021	157,713	7,861	15,151	11,801	8,214	12,680	213,420
2020	157,377	8,878	19,981	14,002	12,697	20,562	233,495
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

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	2021			2012		
	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>
Abbvie Inc	11,000	1	2.95%			
Abbott Laboratories	9,000	2	2.41%	12,300	1	3.50%
Aon Hewitt Corp	4,000	3	1.07%	4,700	3	1.34%
Discover Financial Svc	2,976	4	0.79%	2,000	7	0.57%
Advocate Health Care	2,333	5	0.62%			
Visual Pak	2,000	6	0.53%			
Baxter Healthcare Corp	1,900	7	0.50%			
Walgreens Boots Alliance Inc	3,000	8	0.80%	2,000	7	0.57%
CDW Corporation	1,800	9	0.47%			
Medline Industries Inc	1,600	10	0.42%			
Solo Cup Company	-		-	8,000	2	2.28%
Motorola Inc	-		-	3,000	4	0.85%
Aluma Systems	-		-	3,000	4	0.85%
Phosphate Resource Partners LP	-		-	3,000	4	0.85%
LaCosta Facility Support Services	-		-	2,800	5	0.80%
WW Grainger, Inc	-		-	2,300	6	0.65%
Veterans Health Administration	-		-	2,000	7	0.57%
Rexam CP Inc	-		-	2,000	7	0.57%
	<u>39,609</u>		<u>10.56%</u>	<u>47,100</u>		<u>13.39%</u>

(a) Civilian only.

Source: Lake County Partners

\*\* Due to COVID-19, this information could not be updated at this time. This is a duplication of last year's table.

**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):	696,535
Percentage change from 2017 census estimate	0.61%
Employment in District (note 2):	
Labor force, civilian (June 2019)	362,760
Unemployment rate (June 2019)	9.2%

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	

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Enrollment (Fall Semester, based on 10th day enrollment) (note 4):										
Total headcount	11,854	13,743	14,194	14,590	14,768	14,964	15,410	17,685	17,577	17,389
Percent change	-13.75%	-3.18%	-2.71%	-1.21%	-1.31%	-2.89%	-12.86%	0.61%	1.08%	-3.88%
Total student semester hours	104,682	117,740	120,288	122,477	123,131	125,468	126,344	141,940	143,283	142,475
Total FTE semester hours	6,979	7,849	8,019	8,165	8,209	8,365	8,423	9,463	9,552	9,498
Percent change	-11.08%	-2.12%	-1.79%	-0.54%	-1.86%	-0.69%	-10.99%	-0.93%	0.57%	-4.78%
Total seats taken	31,398	34,988	35,389	36,071	36,178	38,874	37,064	44,709	45,014	44,721
Percent change	-10.26%	-1.13%	-1.89%	-0.30%	-6.94%	4.88%	-17.10%	-0.68%	0.66%	-4.73%

Degrees and certificates awarded (note 5):

A.A., A.S., and A.E.S.	969	1045	1030	1084	1105	1042	975	995	1,254	823
A.A.S.	279	370	380	380	350	433	408	391	533	429
A.F.A./A.P.	2	1	5	0	4	1	4	4	6	1
Certificates	1773	1727	1605	1721	1561	1900	2337	2,210	4,467	876
Total, degrees/certificates	3023	3143	3020	3185	3020	3376	3724	3,600	6,260	2,129

College Workforce (Fall semester) (note 6):

Faculty/academic support	828	927	878	872	841	866	807	951	1,014	1,027
Administrators	65	61	59	56	51	58	60	60	67	66
Prof./Tech.	295	279	250	241	244	238	251	247	260	227
Clerical	124	128	99	135	145	144	138	150	174	165
Maintenance and others	106	111	119	114	115	118	124	127	131	125
% Women*	59%	60%	60%	60%	61%	60%	61%	61%	63%	63%
% Minorities*	36%	33%	31%	31%	29%	29%	30%	28%	32%	30%

\* Excludes part-time faculty

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

Notes:

- From Lake County Quick Facts, US Census Bureau 2021 estimate.
- From Local Area Unemployment Statistics (Lake County, IL), IDES, Not Seasonally Adjusted.
- From Lake County Planning, Building and Development website.
- From College of Lake County Institutional Effectiveness, Research and Planning, Fact Files.
- 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.
- 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Grayslake Campus-purchased 1968</b>										
Size of campus (acres) <sup>(a)</sup>	270.7	270.7	270.7	270.7	270.7	270.7	270.7	270.0	223.4	223.4
Gross square footage <sup>(b)</sup>	854,432	854,432	854,432	854,432	812,432	790,702	789,082	789,082	789,082	789,082
Square footage rented <sup>(c)</sup>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	20,000	20,000	20,000
Number of classrooms <sup>(h)</sup>	100	100	100	100	100	100	100	97	97	97
Number of laboratories <sup>(h)</sup>	107	107	107	107	99	99	99	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	2.8	2.8	1.7	1.4	1.4
Gross square footage <sup>(g)</sup>	76,153	76,153	76,153	76,153	71,599	71,599	71,599	71,599	71,599	71,599
Number of classrooms <sup>(h)</sup>	13	13	13	13	13	13	13	14	14	14
Number of laboratories <sup>(h)</sup>	18	18	18	18	18	18	18	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	68,803	68,803	66,269	66,269	66,269	66,269	66,269
Number of classrooms <sup>(h)</sup>	16	16	16	16	16	16	16	20	20	20
Number of laboratories <sup>(h)</sup>	13	13	13	13	13	12	12	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
<b>Advanced Technology Center -purchased 2020</b>										
Size of campus (acres) <sup>(j)</sup>	14.31									
Gross square footage	142,000									
Square footage rented	-									
Number of classrooms available	-									
Number of laboratories available	-									

<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

<sup>(j)</sup> Advanced Technology Center purchased at NE corner of Grand Ave and Rolins Road, Gurnee, Ill


Source: College of Lake County Facilities Department

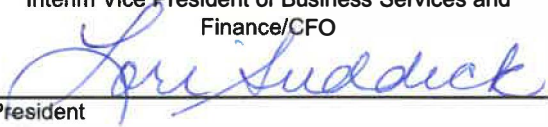
**College of Lake County  
Community College District No. 532**

Certification of Chargeback Reimbursement  
Fiscal Year 2021  
Year Ended June 30, 2021

All fiscal year 2021 noncapital audited operating expenditures from the following funds:

1. Education Fund	\$ 88,658,379
2. Operations and Maintenance Fund	10,379,142
3. Operations and Maintenance Fund (Restricted)	9,958,196
4. Bond and Interest Fund	1,844,163
5. Public Building Commission Rental Fund	
6. Restricted Purposes Fund	29,211,958
7. Audit Fund	190,647
8. Liability, Protection, and Settlement Fund	714,959
9. Auxiliary Enterprise Fund (Subsidy Only)	7,186,803
10. Total noncapital audited expenditures	148,144,248
11. Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds	10,718,280
12. Total costs included	<u>158,862,528</u>
13. Total certified semester credit hours for FY 2021	213,420
14. Per capita cost	744
15. All FY 2020 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>28,608,816</u>
16. 98 state and federal grants per semester credit hour	134
17. Less each district's average ICCB grant rate for fiscal year 2020	32
18. Less each district's student tuition per semester credit hour for fiscal year 2022	144
19. Equals charge-back reimbursement per semester credit hour	<u>\$ 434</u>

Approved:  10/20/2021  
 Interim Vice President of Business Services and Finance/CFO Date

Approved:  10.20.2021  
 President Date

College of Lake County  
Community College District No. 532

All Funds Summary  
Uniform Financial Statement Number 1  
Year Ended June 30, 2021

	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, 2020	\$ 36,924,948	\$ 6,387,106	\$ 43,494,544	\$ 1,798,466	\$ 902,814	\$ 4,795,160	\$ 17,637,149	\$ 973,252	\$ 35,642	\$ (201,398)	\$ 1,230,926	\$ 113,978,609
Revenues:												
Local tax revenue	56,362,261	14,994,350	-	1,870,961	-	-	-	-	-	491,208	-	73,718,780
All other local revenue	1,767,670	-	-	-	-	612,292	-	-	-	-	-	2,379,962
ICCB grants	8,654,772	-	-	-	-	3,119,341	-	-	-	-	-	11,774,113
All other state revenue	-	-	-	-	-	2,795,567	-	-	-	-	-	2,795,567
Federal revenue	-	-	-	-	-	19,122,053	-	-	-	-	-	19,122,053
Student tuition and fees	30,553,885	-	2,733,395	-	-	1,932,736	-	770,417	-	-	-	35,990,433
All other revenue	94,289	236,443	146,878	-	7,493,518	2,089,340	167,158	-	-	-	11,355	10,238,981
Total revenues	97,432,877	15,230,793	2,880,273	1,870,961	7,493,518	29,671,329	167,158	770,417	-	491,208	11,355	156,019,889
Expenditures:												
Instruction	43,940,923	-	-	-	-	-	-	-	-	-	-	43,940,923
Academic support	3,413,556	-	-	-	-	181,192	-	-	-	-	-	3,594,748
Student services	9,588,541	-	-	-	-	-	-	612,157	-	-	-	10,200,698
Public service	1,389,975	-	-	-	2,562,974	8,969,042	-	-	-	-	-	12,921,991
Auxiliary services	-	-	-	-	4,698,369	-	-	-	-	-	-	4,698,369
Operations and maintenance	1,988,060	7,498,000	-	-	-	-	-	-	-	-	-	9,486,060
Institutional support	28,787,842	3,252,358	24,799,752	1,844,163	-	-	-	-	190,647	714,959	-	59,589,721
Scholarships and student grants	344,604	-	2,340	-	50,679	22,234,404	-	-	-	-	-	22,632,027
Total expenditures	89,453,501	10,750,358	24,802,092	1,844,163	7,312,022	31,384,638	-	612,157	190,647	714,959	-	167,064,537
Other financing sources (uses):												
Debt proceeds	-	-	9,000,000	-	-	-	-	-	-	-	-	9,000,000
Net transfers	(8,996,117)	(5,450,397)	14,293,075	-	(219,409)	-	(236,092)	-	180,000	428,940	-	-
Total other financing sources (uses)	(8,996,117)	(5,450,397)	23,293,075	-	(219,409)	-	(236,092)	-	180,000	428,940	-	9,000,000
Fund balance (deficit) at June 30, 2021	\$ 35,908,207	\$ 5,417,144	\$ 44,865,800	\$ 1,825,264	\$ 864,901	\$ 3,081,851	\$ 17,568,215	\$ 1,131,512	\$ 24,995	\$ 3,791	\$ 1,242,281	\$ 111,933,961

**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, 2021**

---

Total fund balances - Uniform Financial Statement Number 1	\$ 111,933,961
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.	189,990,327
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.	140,958
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.	304,605
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.	823,570
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.	(9,316,423)
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	(43,142,499)
Debt certificate	(9,000,000)
Post-employment benefits	(76,587,981)
Unearned rent	(660,000)
	<hr/>
Net position - Statement of Net Position	<u><u>\$ 164,486,518</u></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, 2021**

Net change in fund balances—Uniform Financial Statement Number 1	\$ (2,044,648)
<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 outlays	16,815,328
Depreciation expense	<u>(12,184,532)</u>
	4,630,796
Net book value of disposal of capital assets are not reported in the uniform financial statements.	(15,753)
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.	4,975
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.	10,429
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	6,015,106
Proceeds from debt certificate	(9,000,000)
Amortization of loss of refunding	(63,756)
Post-employment benefits	(1,686,682)
Unearned rent	<u>20,000</u>
(Decrease) in net position - Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (2,129,533)</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, 2021

	<b>Capital Asset/ Debt Account Groups June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Capital Asset/ Debt Account Groups June 30, 2021</b>
Fixed assets:				
Sites and improvements	\$ 25,854,315	\$ 2,298,006	\$ -	\$ 28,152,321
Buildings, additions, and improvements	228,874,052	7,348,674	(455,003)	235,767,723
Capitalized collections	1,219,819	-	-	1,219,819
Construction work in progress	2,361,455	1,853,623	(928,996)	3,286,082
Equipment, furniture, and machinery	45,844,536	6,244,021	(58,045)	52,030,512
Fixed assets	<u>304,154,177</u>	<u>17,744,324</u>	<u>(1,442,044)</u>	<u>320,456,457</u>
Accumulated depreciation	<u>(118,778,893)</u>	<u>(12,184,533)</u>	<u>497,296</u>	<u>(130,466,130)</u>
Net fixed assets	<u><u>\$ 185,375,284</u></u>	<u><u>\$ 5,559,791</u></u>	<u><u>\$ (944,748)</u></u>	<u><u>\$ 189,990,327</u></u>
Fixed debt:				
Bonds payable	\$ 48,815,000	\$ -	\$ (5,860,000)	\$ 42,955,000
Debt certificates	-	9,000,000	-	9,000,000
Total fixed liabilities	<u><u>\$ 48,815,000</u></u>	<u><u>\$ 9,000,000</u></u>	<u><u>\$ (5,860,000)</u></u>	<u><u>\$ 51,955,000</u></u>

The College has no tax anticipation warrants or notes outstanding at June 30, 2021.



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

Operating Funds Revenues and Expenditures  
 Uniform Financial Statement Number 3  
 Year Ended June 30, 2021

	Education Fund	O&M Fund	Total Operating
Operating revenues by source:			
Local government:			
Current taxes	\$ 56,362,261	\$ 14,994,350	\$ 71,356,611
CPPRT	1,767,670	-	1,767,670
Total local government	<u>58,129,931</u>	<u>14,994,350</u>	<u>73,124,281</u>
State government:			
ICCB credit hour grants	8,104,055	-	8,104,055
Vocational education and other	550,717	-	550,717
Total state government	<u>8,654,772</u>	<u>-</u>	<u>8,654,772</u>
Student tuition and fees:			
Tuition and fees	30,553,885	-	30,553,885
Total student tuition and fees	<u>30,553,885</u>	<u>-</u>	<u>30,553,885</u>
Other sources:			
Investment revenue	8,741	-	8,741
Other	85,548	236,443	321,991
Transfers	-	-	-
Total other sources	<u>94,289</u>	<u>236,443</u>	<u>330,732</u>
Total revenue	<u>97,432,877</u>	<u>15,230,793</u>	<u>112,663,670</u>
Less nonoperating items*:			
Tuition charge-back revenue	-	-	-
Transfers from nonoperating funds	-	-	-
Adjusted revenue	<u>\$ 97,432,877</u>	<u>\$ 15,230,793</u>	<u>\$ 112,663,670</u>

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

Operating Funds Revenues and Expenditures  
 Uniform Financial Statement Number 3 (Continued)  
 Year Ended June 30, 2021

	Education Fund	O&M Fund	Total Operating
Operating expenditures:			
Instruction	\$ 43,940,923	\$ -	\$ 43,940,923
Academic support	3,413,556	-	3,413,556
Student services	9,588,541	-	9,588,541
Public service	1,389,975	-	1,389,975
Operations and maintenance	1,988,060	7,498,000	9,486,060
Institutional support	28,787,842	3,252,358	32,040,200
Scholarships and student grants	344,604	-	344,604
Transfers	8,996,117	5,450,397	14,446,514
Total operating expenditures by program	98,449,618	16,200,755	114,650,373
Less nonoperating items*:			
Tuition charge-back	-	-	-
Transfers to nonoperating funds	8,996,117	5,450,397	14,446,514
Adjusted expenditures	<u>\$ 89,453,501</u>	<u>\$ 10,750,358</u>	<u>\$ 100,203,859</u>
By object:			
Salaries	\$ 66,803,598	\$ 4,102,238	\$ 70,905,836
Employee benefits	10,761,538	1,440,469	12,202,007
Contractual services	4,313,812	920,895	5,234,707
General materials and supplies	2,489,352	476,985	2,966,337
Conference and meetings	279,359	843	280,202
Fixed charges	1,196,602	838,281	2,034,883
Utilities	385,025	2,601,203	2,986,228
Capital outlay	795,123	373,071	1,168,194
Other	2,429,092	(3,627)	2,425,465
Transfers	9,451,618	5,450,397	14,902,015
Total operating expenditures by object	98,905,119	16,200,755	115,105,874
Less nonoperating items*:			
Transfers to nonoperating funds	9,451,618	5,450,397	14,902,015
Adjusted expenditures	<u>\$ 89,453,501</u>	<u>\$ 10,750,358</u>	<u>\$ 100,203,859</u>

\* 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, 2021

	<b>Restricted Purposes Fund</b>
<hr/>	
Revenue by source:	
Local government:	
Other local government	\$ 612,292
Total local government	<u>612,292</u>
State government:	
ICCB – State Adult Education Grant	636,621
ICCB – State Basic and Performance Revenue Grant	946,932
ICCB – Preschool for All	1,535,788
Other	2,795,567
Total state government	<u>5,914,908</u>
Federal government:	
U.S. Department of Education	18,401,951
Other	720,102
Total federal government	<u>19,122,053</u>
Student tuition and fees:	
Tuition and fees	<u>1,932,736</u>
Other sources:	
Other	2,089,340
Total other sources	<u>2,089,340</u>
Total restricted purposes fund revenues	<u><u>\$ 29,671,329</u></u>

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

Restricted Purposes Fund Revenues and Expenditures  
 Uniform Financial Statement Number 4 (Continued)  
 Year Ended June 30, 2021

	<b>Restricted Purposes Fund</b>
<hr/>	
Restricted purposes fund expenditures, by program:	
Public services	\$ 8,969,042
Academic support	181,192
Scholarships and student grants	<u>22,234,404</u>
Total restricted purposes fund expenditures, by program	<u><u>\$ 31,384,638</u></u>
Restricted purposes fund expenditures, by object:	
Salaries	\$ 3,542,288
Employee benefits	482,284
Contractual services	476,373
General materials and supplies	920,387
Travel and conference/meetings	16,523
Fixed charges	96,058
Capital outlay	2,172,680
Other	<u>23,663,664</u>
Total restricted purposes fund expenditures, by object	<u><u>\$ 31,384,638</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, 2021

Instruction:	
Instructional programs	<u>\$ 43,940,923</u>
Academic support:	
Library center	1,740,722
Academic computing support	11,412
Other	1,842,614
Total academic support	<u>3,594,748</u>
Student services:	
Admission and records	878,648
Counseling and career services	4,026,635
Financial aid administration	972,027
Other	4,323,388
Total student services	<u>10,200,698</u>
Public service:	
Community education	1,276,346
Community services	9,090,677
Other	2,554,968
Total public services	<u>12,921,991</u>
Auxiliary services	<u>4,698,369</u>
Operations and maintenance:	
Maintenance	1,832,842
Custodial services	2,225,881
Grounds	635,567
Transportation	46,778
Utilities	2,306,235
Administration	512,728
Other	1,926,029
Total operations and maintenance	<u>\$ 9,486,060</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, 2021

Institutional support:	
Executive management	\$ 1,262,252
Fiscal operations	1,183,027
Community relations	2,508,642
Administrative support	2,177,335
Board of trustees	394,169
General institutional	18,097,384
Institutional research	589,487
Administrative data processing	6,733,510
Total institutional support	<u>32,945,806</u>
Scholarships, student grants, and waivers	<u>22,629,687</u>
Total current funds expenditures	<u><u>\$ 140,418,282</u></u>

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



RSM US LLP

## **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 Grants (State Basic and State Performance), the Workforce Equity Initiative Grant, and the Innovative Bridge and Transition Grant of the College of Lake County, Community College District No. 532, Illinois (the College) as of and for the year ended June 30, 2021, and the related notes to the 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 Grants (State Basic and State Performance), the Workforce Equity Initiative Grant, and the Innovative Bridge and Transition Grant as of June 30, 2021, 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, 2021, 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 100 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement 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 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 November 4, 2021, 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  
November 4, 2021



**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 Workforce Equity Initiative Grant, and the Innovative Bridge and Transition Grant (the Grant Programs) of the College of Lake County, Community College District No. 532, Illinois (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 4, 2021.

**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) as a basis of designing 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 grant program financial statements. 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  
November 4, 2021

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

State Adult Education  
Statement of Net Position  
June 30, 2021

	<b>State Basic</b>	<b>State Performance</b>
<b>Assets</b>		
Cash	\$ -	\$ -
Accounts receivable	-	-
	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Net Position</b>		
Liabilities		
Due to other funds	\$ -	\$ -
Total liabilities	-	-
Net position	-	-
	<hr/>	<hr/>
Total liabilities and net position	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

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

State Adult Education  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Year Ended June 30, 2021

	<b>State Basic</b>	<b>State Performance</b>
Revenues:		
State sources	\$ 650,952	\$ 295,980
Expenses – by program:		
Instructional and student services:		
Instruction	413,703	45,442
Guidance services	34,286	5,225
Assessment and testing	107,316	110,650
Student transportation services	75	-
Literacy services	-	63,620
Total instructional and student services	<u>555,380</u>	<u>224,937</u>
Program support:		
Workforce coordination	-	47,401
Data and information services	95,572	23,642
Total program support	<u>95,572</u>	<u>71,043</u>
Total expenses	<u>650,952</u>	<u>295,980</u>
Excess of Expenses over Revenues	-	-
Net Position at July 1, 2020	<u>-</u>	<u>-</u>
Net Position at June 30, 2021	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

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

State Adult Education  
ICCB Compliance Statement  
Expenditure Amounts and Percentages for ICCB Grant Funds Only  
Year Ended June 30, 2021

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State Basic	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	\$413,703	64%
Program Support (15% maximum allowed)	\$95,572	15%
State Performance	Actual expenditure amount	Actual expenditure percentage
Instruction (No minimum required)	\$45,442	15%
Program Support (No maximum allowed)	\$71,043	24%

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

Workforce Equity Initiative  
Statement of Net Position  
June 30, 2021

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<b>Assets</b>	
Cash	<u>\$ 568,047</u>
<b>Liabilities and Net Position</b>	
Accounts payable	<u>\$ 20,562</u>
Net position	<u>547,485</u>
Total liabilities and net position	<u>\$ 568,047</u>

See accompanying notes to financial statements.

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

Workforce Equity Initiative  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Year Ended June 30, 2021

Revenues:	
State sources	<u>\$ 1,197,853</u>
Expenses – by program:	
Salaries	168,522
Contractual services	64,297
Instructional equipment	459,137
Materials and supplies	309,126
Scholarships and grants	518,419
Total expenses	<u>1,519,501</u>
Excess of revenues over expenses	(321,648)
Net Position at July 1, 2020	<u>869,133</u>
Net Position at June 30, 2021	<u><u>\$ 547,485</u></u>

See accompanying notes to financial statements.

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

Innovative Bridge and Transition  
Statement of Net Position  
June 30, 2021

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<b>Assets</b>	
Cash	<u>\$ 22,485</u>
<b>Liabilities and Net Position</b>	
Liabilities	<u>\$ 1,759</u>
Net position	<u>20,726</u>
Total liabilities and net position	<u>\$ 22,485</u>

See accompanying notes to financial statements.



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

Innovative Bridge and Transition  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Year Ended June 30, 2021

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Revenues:	
State sources	<u>\$ 90,106</u>
Expenses – by program:	
Salaries	14,467
Materials and supplies	16,650
Scholarships and grants	<u>115,298</u>
Total expenses	<u>146,415</u>
Excess of revenues over expenses	(56,309)
Net Position at July 1, 2020	<u>77,035</u>
Net Position at June 30, 2021	<u><u>\$ 20,726</u></u>

See accompanying notes to financial statements.

**Notes to 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), the Workforce Equity Initiative Grant and the Innovative Bridge and Transition Grant 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. Expenses 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.

**Accounts receivable:** A receivable is recorded for the funds to be received from the ICCB at June 30, 2021 for reimbursement of the allowable expenditures incurred during the fiscal year.

**Due to other funds:** Due to other funds represents the amount to be reimbursed to the College funds for the use of resources to pay for the expenses incurred by the grant program prior to the receipt of the grant monies.

**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.

**Notes to Financial Statements**

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**Note 2. Background Information on Grant Activity (Continued)**

***Workforce Equity Initiative Grant***

The program seeks to create, support and/or expand a number of short-term programs that have an identified workforce gap in the communities of North Chicago, Waukegan, Round Lake, and Zion. The initiative will serve 182 individuals enrolled in nine programs including Administrative management Technology, Auto Collision Repair, Heating & Air Conditioning Technology, Forklift Operator, Truck Driving, Certified Nursing Assistant, Dental Assistant, Healthcare Office Assistant, and Phlebotomy.

***Innovative Bridge and Transition Program Grant***

The program is designed as an Integrated Education and Training (IET) program, which means that students will receive contextualized instruction in a career area and will be co-enrolled in Adult Education along with credit classes for industry credentials. The goals are: obtainment of an industry credential allowing entry into the workforce; to improve reading, writing, math and/or English language skills, and preparation for the high school equivalency, if needed.



## Community College District No. 532

### Grayslake Campus

1935 I 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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