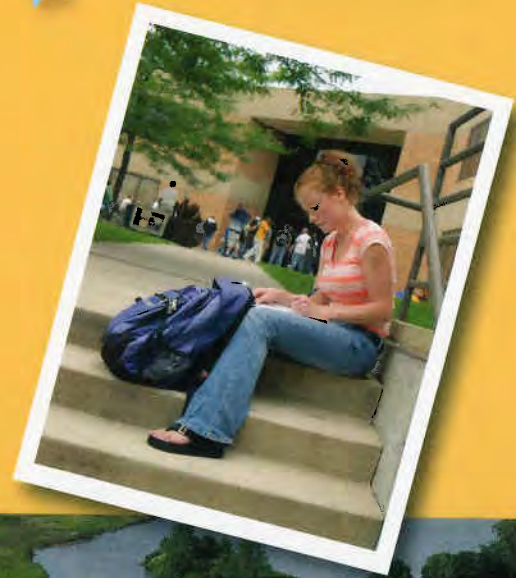


# College of Lake County

Community College District No. 532  
Grayslake, Illinois



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



Prepared By:  
Nancy McNerney  
Interim Vice President, Administrative Affairs

Ted P. Poulos  
Dean, Business Services and Finance

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

Grayslake, Illinois

Comprehensive Annual Financial Report

June 30, 2009 and 2008

(With Independent Auditors' Reports Thereon)

Prepared by:

Nancy McNerney  
Acting Vice President, Administrative Affairs

Ted P. Poulos  
Dean, Business Services and Finance

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

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October 6, 2009

To: Members of the Board of Trustees

The attached document, the Comprehensive Annual Financial Report (CAFR), has been prepared for submission to the Government Finance Officers Association (GFOA) for a certificate of achievement for excellence in financial reporting. The report is submitted for the College of Lake County, Community College District No. 532 (the College), County of Lake, State of Illinois, for the fiscal year ending June 30, 2009. The report includes the College of Lake County Foundation as a component unit in compliance with Governmental Accounting Standards Board (GASB) Statement No. 39. A more detailed description of the legal entity is contained in the notes to the financial statements in the financial section.

The data contained in the report, to the best of our knowledge, is accurate in all material respects and is reported in a manner designed to present fairly the financial position, changes in financial position, and cash flows of the College. The College administration is responsible for the accuracy of the data and its presentation. It is a fair and complete representation of the financial affairs of the College as they relate to its mission, goals and objectives.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 3- 11) which focuses on current activities, accounting changes, and currently known facts. In 2003, the College implemented changes in the financial statements to comply with GASB Statement Nos. 34 and 35. The format and purpose of these changes are addressed in the notes to the financial statements. This presentation is designed to provide better information to the users of the CAFR.

The fiscal management manual of the Illinois Community College Board (ICCB) provides the framework for accounting codes, appropriate use of funds and ICCB reporting requirements and serves as a handbook for external auditors. In addition to following this framework the College follows accounting principles generally accepted in the United States of America (GAAP) as set forth by GASB. The financial records are generally based on full accrual.

The College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' 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 auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133, and a schedule of findings and questioned costs are included in a separately issued single audit report.

## **BACKGROUND ON THE COLLEGE**

Established by the citizens of Lake County in 1969 within a framework of the Illinois Master Plan for Higher Education, the College of Lake County is a comprehensive community college dedicated to meeting the post-secondary educational and training needs of individuals within District 532. The College of Lake County is accredited by the Higher Learning Commission and is a member of the North Central Association.

As a public institution of higher learning, the College of Lake County serves its students and the larger community on the basis of its mission and strategic goals: Learning, Community Outreach, Access and Accountability.

The College of Lake County strives for excellence by responding to a wide range of transfer, career, continuing, and developmental educational needs through diverse and relevant curricular offerings. More specifically, the College pledges to provide high quality general education in the liberal arts and sciences, career education commensurate with student occupational needs and opportunities, continuing education, and basic skills that are essential for success. The College also strives to ensure that its students develop an appreciation for the diversity of world cultures and the importance of international and multicultural perspectives. As an institution that values the learning of its faculty and staff as well as its students, the College will engage in ongoing processes of assessing student achievement and providing staff development in order to improve its work and be accountable to its several constituencies.

The College also pledges to support these courses and programs with an array of print, multimedia, and electronic learning resources, and flexible student services that include advising, counseling, financial aid, and placement. Throughout all of its work, the College will maintain academic standards that will lead to competence and encourage the pursuit of excellence.

Furthermore, the College affirms its commitment to fostering the cultural, aesthetic, and intellectual life of the district and assumes responsibility for providing leadership to the community in these areas. In addition, the College is committed to the advancement and development of the district's economy and recognizes its civic responsibility to provide education and training for business and industry. In these and other areas of its mission, the College will enter into partnerships that will help achieve greater efficiency and effectiveness.

The College assures equal access and opportunity for all individuals regardless of race, ethnic origin, creed, gender, age, veteran's status, sexual orientation, or non-disqualifying disability.

Consistent with its values and mission, the College of Lake County sets forth the following goals for Fiscal Year 2010:

Strategic Goal 1: Learning

*The College of Lake County will enhance student learning.*

This goal includes the following objectives: improving and fostering student learning in general education, serving as a leader in workforce training by offering programs which meet the current and future workforce needs of the district, encouraging active learning approaches in instruction, increasing the academic success rates of students, especially those identified as at-risk of not meeting their educational goals, and serving as a life-long learning resource for the community, offering a diverse range of cultural and educational opportunities.

Strategic Goal 2: Community Outreach

*The College of Lake County will strengthen its outreach to the community.*

This goal includes the following objectives: increasing public awareness of the College's educational programs and opportunities for financial aid, increasing higher education participation among those with the ability to benefit, responding to the educational needs of diverse populations, and partnering with various government and community organizations to address educational issues affecting the quality of life within Lake County.

Strategic Goal 3: Access and Student Success

*The College of Lake County will work to reduce barriers and increase opportunities to meet the diverse needs of the people of Lake County.*

This goal includes the following objectives: continuously improving student-centered services, enhancing the technology infrastructure to ensure that students have easy access to the information, people and services they need to be successful, facilitating educational transitions from one level to the next, promoting student preparation and transition to college, strengthening the academic advising system, encouraging students to develop a career plan, improving the success of students in achieving their academic goals, and promoting increased participation in financial aid programs.

Strategic Goal 4: Accountability and Responsible Stewardship

*The College of Lake County will evaluate and improve all academic and nonacademic departments to ensure high quality and utilize resources efficiently and effectively and expand facilities.*

This goal includes the following objectives: focusing on effectiveness and efficiency to ensure its long-term financial viability, incorporating the principles of continuous improvement by conducting reviews of all academic and nonacademic departments, fostering a working environment which encourages and strengthens participation in decision-making, achieving



excellence in teaching and learning by providing resources for professional development, and fostering and expanding a safe, clean and environmentally responsible campus that enhances students' well-being and meets the needs of the community.

## **ECONOMIC CONDITION AND OUTLOOK**

In Illinois, the state is divided into 39 community college districts. The College of Lake County's district is located in Lake County, north of Chicago, bordering Cook County on the south, Lake Michigan on the East and Wisconsin on the North. In the last census (2000), the population of Lake County increased by 25 percent over the 1990 level. This rate exceeded the metropolitan area of Chicago's 11 percent growth, and made Lake County one of the fastest-growing counties in Illinois. The *Chicago Metropolitan Agency for Planning* projects that Lake County's population will increase by 31 percent from 644,356 in 2000 to 844,315 in 2030. Since 2000, Lake County's population has increased 10.6 percent to 712,453 in 2008.

A significant factor affecting the College is the fact that a large part of the population growth in the 1990s was among families with children. Although the number of school-age children declined in the 1970s (-6.5%) and 1980s (-1.3%), a dramatic increase of 38 percent occurred in the 1990s. As more housing developments were built in Lake County, the number of families with children under 18 years old increased by 15 percent between 1990 and 2000.

Lake County, and therefore the College, has a strong economic base. The 2007 American Community Survey ranked Lake County as having the highest median household income in Illinois. Also in 2007, the American Community Survey ranked Lake County as the 38<sup>th</sup> highest in the nation in median household income. Although primarily a residential area, Lake County is home to some of the largest businesses in Illinois including Hewitt Associates, Motorola, W.W. Grainger, CDW, Walgreen's, Baxter, Condell Medical Center, and Abbott Laboratories. It is also home to the third largest base in the Navy, the U.S. Naval Training Recruit Center at Great Lakes. In addition, Lake County has become a major tourist attraction with the addition of a highly successful outlet mall, Gurnee Mills, and the popular amusement park, Six Flags Great America. A water resort, Key Lime Cove, opened in 2008. In 2007, Lake County ranked as one of the top three counties in Illinois in travel income, behind Cook County and DuPage County. Tourists spent more than \$1.05 billion dollars in Lake County in 2007, supporting 10,440 jobs and generating more than \$242 million in payroll. The county and local municipalities earned approximately \$23 million dollars in local tax receipts from tourists in 2007, an increase of more than 6% over 2006.

The following table illustrates enrollment growth over the past five years that is indicative of the population growth in Lake County and reflects the College response to the community through the programs that are offered.

**Enrollment Summary  
(Fiscal Year)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual Unduplicated Credit Headcount	26,662	27,377	27,103	27,912	28,834
Annual Unduplicated Non-Credit Headcount	41,111	42,846	40,054	40,522	40,642
Credit Hours	268,078	275,991	280,499	286,882	304,224
FTE	8,936	9,197	9,350	9,563	10,141

**COLLEGE OF LAKE COUNTY MAJOR INITIATIVES**

The College of Lake County (CLC) looks forward to celebrating its 40th Anniversary under the leadership of Dr. Girard Weber who became the College's sixth President in spring 2009. To commemorate the 40th Anniversary milestone, the Alumni Relations & Special Events department along with the Public Relations department, have been working to develop, implement, and promote a series of events that build awareness of the College's programs and awareness of the College's contributions to Lake County since its inception in 1969.

During fiscal year 2010, CLC will continue to expand its programs and course offerings while addressing the diverse needs of students and the community. The College's strategic goals of Learning, Outreach, Access/Student Success, and Accountability/Responsible Stewardship have provided a framework to address our mission of meeting the post-secondary educational needs of residents of Lake County.

In this fiscal year, the College will develop a strategic plan which will include updating the strategic goals, objectives, and mission as well as incorporating a shared institutional vision. The strategic plan and the development of a vision were recommended by the Academic Quality Improvement Program (AQIP) reviewers who conducted a Quality Check-Up Visit during spring 2009. The proposed strategic plan will assist CLC with charting a clear direction for the future.

In addition to the development of a strategic plan, the College will undergo the reaffirmation of accreditation process conducted by an AQIP panel. This process includes the panel's review of CLC's accomplishments in areas identified by AQIP as needing improvement, a review of the report from the AQIP Quality Check-up Visit, as well as a review of various continuous

improvement initiatives the College has embarked upon. Once reaffirmed, the College's accreditation will be renewed for another seven years.

Also during fiscal year 2010, the Resource Development and Legislative Affairs Department will continue to seek funding for campus energy sustainability initiatives, green collar job training, and the Illinois Community College Sustainability Network (ICCSN). The ICCSN is a consortium of community colleges dedicated to green collar job training and education as well as to the widespread deployment of energy conservation and renewable energy technology.

These initiatives are among many which will address the College's four strategic goals of Learning, Outreach, Access/Student Success, and Accountability/Responsible Stewardship. Numerous program activities have been planned by the various administrative areas of the College to achieve the specific objectives set for each of these goals. These plans are summarized in the following pages.

### ***Strategic Goal 1: Learning***

The goal of learning is CLC's primary mission. The College strives to provide high quality education and meet the educational needs of the residents of Lake County. Below are objectives related to this goal and the planned activities that will assist us in successfully meeting this goal.

One objective is to improve and foster student learning. CLC will continue to offer and expand quality programs and course offerings. New program offerings approved by the Illinois Community College Board (ICCB) for fiscal year 2010 include an Associate in Applied Science (AAS) in Trauma, Violence Prevention & Victim Services and an AAS in Health & Wellness Promotion. Also there is a new and improved Nursing AAS program which includes new courses, different hours and different sequencing. The current program utilized by Nursing will be phased out over the next three semesters. There are also nine new certificate programs which include Personal Training, Wellness Coaching, Landscape Design, Healthcare Office Assistant, Wireless Networking Security, Fiber Optics Technician, Laser/Photonics/Optics, Administration & Leadership in Early Childhood Education, and Trauma, Violence Prevention, & Victim Services.

A number of divisions are addressing the objective of offering training programs to meet the current and future workforce needs of Lake County. The Biological & Health Science Division will develop a new certificate program entitled Health Care Technician. The Business Division and the Workforce and Professional Development Institute (WPDI) will work with the Resource Development and Legislative Affairs Department to submit a grant proposal to develop credit and non-credit programming in international trade topics. The WPDI's Small Business Development Center will collaborate with the Department of Commerce and the North Business & Industrial Council in Chicago to offer additional workshops on international trade. Client Solutions will collaborate with the Global Corporate College to design and develop 20 new training modules for its course library in the area of Management and Leadership Development.

Also during FY2010, new programs or courses will be developed or modified. The Social Science Division will create a gender studies program that will include three new classes in gender studies. Libraries and Instructional Services will design and market an elective course in information literacy. The Engineering, Math & Physical Science (EMPS) Division plans to



deliver the first 43 credits of the AAS degree in Nanoscience Technology at the Southlake campus, and make modifications to the CAD Drafting Technology AAS degree certified by ADDA (American Design Drafting Association).

There are several areas that will work to encourage active learning approaches in instruction including innovative uses of technology, collaborative learning, service learning, work-based learning, and problem-based learning. During each semester, Career and Placement Services will encourage three faculty members to engage students in a service learning project and/or a work-based learning/internship. The Lakeshore Campus and the Nursing program will use a remote response system (e.g., iClickers) to obtain student feedback and assessment in the classroom. The Professional Development Center will increase the number of distance learning courses that utilize audio and/or video.

In an effort to increase the academic success rates especially of developmental students, the Communication Arts division will implement a reading tutoring program that was piloted last year. The Learning Assistance Center will develop and implement tutor training to improve the academic support and tutoring of students with special needs.

The Counseling, Advising and Transfer Center will develop an outreach follow-up program for Satisfactory Academic Progress (SAP) and/or probation students. The Lakeshore campus will work with the Student Life Department to explore expanding the THRIVE Retention program for at-risk populations. Also, the Resource Development and Legislative Affairs Department will work with the Division of Student Development to develop a United States Department of Education TRIO: Student Support Services grant that will help provide academic support services, counseling, mentoring, enhanced academic skills programs, tutoring, and increased retention and graduation of disadvantaged students.

The objective of offering a diverse range of programs to enhance life-long learning will be addressed by the James Lumber Center with the first multi-campus cultural performance activity/event to celebrate Hispanic Heritage Month. The Department of Athletics and Physical Activities will provide programming for students, faculty and staff in the areas of fitness, health and wellness. The Lakeshore Campus will develop a series of programs to foster the social, civic, historic and multi-cultural awareness of Lakeshore Campus students and community.

### ***Strategic Goal 2: Outreach***

The goal of Outreach focuses on CLC's partnerships with the community, as well as public awareness of CLC's educational programs and financial aid opportunities. Outlined below are activities planned this upcoming year that will address the objectives within this goal.

There are several departments that will work to increase public awareness of educational programs and opportunities for financial aid. The College Foundation will recruit new Foundation Board members and work to increase the participation and giving of current members. The Alumni Association Board will develop a career mentoring program for recent and soon-to-be graduates by utilizing the online community's mentoring module. EMPS will expand the science outreach initiative to help develop the next generation of science professionals. WPDI's Small Business Development Center will promote their services through outreach efforts and strategic partnerships.

The Lakeshore Campus will work with Public Relations to create a brochure for Lakeshore educational programs and a brochure for financial aid services to market to students with the ability to benefit. Similarly, the Southlake Campus will work with Public Relations to develop a brochure with a comprehensive overview of the Southlake Campus. The Testing Centers will create and implement college orientation sessions for individuals completing GED exams administered through the Testing Centers. The Procurement Technology Assistant Center will create a web resource page(s) to provide companies with access to commonly used information and resources.

The objective of responding to the educational needs of diverse populations and partnering with various groups to address educational issues in Lake County will be addressed by Career and Placement Services (CPS). The CPS will partner with 10-15 local community based organizations, businesses, employers, educators, community groups, CLC departments and divisions to: 1) provide educational and training resources; and 2) employment and workshop opportunities to jobseekers to assist them with their needs during the recession.

The James Lumber Center will provide transportation and event tickets for approximately 1,000 elementary and middle school students in low-income areas of Lake County to attend curriculum-based daytime school shows during fiscal year 2010. Judicial Services will develop and implement the "Alive at 25 Teen Driving Program" for area high schools. The Social Science Division is developing an "Education Field Experience Initiative" which will create strong formal partnership with local schools and school districts that would allow students to perform their observations hours. WPDI will join associations to learn more about the needs of Lake County manufacturing companies, to promote existing services, and to more clearly define the additional services that would fit their training needs.

### ***Strategic Goal 3: Access and Student Success***

Access and Student Success focuses on the College's commitment to providing services and support to students that will assist them in their transition to college, as well as assist them in reaching their academic goals. Below are some planned activities that support this goal.

The objective of improving student services, including the use of technology, will be addressed by a number of administrative offices. Accounting Services will create a student payment center within the business office to provide students with a place to discuss their accounts/payment options and setup payment plans in a more private setting. The Health Center will implement a paperless registration and charting system to improve efficiency and accessibility of student health information. Admission & Records will create a Center for International Education, organize the CLC programs, services and policies to reflect veteran-friendly approaches, as well as reconvene the Intake Committee which will focus on improving the communication, process and ease for prospective students to become enrolled. The Counseling, Advising and Transfer Center will develop a plan to market classes and services offered by the Center.

The Financial Aid Office will work on increasing the level of customer service and establish full-time financial aid coverage at the Lakeshore campus. In addition, the Lakeshore Campus will work with Admissions & Records to provide on-campus admissions services with a recruitment specialist, as well as establish a schedule and a permanent room for recruitment services. The

Office for Students with Disabilities will coordinate a comprehensive evaluation of service needs at the Lakeshore and Southlake campuses for students with disabilities. The Southlake Campus will institute a comprehensive full-year student activities calendar of events in order to promote a campus culture at Southlake. Student Life will evaluate and modify the First Year Experience initiative to include additional online resources, leadership & career opportunities, and transfer information.

There are several departments that will facilitate educational transitions by forming partnership and cooperative agreements. The Business Division will establish articulation agreements with four-year institutions for five AAS programs. The Resource Development and Legislative Affairs Department will work with Northeastern Illinois University in submission of a U.S. Department of Education Title V Hispanic Serving Institutions grant.

The objective of forming partnerships with primary and secondary Lake County schools to promote student preparation and transition to college is being addressed in a couple of areas. The College will continue developing the dual credit pilot program and refine the process. The Career and Placement Services office will partner with eight Lake County primary schools and secondary schools to provide career information about the industries and green occupations that will have the most growth and future job openings in the next five to six years.

The objective of strengthening and enhancing the academic advising system to improve student decision-making is being addressed by a couple of areas. The Counseling, Advising and Transfer Center will create an advising tool to promote consistent advising that helps ensure new students receive the same information. Lakeshore will explore expanding the New Student Orientation Program to the Lakeshore Campus.

In order to address the objective of improving the success of students in achieving their goals, the THRIVE Retention Initiative will design and pilot a bridge program for at-risk students. The Nursing program applied for the "Pathways to Results Initiative" which is a program in collaboration with Illinois Board of Higher Education, ICCB and Metropolitan Chicago Healthcare Council. The program will examine academic and non-academic risk factors and lead to the development of student support services.

The objective of promoting increased participation in financial aid and scholarships is being addressed by several departments. Career and Placement Services will partner with Financial Aid to promote financial aid/work study opportunities to students and provide 100 students with work study opportunities each semester. The Financial Aid office will make improvements in scholarship administration in order to meet the needs of students and their families. The College Foundation will increase awards of major scholarship categories by a minimum of 5%.

#### ***Strategic Goal 4: Accountability and Responsible Stewardship***

Under the goal of Accountability and Responsible Stewardship, the College focuses on ensuring financial viability, achieving continuous improvement, providing a safe environment, as well as valuing and developing employees. Below are activities that will help CLC obtain this goal.



To ensure the long-term financial viability of the College, a number of administrative areas will seek to achieve cost efficiency, maximize revenue, and develop new revenue sources. The Admissions & Records will move the 2010 commencement ceremony to the Genesee Theater in Waukegan, Illinois which is expected to reduce costs and comfortably accommodate the graduates, guests, faculty and staff. Also, in an effort to reduce waste and “go green”, the Admissions & Records department will research implementing online transcript transmission as well as create an online grade report that would eliminate paper grade mailers. The Alumni Relations & Special Events department will develop an online auction to supplement revenue that is created from silent and live auctions at the Foundation Scholarship Gala. The Business Services office will train and transition staff to the print/scan services offered via all computers and copy machines.

In addition, Client Solutions will execute a sales strategy for the purpose of raising \$800,000 in contract revenue. The contracts will include training, coaching, and consulting services to Lake County corporations, non-profits, and government agencies. The College Foundation will work to increase net profit from special events by 30% while the Professional Development Center has set a goal to generate \$285,000 in revenue during fiscal year 2010. Facilities will expand the data and use of a software program called Comet which will enable the College to make better facilities budgeting decisions.

Many areas in the College will work towards achieving continuous improvement. Accounting Services will work with Information Technology Services to upgrade the PeopleSoft financial system. The Alumni Association will review and update their strategic plan from 2006. The Counseling, Advising and Transfer Center will create an assessment plan for ongoing evaluation of student satisfaction and the effectiveness of the advising process. The Continuing Professional Development department will create an assessment process using the new Class Climate evaluation tool. The Assistant Vice-President of University Transfer will revise the Curriculum Commission handbook to better reflect the new processes and procedures implemented in the 2008-09 academic year.

The Institutional Effectiveness, Planning and Research Office (IEPR) will implement a new online system which will be used to request, assign, and track projects as well as obtain feedback from customers on the requested projects. IEPR will also conduct the Community College Survey of Student Engagement and the National Community College Benchmark Project which will help the College benchmark student satisfaction, student engagement, and other institutional measures. In addition, IEPR will work with Financial Aid, Foundation, Enrollment Services, EMPS, Health Center, Bookstore, Art Gallery, and the Office of Students with Disabilities to complete their department reviews. The College will update the system portfolio utilizing the new Academic Quality Improvement Program (AQIP) format. The College will also provide AQIP with an update of the 2009 fiscal year projects and identify 2010 AQIP projects.

The Campus Police will assist in the College’s efforts to foster a working environment that values and respects employee contributions and strengthens participation in decision-making by creating a department employee reward system. Human Resources will provide managers with a toolkit for core HR business processes that is accessible 24 hours a day, seven days a week.

To foster a safe, clean, and environmentally responsible campus, the Health Center will work with the Lake County Health Department and the Pandemic Flu Plan Committee in conducting regular evaluations of the pandemic flu plan. Also, Facilities will continue the upgrade of the building automation system.

The objective of providing resources for professional development for faculty and staff will be addressed. The Professional Development Center will develop and implement a website that will better serve CLC faculty and staff. Lastly, the Biological & Health Science division will develop improved materials for training division faculty in advising and conduct advising training.

## FINANCIAL INFORMATION

**Internal Controls.** The College administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to prepare financial statements conforming with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of control should not exceed the benefits likely to be derived; and
- The evaluation of cost and benefits requires management to formulate estimates and judgments.

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

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

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

An encumbrance accounting system is used to maintain budgetary control. Expenditures are encumbered as they are incurred, and online financial reports indicate accurate budget balances



throughout the year. The financial statements and schedules included in the financial section of this report indicate that the College meets its responsibility for sound financial management.

**General Government Functions and Fund Balances.** The funds considered to be “General Government” are the Education Fund and the Operation and Maintenance Fund. These are more commonly referred to as the general funds or operating funds. Revenues that are regularly reoccurring are from predominately three sources: local property taxes, state sources and tuition and fees. The largest contributor to revenue is local property taxes. The strength of the financial base is the county assessed value, which totaled approximately \$28.97 billion in 2008 for tax collections in 2009.

The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5 percent, whichever is lower. The non-debt service tax levies will decline over time as the community grows, increasing the assessed values while generating increased tax revenue to support the College. The following table details the tax levy information.

Fund Type	Maximum Tax Rate	2008	2007	2006	2005
Education	\$ .130	.129	.128	.128	.128
Operations and Maintenance	.060	.057	.054	.056	.058
Liability, Protection and Settlement	(1)	.003	.003	.003	.003
Audit	.005	.000	.000	.000	.000
Bond and Interest	(1)	.006	.006	.007	.007
Medicare	(1)	.001	.001	.001	.001
Plant: Operations and Maintenance	.000	.000	.000	.000	.000
(Restricted)	.050	.000	.000	.000	.000
Life Safety					
Other	.000	.000	.000	.000	.000
<b>Total</b>		<u><b>\$.196</b></u>	<u><b>.192</b></u>	<u><b>.195</b></u>	<u><b>.197</b></u>

Assessed value of taxable property for 2008 was \$28.97 billion, an increase of \$1.05 billion from 2007, or 3.8%.

The College’s average collection rate, including collection of back taxes, over the past five years is approximately 99.68 percent.

- (1) The maximum authorized tax rate is defined by state statute.

Revenue from tuition and fees has grown commensurate with enrollment and gradual increases in tuition rates. The tuition and fees charged in FY 2009 total \$95 per credit hour and will remain the same in FY 2010.

Revenue from state sources has decreased, as a percentage of total revenue, due to a reduction in the state budget for community colleges. The College should enjoy a continued stable source of income derived from population growth in Lake County and the long-term financial strength of the State of Illinois, despite current fiscal challenges.

**Enterprise Operations.** The College's enterprise operations consists of the auxiliary services fund which is used to account for the activities of the book store, food services, student activities, athletics, and performing arts.

**Debt Administration.** The statutory debt limit based on the property tax assessed valuation totals \$832,824,369. The current indebtedness totals \$13,465,000 leaving a substantial margin for additional debt, as warranted by the previously described high assessed valuation and the current property taxes. Current indebtedness is due to six different outstanding series of bonds with varying maturity dates, with the last payment due in 2018. A working cash fund, with a current balance of \$17,657,292, was established through the sale of bonds and is available for periodic transfer to the various fund groups as needed for cash flow purposes. Loans are established during the fiscal year and repaid from revenues received.

**Prospects for the Future.** The College forecasts for revenues and expenditures have historically been an accurate representation using a mathematical model as a basis for the projections. Revenues from the three major sources as previously described will continue to meet all of the College general fund obligations. In the past year, the state of Illinois passed a capital bill for the first time in over five years. In this bill the College will receive state funding for two new buildings. The State will provide 75% of the costs and the College has agreed to pay the remaining 25 percent. The total funds received from the state were \$53.5 million and the College will contribute an additional \$17.8 million. The College is planning to issue bonds to cover their portion of the costs. The bonds will include a combination of non-referendum debt service and alternate revenue bonds. These two new buildings will allow the College to grow to meeting the expanding population needs of Lake County.

**Cash Management.** The College has an established policy that provides for the prudent, conservative, timely investment of excess funds. This policy, approved by the Board, follows the Illinois Community College Act (Chapter 110 of Illinois Compiled Statutes Act 805) and the Illinois Public Funds Investment Act (Chapter 30 of the Illinois compiled statutes Act 235). The Treasurer, as appointed by the Board of Trustees, is delegated the responsibility for managing College investments. Investments are predominately placed in certificates of deposit either insured or properly collateralized. Interest income for Fiscal Year 2009 totaled \$679,593, constituting a net rate of return of 2.12 percent.

**General Fixed Assets.** The notes to financial statements elaborate on the activity for the fiscal year and the status of fixed assets at June 30, 2009.

**Risk Management.** The typical College property and casualty losses are insured through a conventional insurance program providing coverage for these losses under policies such as worker's compensation, building and property insurance, tort liability, school leaders professional liability and a \$20 million umbrella policy that provides excess insurance coverage to extend the basic limits of these policies. A special tax levy authorized by state statute allows

the issuance of a property tax to pay for these risks excluding those with elements for property coverage. To minimize the risk of loss the College has a Campus Police Department on duty 24-hours, seven days per week, a Health Services Department and an active Safety Committee to review and make recommendations for improving and/or minimizing risk to property, employees and students.

### **OTHER INFORMATION**

**Independent Audit.** The accounting firm of Crowe Horwath LLP has been engaged as the independent certified public accountant performing the state-required annual audit. The auditors' report on the basic financial statements and schedules is included in the financial section of this report.

## AWARDS AND ACKNOWLEDGEMENTS

**GFOA Certificate of Achievement.** The GFOA awarded Certificates of Achievement for Excellence in Financial Reporting to the College of Lake County for its comprehensive annual financial reports for the fiscal years ended June 30, 2001 through 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

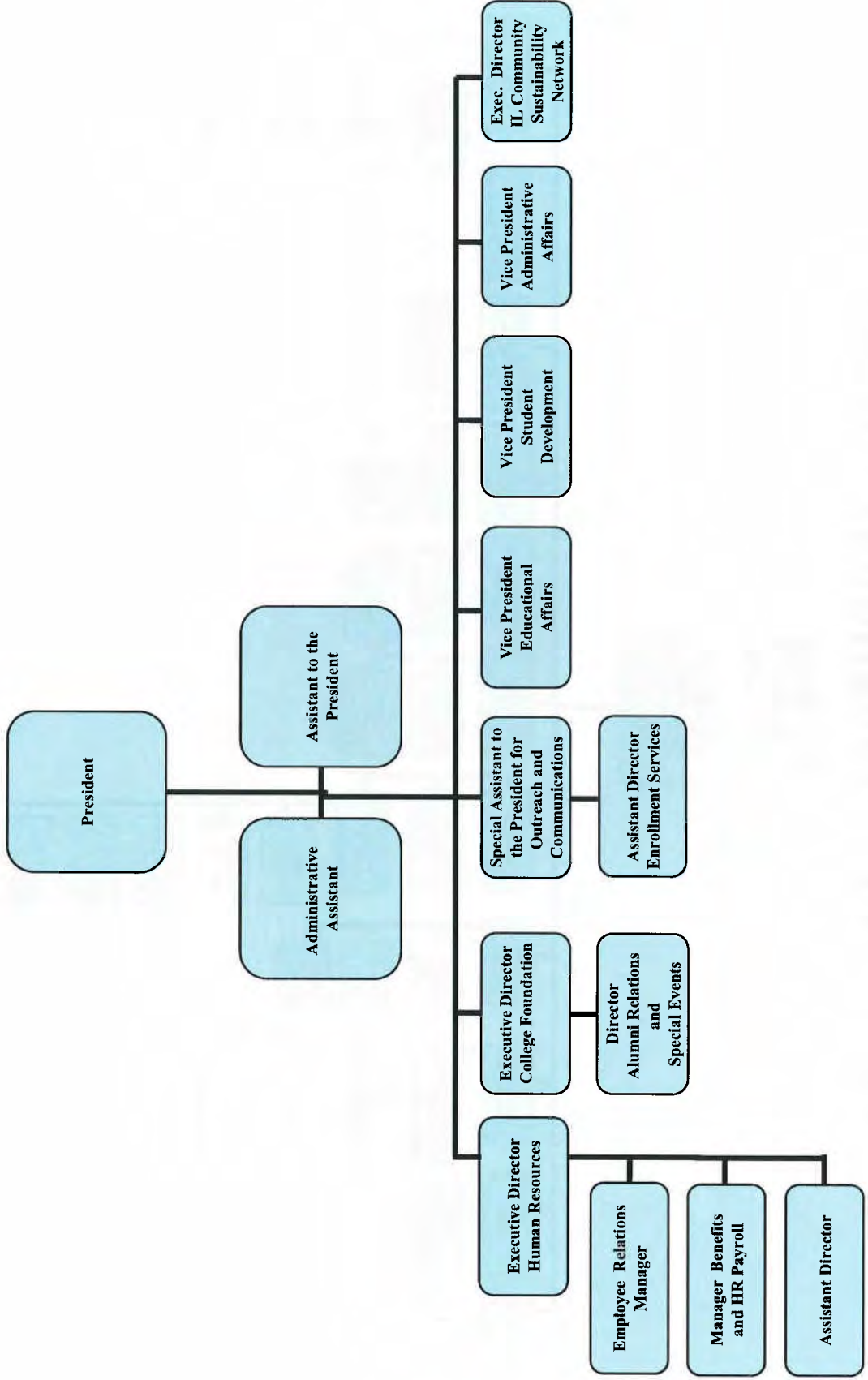
The comprehensive annual financial report presents the work of a variety of dedicated finance office administrators and staff members. It could not have been completed without the considerable effort of the audit team from Crowe Horwath LLP applying their extensive professional experience as they work with community colleges throughout the State of Illinois and the nation. Credit must be given to the College Board of Trustees and its Executive Staff for providing the time and resources required for producing such an extensive report.

Respectfully,



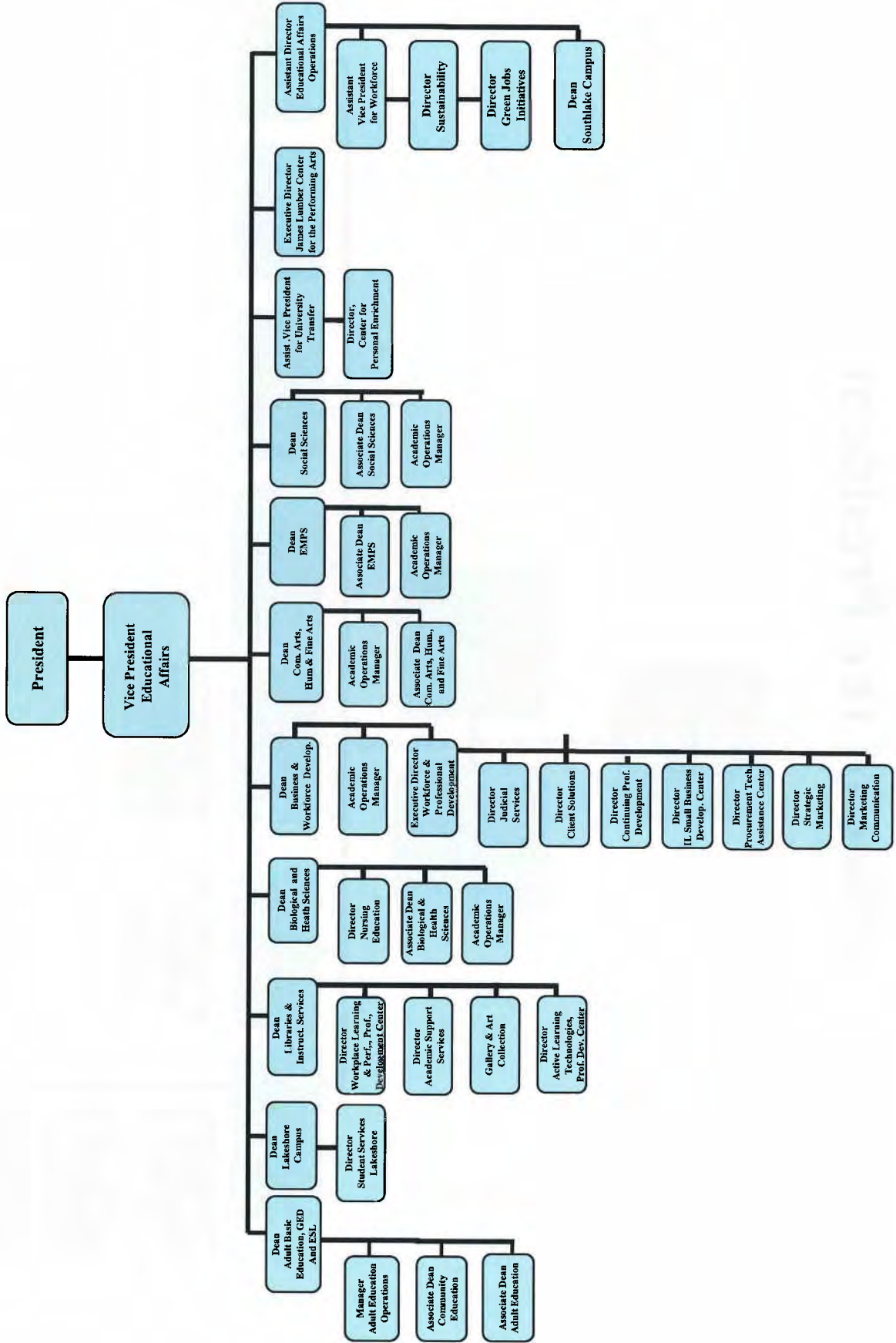
Nancy McNerney  
Interim Vice President for Administrative Affairs

# Office of the President

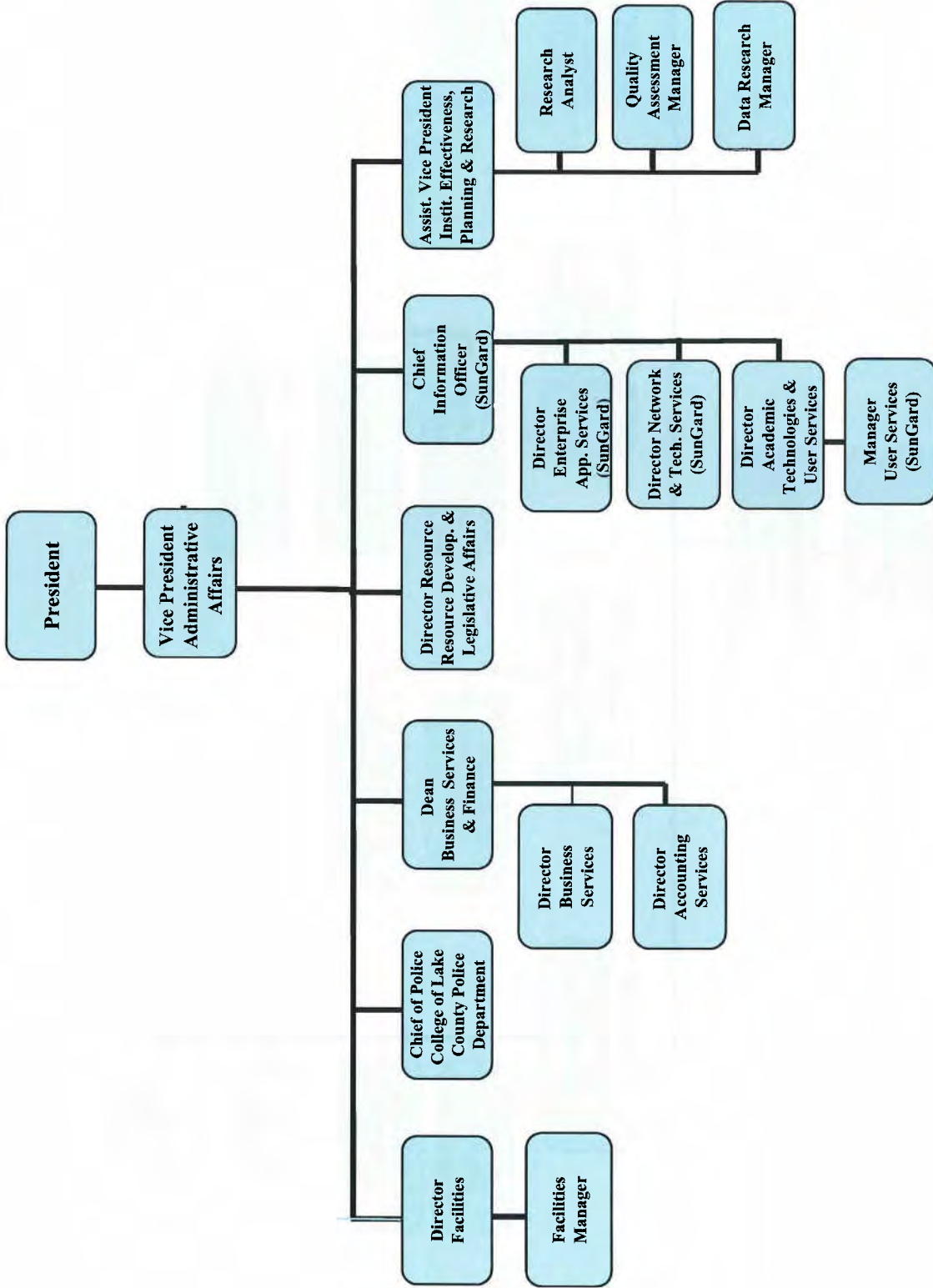




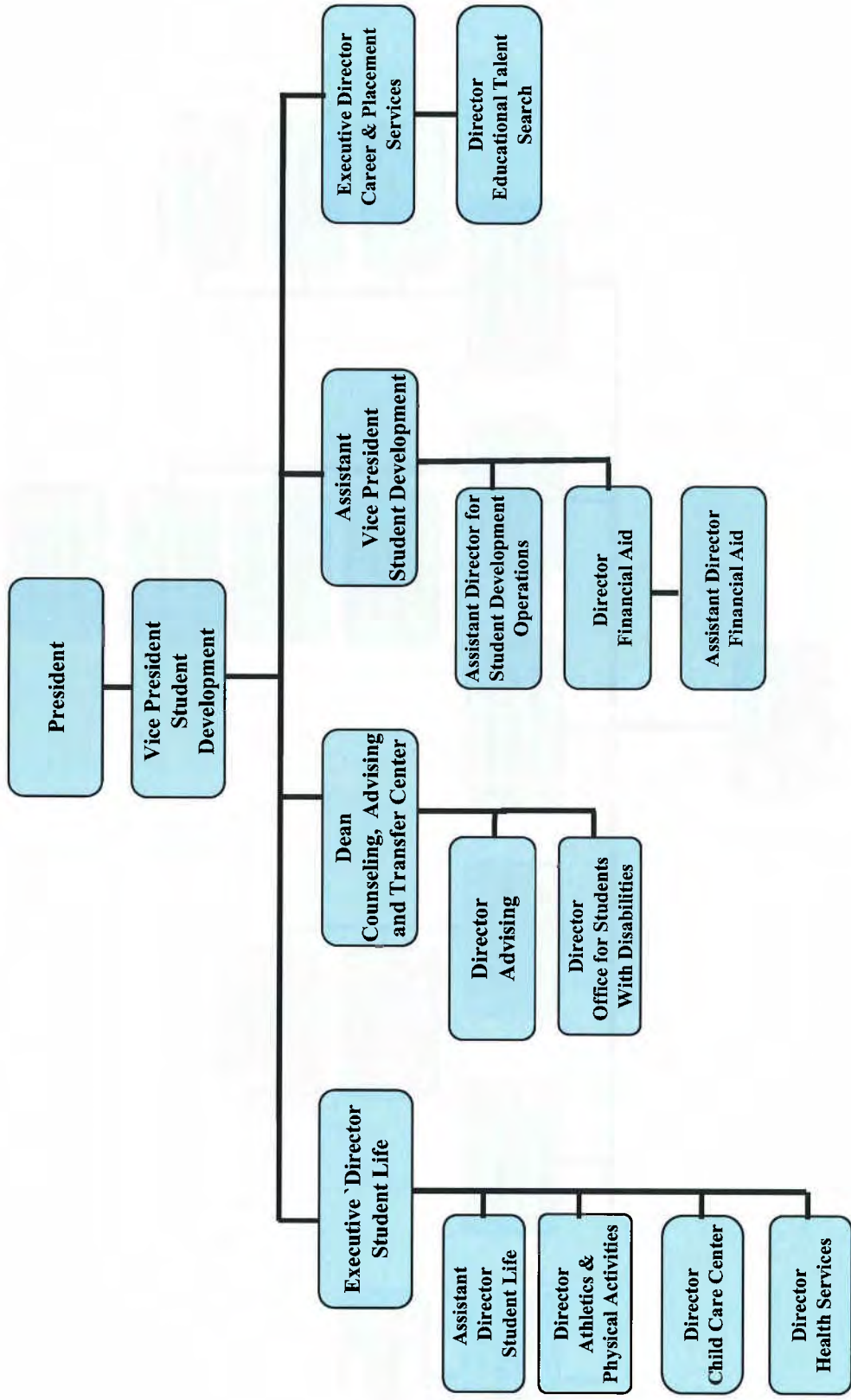
# Office of Educational Affairs



# Office of Administrative Affairs



# Office of Student Development



College of Lake County  
Community College District No. 532

Principal Officials

Year ended June 30, 2009

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BOARD OF TRUSTEES

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	<u>Position</u>	<u>Term Expires</u>
Philip J. Carrigan	Chairman	2011
Barbara D. Oilschlager	Vice Chairman	2013
Richard Anderson	Trustee	2015
Amanda Howland	Trustee	2015
William M. Griffin	Trustee	2015
John W. Lumber	Trustee	2013
Thomas J. Schwartz	Trustee	2011
Blake Hudson	Trustee	2010

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OFFICERS OF THE COLLEGE OF LAKE COUNTY

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Girard W. Weber	President
Richard Haney	Interim Vice President for Educational Affairs
Darl E. Drummond	Vice President for Student Development
Nancy McNerney	Interim Vice President for Administrative Affairs Treasurer/ Secretary

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OFFICIALS ISSUING REPORT

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Nancy McNerney	Interim Vice President for Administrative Affairs
Ted P. Poulos	Dean of Business Services and Finance

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DIVISION ISSUING REPORT

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Administrative Affairs  
Business Services and Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

College of Lake County  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





Crowe Horwath LLP  
Member Horwath International

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
College of Lake County  
Community College District No. 532

We have audited the accompanying basic financial statements of the College of Lake County, Community College District No. 532 (the College) and its discretely presented component unit, the College of Lake County Foundation, as of and for the years ended June 30, 2009 and 2008, as listed in the accompanying table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the College of Lake County Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College of Lake County, Community College District No. 532, and its discretely presented component unit, the College of Lake County Foundation, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2009 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

The Management's Discussion and Analysis and other required supplementary information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods

of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 2009 audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The supplementary information included in schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the College. This information is required by the Illinois Community College Board and is presented on the modified accrual basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole.

The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In June, 2004, the GASB released Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The College has implemented this statement as of their fiscal year ended June 30, 2009. The statement addresses post employment benefits other than pension and establishes standards for the measurement, recognition, and display of expense, expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local government employers.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2009

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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

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, 2009 and 2008. 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 assets 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 assets 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 2009**

Total operating revenues were \$33,452,962 and total operating expenses were \$108,874,141 for the year ended June 30, 2009. The difference produced an operating loss of \$75,421,179.

Net nonoperating revenues of \$78,903,035 for the year ended June 30, 2009 offset the operating loss and resulted in an overall increase in net assets before state capital appropriations of \$3,481,856. Nonoperating revenues included local property taxes of \$55,125,615, state appropriations and replacement tax of \$16,835,815, federal grants and contracts of \$5,716,530, local grants and contracts of \$1,138,575 and net investment income of \$679,593; offset by interest expense of \$593,093.

Operating revenue accounted for 30% of the College's total revenue and nonoperating revenue accounted for 70% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$20,992,696, auxiliary enterprise revenues totaling \$10,539,065, and other operating revenues of \$1,921,201.

Total net assets increased from \$123,352,632 at the beginning of the year to \$126,834,488 at the end of the year.

**Financial Highlights Fiscal Year 2008**

Total operating revenues were \$31,424,626 and total operating expenses were \$100,996,286 for the year ended June 30, 2008. The difference produced an operating loss of \$69,571,660.

Net nonoperating revenues of \$72,901,678 for the year ended June 30, 2008 offset the operating loss and resulted in an overall increase in net assets before state capital appropriations of \$3,330,018. Nonoperating revenues included local property taxes of \$52,163,382, state appropriations and replacement tax of \$15,157,212, federal grants and contracts of \$4,046,087, local grants and contracts of \$1,134,897 and net investment income of \$1,246,168; offset by interest expense of \$846,068.

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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

Operating revenue accounted for 30% of the College's total revenue and nonoperating revenue accounted for 70% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$18,006,981, auxiliary enterprise revenues totaling \$10,080,324, and other operating revenues of \$3,337,321.

State capital appropriations totaled \$212,586. The state capital appropriations plus the increase before capital contributions of \$3,330,018 produced an overall increase in net assets of \$3,542,604.

Total net assets increased from \$119,810,028 at the beginning of the year to \$123,352,632 at the end of the year.

**Overview of the Financial Statements**

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

The financial statements provide both long-term and short-term information about the College of Lake County'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 of Lake County's financial statements are prepared on an accrual basis in conformity with U.S. generally accepted accounting principles (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 assets. All assets and liabilities associated with the operation of the College of Lake County are included in the statements of net assets.

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

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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

**Financial Analysis**

*Net Assets*

The College's net assets at June 30, 2009, 2008, and 2007 were \$126.8 million, \$123.3 million, and \$119.8 million, respectively, an increase of \$3.5 million, \$3.5 million, and \$3.3 million, respectively. Total assets were \$236.7 million, \$230.5 million, and \$224.9 million, and total liabilities were \$109.9 million, \$107.2 million, and \$105.1 million at June 30, 2009, 2008, and 2007, respectively. The change in net assets is an indicator of whether the financial condition has improved or worsened during the year. Assets and liabilities are measured using current values with the exception of capital assets. Capital assets are stated as historical cost, reduced by depreciation. A summary of net assets at June 30, 2009, 2008, and 2007 is as follows:

**Net Assets**

June 30,  
(in thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current assets	\$ 106,187	98,958	92,381
Restricted assets	208	98	337
Other noncurrent assets	28,101	28,057	26,503
Capital assets, net of depreciation	<u>102,199</u>	<u>103,408</u>	<u>105,707</u>
Total assets	<u>236,695</u>	<u>230,521</u>	<u>224,928</u>
Current liabilities	68,727	64,817	62,465
Long-term liabilities	<u>41,134</u>	<u>42,351</u>	<u>42,653</u>
Total liabilities	<u>109,861</u>	<u>107,168</u>	<u>105,118</u>
Net assets:			
Invested in capital assets, net of related debt	89,509	88,953	89,840
Restricted	23,362	23,230	23,455
Unrestricted	<u>13,963</u>	<u>11,170</u>	<u>6,515</u>
Total net assets	<u>\$ 126,834</u>	<u>123,353</u>	<u>119,810</u>

The College had a current ratio of 1.55, 1.53, and 1.48 times at June 30, 2009, 2008, and 2007, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2009, for every dollar of current liabilities, the College has \$1.55 in current assets. This ratio is one indicator of the College's ability to pay its debts as they become due.

Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness 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.



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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

Net Assets - Fiscal Year 2009 compared to 2008

Current assets have increased by \$7.2 million primarily due to increases in the following: \$1.8 million in property taxes receivable; \$3.4 million in cash and investments; \$1.5 million government claims receivable for the fourth quarter ICCB credit hour and equalization grant, and \$1.0 million in other receivables.

Capital assets decreased by \$1.2 million due to the fact that depreciation expense was greater than capital additions during the year.

Current liabilities increased by \$3.9 million due to an increase in deferred property tax revenue of \$1.6 million and an increase in accounts payable of \$1.2 million.

Net Assets - Fiscal Year 2008 compared to 2007

Current assets have increased by \$6.6 million primarily due to increases in the following: \$3.3 million in property taxes receivable; \$1.8 million in cash and investments; and \$1.6 million government claims receivable for the fourth quarter ICCB credit hour and equalization grant.

Capital assets decreased by \$2.3 million due to the fact that depreciation expense was greater than capital additions during the year.

Current liabilities increased by \$2.4 million primarily due to an increase in deferred property tax revenue.

***Changes in Net Assets***

The change in net assets, total revenues less total expenses, for the years ended June 30, 2009, 2008, and 2007 is as follows:

<b>Changes in Net Assets</b>			
Years ended June 30,			
(in thousands)			
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total revenues	\$ 112,949	105,385	98,219
Total expenses	<u>109,467</u>	<u>101,842</u>	<u>94,921</u>
Increase in net assets	<u>\$ 3,482</u>	<u>3,543</u>	<u>3,298</u>

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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

**Revenues**

Summaries of revenues for the years ended June 30, 2009, 2008, and 2007 are as follows:

<b>Revenue Summary</b>			
Years ended June 30,			
(in thousands)			
	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Operating:</b>			
Student tuition and fees, net	\$ 20,993	19,616	16,736
Auxiliary enterprise	10,539	10,081	8,978
Other operations	1,921	1,728	2,426
Total operating revenues	<u>33,453</u>	<u>31,425</u>	<u>28,140</u>
<b>Nonoperating:</b>			
Local property taxes	55,126	52,163	48,818
Personal property replacement taxes	1,181	1,350	1,262
State appropriations	15,655	13,807	12,559
Federal and local grants and contracts	6,855	5,181	5,765
Investment income, net	679	1,246	1,156
Total nonoperating revenues	<u>79,496</u>	<u>73,747</u>	<u>69,560</u>
State capital appropriations	<u>—</u>	<u>213</u>	<u>519</u>
Total revenues	<u>\$ 112,949</u>	<u>105,385</u>	<u>98,219</u>

Revenues - Fiscal Year 2009 Compared to 2008

Operating revenue increased by \$2.0 million, which primarily reflects an increase in net student tuition and fees of \$1.4 million and an increase in auxiliary revenue of \$0.4 million. The increase in net tuition and fees was due to an increase in enrollment accompanied by a \$5.00 per credit hour increase in tuition.

Nonoperating revenue increased by \$5.8 million primarily due to increases in local property taxes of \$3.0 million, state appropriations of \$1.8 million, and federal grants 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%, whichever is lower. 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.

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

Management's Discussion and Analysis

June 30, 2009 and 2008

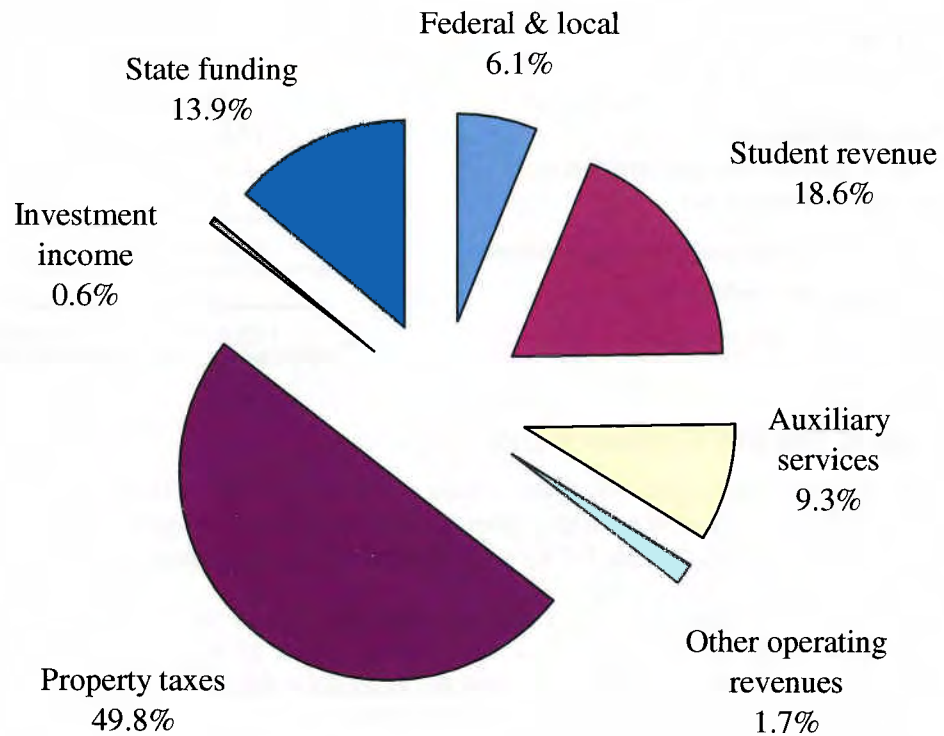
(Unaudited)

The pie chart shows all revenue from both operating and nonoperating sources. State funding in the pie chart and above includes both capital and noncapital appropriations. The chart shows that property taxes accounted for the largest percentage of the College's revenue at 49.8%. The next highest source was net student tuition and fees at 18.6%. State funding accounted for 13.9% of the College's revenue.

**College of Lake County**

**Revenues**

**Year ended June 30, 2009**



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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

Revenues - Fiscal Year 2008 Compared to 2007

Operating revenue increased by \$3.3 million, which reflects an increase in net student tuition and fees of \$1.3 million, an increase in auxiliary revenue of \$1.1 million, and an increase in other operating revenue of \$0.9 million. The increase in net tuition and fees was due to an increase in enrollment accompanied by a \$10.00 per credit hour increase in tuition and fees.

Nonoperating revenue increased by \$4.2 million primarily due to increases in local property taxes of \$3.3 million and state appropriations of \$1.2 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5%, whichever is lower. The increase in state appropriations was mainly due to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state. State capital appropriations of \$213 thousand reflect the funds expended by the Capital Development Board on the Technology Building.

***Expenses***

Summaries of expenses for the years ended June 30, 2009, 2008, and 2007 are as follows:

	<b>Expenses</b>		
	Years ended June 30, (in thousands)		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction	\$ 40,662	37,675	33,738
Academic support	5,419	4,942	4,829
Student services	7,416	6,345	6,083
Public service	7,128	5,808	5,424
Institutional support	22,160	21,005	20,255
Operations and maintenance of plant	9,215	8,785	8,090
Financial aid	2,478	1,946	2,002
Depreciation	4,393	4,254	4,290
Auxiliary enterprises	10,003	10,236	9,612
Interest expense	593	846	598
Total	<u>\$ 109,467</u>	<u>101,842</u>	<u>94,921</u>

Expenses - Fiscal Year 2009 Compared to 2008

Expenses increased by \$7.6 million. The increase in instruction costs, student services, and public services, is due primarily to the annual increase in employee salaries and benefits, including state SURS benefits.

The increase in financial aid expenses is due to increased student scholarships.

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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

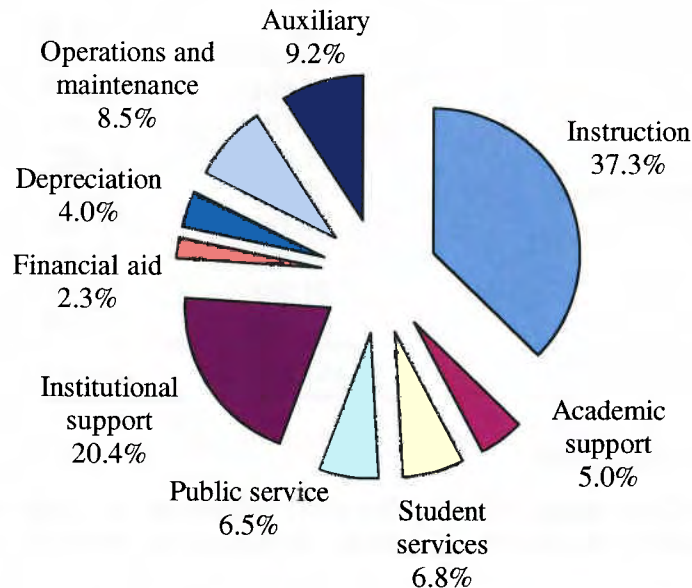
Expenses - Fiscal Year 2008 Compared to 2007

Expenses increased by \$6.9 million. The increase in instruction costs is due primarily to the annual increase in employee salaries and benefits, including state SURS benefits. The increase in operations and maintenance of plant costs are due primarily to the increase in utility costs and the annual increase in salaries and benefits, including state SURS benefits. The increase in auxiliary enterprises expenses are due primarily to increases in the cost for the continuing education programs.

**Operating Expenses**

The pie chart shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 67.1% of total operating expenses. Direct services to students include instruction at 37.3%, academic support at 5.0%, student services at 6.8%, public service at 6.5%, financial aid at 2.3%, and auxiliary enterprises at 9.2%. Indirect services to students accounted for 32.9% of total expenses. Indirect services to students include operations and maintenance at 8.5%, institutional support at 20.4%, and depreciation at 4.0%.

**College of Lake County  
Operating Expenses  
Year ended June 30, 2009**





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

Management's Discussion and Analysis

June 30, 2009 and 2008

(Unaudited)

Capital Asset and Debt Administration

**Capital Assets**

As of June 30, 2009, 2008, and 2007, the College investment in capital assets totaled \$160.3 million, \$157.8 million, and \$156.0 million, respectively. Capital assets, net of accumulated depreciation of \$58.1 million, \$54.4 million, and \$50.3 million, totaled \$102.2 million, \$103.4 million, and \$105.7 million, respectively.

**Capital Assets, Net**

June 30,  
(in thousands)

	2009	2008	2007
Capital assets:			
Land	\$ 7,233	7,233	7,233
Land improvements	6,193	5,889	5,549
Buildings and improvements	124,546	123,734	122,772
Furniture and equipment	22,302	20,989	20,436
Total capital assets	160,274	157,845	155,990
Less accumulated depreciation	58,075	54,437	50,283
Capital assets, net	\$ 102,199	103,408	105,707

More detailed information on capital asset activity can be found in Note 3 to the basic financial statements on pages 26 through 27. More detailed information on long-term debt activity can be found in Note 5 to the basic financial statements on pages 30 through 32.

**Construction Projects**

The College does not have any major construction projects scheduled at the end of the fiscal year.

**Debt Payments**

For the years ended June 30, 2009 and 2008, the College paid \$2,140,000 and \$2,065,000, respectively, in principal on bonds and certificates of indebtedness.

The College did not issue any new debt in either fiscal year 2009 or 2008.

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

Statements of Net Assets

June 30,

Assets	<u>2009</u>	<u>2008</u>
<b>Current assets:</b>		
Cash (note 2)	\$ 20,597,160	10,204,643
Investments (note 2)	19,576,559	26,561,197
Receivables:		
Property taxes, net of allowance of \$567,532 in 2009 and \$565,982 in 2008	57,020,387	55,249,646
Government claims	4,203,210	2,714,211
Tuition and fees, net of allowance of \$1,790,510 in 2009 and \$2,091,853 in 2008	1,216,132	1,305,248
Other	2,801,294	1,898,447
Inventories	772,264	1,024,468
Total current assets	<u>106,187,006</u>	<u>98,957,860</u>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	207,613	97,808
Property taxes receivable	28,073,000	28,024,000
Unamortized debt issue cost	28,085	32,699
Capital assets, net (note 3)	102,199,355	103,408,132
Total noncurrent assets	<u>130,508,053</u>	<u>131,562,639</u>
Total assets	<u>236,695,059</u>	<u>230,520,499</u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	2,898,609	1,727,675
Accrued expenses (note 4)	3,874,976	3,264,994
Tuition refunds payable	30,850	—
Unearned revenue:		
Property taxes (note 1(o))	56,461,448	54,830,510
Tuition and other	2,591,869	2,393,417
Current portion of long-term obligations (note 5)	2,230,000	2,140,000
Amounts held in custody for others	112,929	97,232
Other current liabilities	525,655	363,069
Total current liabilities	<u>68,726,336</u>	<u>64,816,897</u>
<b>Noncurrent liabilities:</b>		
Long-term obligations (notes 5 and 9)	12,181,235	13,426,970
Unearned revenue:		
Property taxes	28,073,000	28,024,000
Rent (note 12)	880,000	900,000
Total noncurrent liabilities	<u>41,134,235</u>	<u>42,350,970</u>
Total liabilities	<u>109,860,571</u>	<u>107,167,867</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	89,508,677	88,952,883
Restricted for:		
Working cash	17,550,000	17,550,000
Debt service	3,638,451	3,476,226
Capital projects	1,090,977	1,091,225
Other	1,083,162	1,112,681
Unrestricted	13,963,221	11,169,617
Total net assets	<u>\$ 126,834,488</u>	<u>123,352,632</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 Assets  
Years ended June 30,

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Student tuition and fees	\$ 24,431,056	22,068,220
Less scholarship allowances	(3,438,360)	(2,451,962)
Net student tuition and fees	20,992,696	19,616,258
Auxiliary enterprises	10,539,065	10,080,324
Other operations	1,921,201	1,728,044
Total operating revenues	<u>33,452,962</u>	<u>31,424,626</u>
Operating expenses:		
Education and general:		
Instruction	40,662,025	37,675,261
Academic support	5,418,601	4,942,062
Student services	7,416,388	6,344,790
Public service	7,127,721	5,807,824
Institutional support	22,160,018	21,005,231
Operations and maintenance of plant	9,214,707	8,785,206
Financial aid	2,478,091	1,945,642
Depreciation	4,393,484	4,254,000
Auxiliary enterprises	10,003,106	10,236,270
Total operating expenses	<u>108,874,141</u>	<u>100,996,286</u>
Operating loss	<u>(75,421,179)</u>	<u>(69,571,660)</u>
Nonoperating revenues (expenses):		
Local property taxes	55,125,615	52,163,382
Personal property replacement tax	1,180,747	1,349,780
State appropriations	15,655,068	13,807,432
Federal grants and contracts	5,716,530	4,046,087
Local grants and contracts	1,138,575	1,134,897
Investment income	679,593	1,246,168
Interest expense	(593,093)	(846,068)
Total nonoperating revenues (expenses), net	<u>78,903,035</u>	<u>72,901,678</u>
Increase before capital contributions	3,481,856	3,330,018
State capital appropriations	—	212,586
Increase in net assets	3,481,856	3,542,604
Net assets at the beginning of the year	<u>123,352,632</u>	<u>119,810,028</u>
Net assets at the end of the year	<u>\$ 126,834,488</u>	<u>123,352,632</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,

	2009	2008
Cash flows from operating activities:		
Tuition and fees	\$ 21,326,811	17,753,013
Payments to suppliers	(40,370,861)	(40,429,657)
Payments to employees	(54,279,644)	(51,901,323)
Auxiliary enterprise charges	10,539,065	10,080,324
Chargeback revenue	20,250	27,155
Other	513,305	3,463,539
	(62,251,074)	(61,006,949)
Net cash used in operating activities		
Cash flows from noncapital financing activities:		
Local property taxes	54,985,812	51,927,552
Personal property replacement tax	1,200,121	1,365,981
State appropriations	9,347,945	8,847,721
Federal grants and contracts	4,208,157	2,385,243
Local grants and contracts	1,138,575	1,134,897
	70,880,610	65,661,394
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities:		
Principal paid on debt	(2,140,000)	(2,065,000)
Interest paid on debt	(506,066)	(532,895)
Purchases of capital assets	(3,184,707)	(1,742,569)
	(5,830,773)	(4,340,464)
Net cash used in capital and related financing activities		
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	—	3,000,000
Interest on investments	718,921	1,261,278
	718,921	4,261,278
Net cash provided by (used in) investing activities		
Net increase (decrease) in cash and cash equivalents	3,517,684	4,575,259
Cash and cash equivalents, beginning of year	36,863,648	32,288,389
Cash and cash equivalents, end of year	\$ 40,381,332	36,863,648
Noncash investing, capital, and financing activities:		
Construction funded by Capital Development Board	\$ —	212,586
Reconciliation to statements of net assets:		
Cash and cash equivalents:		
Cash	\$ 20,597,160	10,204,643
Short term investments (included in investments)	19,576,559	26,561,197
Restricted cash	207,613	97,808
Total cash and cash equivalents	\$ 40,381,332	36,863,648

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

Statements of Cash Flows

Years ended June 30,

	2009	2008
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	\$ (75,421,179)	(69,571,660)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,393,484	4,254,000
State payment for retirement obligation	6,307,123	4,959,711
Changes in assets and liabilities:		
Receivables (net)	(822,209)	102,260
Inventories	252,204	18,710
Accounts payable	1,170,934	(347,649)
Accrued vacation	288,766	113,075
Other accrued expenses	1,223,068	(1,011,716)
Other current liabilities	142,586	233,704
Amounts held in custody for others	15,697	8,177
Deferred tuition and fees	198,452	234,439
Net cash used in operating activities	\$ (62,251,074)	(61,006,949)

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,

<b>Assets</b>	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	\$ 414,209	420,745
Investments	2,067,473	2,306,441
Pledges receivable, net	5,000	45,366
Deferred expense	10,281	584
Total assets	\$ 2,496,963	2,773,136
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 3,121	4,163
Miscellaneous payable	9,551	6,519
Deferred revenue	—	13,700
Grants and scholarships payable	6,338	50,293
Due to College of Lake County	2,244	2,244
Total liabilities	21,254	76,919
Net assets:		
Unrestricted	93,824	329,116
Temporarily restricted	1,836,774	1,805,403
Permanently restricted	545,111	561,698
Total net assets	2,475,709	2,696,217
Total liabilities and net assets	\$ 2,496,963	2,773,136

See accompanying notes to basic financial statements.



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

Component Unit – College of Lake County Foundation

Statement of Activities

Year ended June 30, 2009 and 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets at June 30, 2007	\$ 551,856	\$ 1,528,706	\$ 547,883	\$ 2,628,445
Public support and revenue:				
Contributions and gifts	178,158	412,915	14,000	605,073
Special events revenue	151,325	—	—	151,325
Special events expense	(101,106)	—	—	(101,106)
Donated services	337,505	—	—	337,505
Other noncash donations	48,200	—	—	48,200
Net assets released from restrictions	129,257	(129,257)	—	—
Total public support	<u>743,339</u>	<u>283,658</u>	<u>14,000</u>	<u>1,040,997</u>
Other income:				
Investment income	(8,768)	(6,961)	(185)	(15,914)
Total public support and revenue	<u>734,571</u>	<u>276,697</u>	<u>13,815</u>	<u>1,025,083</u>
Expenses:				
Program services:				
Grants and scholarships	459,153	—	—	459,153
Gallery operations	36,681	—	—	36,681
Noncash donations to College of Lake County	48,200	—	—	48,200
General and administrative:				
Management and general	410,411	—	—	410,411
Travel/meeting	2,866	—	—	2,866
Total expenses	<u>957,311</u>	<u>—</u>	<u>—</u>	<u>957,311</u>
Increase (decrease) in net assets	<u>(222,740)</u>	<u>276,697</u>	<u>13,815</u>	<u>67,772</u>
Net assets at June 30, 2008	<u>329,116</u>	<u>1,805,403</u>	<u>561,698</u>	<u>2,696,217</u>
Public support and revenue:				
Contributions and gifts	221,495	242,944	—	464,439
Special events revenue	213,344	—	—	213,344
Special events expense	(118,767)	—	—	(118,767)
Donated services	349,693	—	—	349,693
Other noncash donations	56,984	—	—	56,984
Net assets released from restrictions	78,744	(78,744)	—	—
Total public support	<u>801,493</u>	<u>164,200</u>	<u>—</u>	<u>965,693</u>
Other income (loss):				
Investment income (loss)	(84,616)	(132,829)	(16,587)	(234,032)
Total public support and revenue	<u>716,877</u>	<u>31,371</u>	<u>(16,587)</u>	<u>731,661</u>
Expenses:				
Program services:				
Grants and scholarships	499,102	—	—	499,102
Gallery operations	34,823	—	—	34,823
Noncash donations to College of Lake County	56,984	—	—	56,984
General and administrative:				
Management and general	357,188	—	—	357,188
Travel/meeting	4,072	—	—	4,072
Total expenses	<u>952,169</u>	<u>—</u>	<u>—</u>	<u>952,169</u>
Increase (decrease) in net assets	<u>(235,292)</u>	<u>31,371</u>	<u>(16,587)</u>	<u>(220,508)</u>
Net assets at June 30, 2009	<u>\$ 93,824</u>	<u>1,836,774</u>	<u>545,111</u>	<u>2,475,709</u>

See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

**(1) Organization and Summary of Significant Accounting Policies**

**(a) 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.

**(b) 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).

The primary criterion for including a potential component unit within the reporting entity under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; and (2) the primary government may be financially accountable if the organization is fiscally dependent. Based on these criteria, the College is not financially accountable for any other organizations.

Additionally, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, amends Statement No. 14, *The Financial Reporting Entity*, to provide guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. Generally, it requires reporting as a component unit, an organization that raises and holds significant economic resources for the direct benefit of a governmental unit. The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 39-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or the amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the students of the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the differences in its reporting model, as further described below.

The Foundation is a private, not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

these differences; however, significant note disclosures (see note 1(q)) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at 847-543-2640.

**(c) *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, includes property taxes; federal, state, and local grants; state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions 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.

The College has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The College has elected not to apply FASB pronouncements issued after the applicable date.

**(d) *Cash and Cash Equivalents***

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

**(e) *Investments***

Investments are reported at fair value, based upon quoted market prices. Change in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment income in the statement of revenues, expenses, and changes in net assets.

The Illinois School District Liquid Asset Fund Plus is an external investment pool administered by the Illinois Association of School Administrator. The fair value of the College's investment in the fund is the same as the value of the pool shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

**(f) *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.

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

**(g) *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 assets.

**(h) *Capital Assets***

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the College's capitalization policy includes all items with a unit cost of \$2,500 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. 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 25 to 50 years for buildings, 15 to 25 years for depreciable land improvements, 5 years for computer equipment, and 5 to 20 years for all other equipment.

**(i) *Premiums, Discounts, and Issuance Costs***

Bond premiums and discounts, as well as issuance costs, 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 and discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**(j) *Unearned Revenues***

Deferred revenues include (1) tax levy passed that is legally restricted for fiscal years 2009 and 2008 (2) amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal years that are related to the subsequent accounting period, (3) amounts received from grant and contract sponsors that have not yet been earned, and (4) building rentals received in advance.

**(k) *Noncurrent Liabilities***

Noncurrent liabilities include (1) principal amounts of bond obligations with maturities greater than one year, (2) deferred revenue for property taxes, and (3) building rentals received in advance.

**(l) *Net Assets***

The College's net assets are classified as follows:

**(1) *Invested in Capital Assets, Net of Related Debt***

This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

**(2) *Restricted Net Assets***

Restricted net assets include resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

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.

**(3) Unrestricted Net Assets**

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

**(m) Classification of Revenues**

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

**(1) Operating Revenue**

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

**(2) 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, and (4) gifts and contributions, and investment income.

**(n) Classification of Expenses**

The College classifies all expenses as operating in the statements of revenues, expenses, and changes in net assets, except for interest expense and losses on disposal of capital assets which are classified as nonoperating.

**(o) Property Taxes**

The College's property taxes are levied each calendar year on all taxable real property located in the College's district. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the entities their respective share of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 of the following year. Taxes must be levied by the fourth Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

In accordance with the College Board resolution, 50% of the property taxes extended for the 2008 tax year are recorded as revenue in the fiscal year ended June 30, 2009. The remaining revenue related to the 2008 tax year extension has been deferred and will be recorded as revenue in fiscal year 2010. Based upon collection histories, the College records real property taxes at 100% of the extended levy.



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

Notes to Basic Financial Statements

June 30, 2009 and 2008

**(p) *Eliminating Interfund Activity***

Activities between the College and its auxiliary enterprise are eliminated for purposes of preparing the statements of revenues, expenses and changes in net assets, and the statements of net assets.

**(q) *Component Unit***

The Foundation maintains its accounts 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 purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily gifts for endowment) and only the income be made available for program purposes or general operations.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that will be met by either by actions of the Foundation or the passage of time. Items that affect this net asset category are restricted contributions, including pledges, for which restrictions have not been met.

*Unrestricted* – Net assets not subject to donor-imposed restrictions.

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

Investments are reported at fair value. The fair value of investments is provided by the investment custodians and is based on quoted market price.

**(r) *Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

**(s) *New Accounting Pronouncements***

In June 2008, the GSB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement No. 51 is effective for the College in the fiscal year ending June 30, 2010. The College is currently evaluating the impact of adopting Statement No. 51.



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

Notes to Basic Financial Statements

June 30, 2009 and 2008

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate investments at fair value. The College implemented Statement No. 52 during the year ended June 30, 2009 and no changes were required to be made to the College's reporting based on the implementation of this pronouncement.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement is intended to improve how state and local governments report information about derivative instruments in their financial statements. Statement No. 53 is effective for the College in the fiscal year ended June 30, 2010. The College is currently evaluating the impact of adopting Statement No. 53.

**(t) Reclassifications**

Certain amounts from the prior year have been reclassified to conform to the current year presentation.

**(2) Deposits and Investments**

As of June 30, 2009 and 2008, the College had the following investments and maturities:

	<u>Maturity</u>	2009 <u>Fair value</u>	2008 <u>Fair value</u>
Deposits:			
Cash accounts		\$ 20,597,160	10,204,643
Certificates of deposit		17,565,797	15,095,500
Total deposits		<u>38,162,957</u>	<u>25,300,143</u>
Investments:			
Repurchase agreements	Less than 1 year	2,000,000	—
Money markets and savings accounts	Less than 1 year	10,762	11,465,532
Restricted accounts:			
Money market accounts	Less than 1 year	207,613	97,808
ISDLAF Plus	Less than 1 year	—	165
Total investments		<u>2,218,375</u>	<u>11,563,505</u>
Total cash deposits and investments		<u>\$ 40,381,332</u>	<u>36,863,648</u>
Current assets:			
Cash		\$ 20,597,160	10,204,643
Investments		19,576,559	26,561,197
Noncurrent assets:			
Restricted cash and cash equivalents		<u>207,613</u>	<u>97,808</u>
Total cash deposits and investments		<u>\$ 40,381,332</u>	<u>36,863,648</u>

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

*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 180 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 does not further limit its investment choices. The College's investments in the Illinois School District Liquid Asset Fund, money markets, repurchase agreements, and Federal National Mortgage Association notes were rated AAA by Standard & Poor's.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College's investment policy does not limit the amount the College may invest in any one issuer. The College is considered to have a concentration of credit risk if its investment in any one single issue is greater than 5% of the total fixed income investments. At June 30, 2009 and 2008, the College did not have a concentration of credit risk.

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

**(3) Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 7,232,934	—	—	7,232,934
Total capital assets not being depreciated	<u>7,232,934</u>	<u>—</u>	<u>—</u>	<u>7,232,934</u>
Capital assets being depreciated:				
Land improvements	5,888,962	304,069	—	6,193,031
Buildings and improvements	123,734,403	811,878	—	124,546,281
Furniture and equipment	20,989,076	2,068,760	755,513	22,302,323
Total capital assets being depreciated	<u>150,612,441</u>	<u>3,184,707</u>	<u>755,513</u>	<u>153,041,635</u>
Less accumulated depreciation:				
Land improvements	3,425,532	270,301	—	3,695,833
Buildings and improvements	35,444,774	2,636,663	—	38,081,437
Furniture and equipment	15,566,937	1,486,520	755,513	16,297,944
Total accumulated depreciation	<u>54,437,243</u>	<u>4,393,484</u>	<u>755,513</u>	<u>58,075,214</u>
Total capital assets being depreciated, net	<u>96,175,198</u>	<u>(1,208,777)</u>	<u>—</u>	<u>94,966,421</u>
Total capital assets, net	<u>\$ 103,408,132</u>	<u>(1,208,777)</u>	<u>—</u>	<u>102,199,355</u>

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated:				
Land	\$ 7,232,934	—	—	7,232,934
Total capital assets not being depreciated	<u>7,232,934</u>	<u>—</u>	<u>—</u>	<u>7,232,934</u>
Capital assets being depreciated:				
Land improvements	5,548,679	340,283	—	5,888,962
Buildings and improvements	122,772,016	962,387	—	123,734,403
Furniture and equipment	20,436,349	652,485	99,758	20,989,076
Total capital assets being depreciated	<u>148,757,044</u>	<u>1,955,155</u>	<u>99,758</u>	<u>150,612,441</u>
Less accumulated depreciation:				
Land improvements	3,177,711	247,821	—	3,425,532
Buildings and improvements	32,817,982	2,626,792	—	35,444,774
Furniture and equipment	14,287,308	1,379,387	99,758	15,566,937
Total accumulated depreciation	<u>50,283,001</u>	<u>4,254,000</u>	<u>99,758</u>	<u>54,437,243</u>
Total capital assets being depreciated, net	<u>98,474,043</u>	<u>(2,298,845)</u>	<u>—</u>	<u>96,175,198</u>
Total capital assets, net	<u>\$ 105,706,977</u>	<u>(2,298,845)</u>	<u>—</u>	<u>103,408,132</u>

**(4) Accrued Expenses**

Accrued expenses consisted of the following at June 30, :

	<u>2009</u>	<u>2008</u>
Accrued payroll and benefits	\$ 1,741,909	1,019,774
Accrued vacation	1,514,159	1,225,393
Accrued construction contracts	-	443,541
Accrued health insurance claims	535,000	535,000
Accrued expenses - other	83,908	41,286
Total accrued expenses	<u>\$ 3,874,976</u>	<u>3,264,994</u>

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

**(5) Long-term Debt**

The College has the following outstanding bonds payable as of June 30, 2009 and 2008:

General Obligation Bonds, Series 1998A, Alternate Revenue Source, at varying interest rates between 3.90% and 4.90% per annum depending on the date of serial maturity through 2009. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the District lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was \$2,300,000. The principal balance at June 30, 2009 and 2008 was \$320,000 and \$615,000, respectively.

Capital Appreciation Limited Tax Bonds, Series 1998B, as deep discount bonds which will appreciate in principal amount, based on the semiannual compounding of the original principal amount at varying interest rates between 4.25% and 4.90%. The accretion will result in each bond appreciating to \$5,000 on the date of maturity. The compound accreted value of the bonds will be payable annually on December 1 of each of the years 2003 through 2010. The bonds are full faith and credit obligations of the College payable from funds of the District 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, including future discount accretion, was \$5,545,000. The remaining liability at June 30, 2009 and 2008, including future discount accretion, was \$2,010,000 and \$3,025,000, respectively. The carrying amount at June 30, 2009 and 2008, including discount accretion through that date, was \$1,924,873 and \$2,831,496, respectively.

General Obligation Limited Tax Funding Bonds, Series 2002A, at varying interest rates between 3.40% and 4.80% per annum depending on the date of serial maturity through 2014. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the District 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 \$4,250,000. The principal balance at June 30, 2009 and 2008 was \$2,710,000 and \$2,905,000, respectively.

General Obligation Limited Tax Debt Certificates, Series 2003A, at varying interest rates between 1.40% and 4.25% per annum depending on the date of serial maturity through December 1, 2017. The certificates are general obligations of the District both as to principal and interest from the funds of the District lawfully available for payments. The original liability upon issuance was \$3,385,000. The principal balance at June 30, 2009 and 2008 was \$2,475,000 and \$2,710,000, respectively.

General Obligation Limited Tax Funding Bonds, Series 2005 with a yield of 3.55% to 3.95% depending on the date of serial maturity through 2018. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the District 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 \$4,500,000. They received a premium of \$243,230 and paid issue costs of \$51,155. The principal balance at June 30, 2009 and 2008 was \$4,500,000.

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

General Obligation Limited Tax Debt Certificates, Series 2006, at an interest rate of 3.62% per annum through November 1, 2011. The certificates are general obligations of the District both as to principal and interest from the funds of the District lawfully available for payments. The original liability upon issuance was \$2,200,000. The principal balance at June 30, 2009 and 2008 was \$1,450,000 and \$1,850,000, respectively.

Changes in long-term obligations during the year ended June 30, 2009 were as follows:

	<b>Balance June 30, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2009</b>	<b>Amounts due within one year</b>
General obligation bonds:					
Par	\$ 15,605,000	—	2,140,000	13,465,000	2,230,000
Premium	155,474	—	21,939	133,535	—
Discount on capital appreciation bonds	(193,504)	—	(108,377)	(85,127)	—
Total general obligation bonds, net	<u>\$ 15,566,970</u>	<u>—</u>	<u>2,053,562</u>	<u>13,513,408</u>	<u>2,230,000</u>

The difference between the June 30, 2009 balance above and the amount on the Statement of Net Assets is caused by the OPEB liability described in note 9.

Changes in long-term obligations during the year ended June 30, 2008 were as follows:

	<b>Balance June 30, 2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2008</b>	<b>Amounts due within one year</b>
General obligation bonds:					
Par	\$ 17,670,000	—	2,065,000	15,605,000	2,140,000
Premium	177,413	—	21,939	155,474	—
Discount on capital appreciation bonds	(514,304)	—	(320,800)	(193,504)	—
Total general obligation bonds, net	<u>\$ 17,333,109</u>	<u>—</u>	<u>1,766,139</u>	<u>15,566,970</u>	<u>2,140,000</u>



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

Notes to Basic Financial Statements

June 30, 2009 and 2008

The following is a schedule of the future debt service payments for bonds payable as of June 30, 2009.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2010	\$ 2,230,000	461,303	2,691,303
2011	1,800,000	423,241	2,223,241
2012	1,865,000	370,046	2,235,046
2013	1,400,000	299,814	1,699,814
2014	1,275,000	236,774	1,511,774
2015	1,160,000	175,810	1,335,810
2016	1,200,000	123,789	1,323,789
2017	1,245,000	76,491	1,321,491
2018	1,290,000	25,957	1,315,957
	<u>\$ 13,465,000</u>	<u>2,193,225</u>	<u>15,658,225</u>

The principal column in the above schedule reflects accretion of discount on Capital Appreciation bonds through date of maturity.

**(6) Pension Plan**

**Plan Description** – The College contributes to the State Universities Retirement System of Illinois (SURS). SURS is a cost-sharing multiple employer defined pension plan with a special funding situation whereby the State of Illinois 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 the state universities, certain affiliated organizations, 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), or by calling 1-800-275-7877.

**Funding Policy** – Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 18.61% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS directly appropriated by the State for the years ending June 30, 2009, 2008, and 2007 were \$6,080,848, \$4,676,712, and \$3,336,023, respectively, equal to the required contributions for each year.

The College recognizes the amount appropriated by the state as additional state appropriations (nonoperating) revenue and also recognizes corresponding expense. While the majority of the employer contribution is made by the state, employer contributions for some positions that are not state funded are

**COLLEGE OF LAKE COUNTY  
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Notes to Basic Financial Statements

June 30, 2009 and 2008

the responsibility of the employer. The College contributed \$72,126, \$85,540, and \$81,733, for the years ended June 30, 2009, 2008, and 2007, respectively.

**(7) Compensated Absences (Vacation and Sick Leave)**

In the event of job termination, an employee is reimbursed for an accumulated maximum number of vacation days, which ranges 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 assets is considered a current liability. Employees may accumulate unused sick leave subject to certain limits, and receive additional service credit under the State Retirement System (SURS) as discussed in Note 6.

Changes in the accrued compensated absences liability were as follows:

	2009	2008
Accrued Compensated Absences – beginning of year	\$ 1,225,393	1,112,318
Compensated absences incurred – during year	1,514,159	1,225,393
Compensated Absences used – during year	(1,225,393)	(1,112,318)
Accrued Compensated Absences – end of year	\$ 1,514,159	1,225,393
Amounts due within one year	\$ 1,514,159	1,225,393

**(8) 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.

**(9) Postretirement Health Care Benefits**

**Plan Description** – In addition to the pension benefits described in Note 6, the College provides postretirement healthcare benefits (OPEB) to retired employees through a single-employer defined benefit plan (the Plan). The benefits, 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. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. 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 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.

**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.

**Annual OPEB Cost and Net OPEB Obligation** – The College’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

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

Annual required contribution	\$ 1,535,624
Interest on the net OPEB obligation	—
Adjustment to annual required contribution	—
Annual OPEB cost (expense)	1,535,624
Contributions made	<u>637,797</u>
Increase in net OPEB obligation	897,827
Net OPEB obligation, beginning of year	—
Net OPEB	<u>\$ 897,827</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

For the fiscal year ended June 30, 2009	
Annual OPEB Cost	\$ 1,535,624
Percentage of Annual OPEB Cost Contributed	41.5%
Net OPEB Obligation	\$ 897,827

**Funding Status** – As of June 30, 2009, the actuarial accrued liability for benefits was \$13,025,082, all of which was unfunded. The covered payroll (annual payroll of active employees covered under the plan) was \$36,389,494 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 36 percent.

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

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

In the July 1, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 10.0% initial healthcare cost trend rate reduced to an ultimate healthcare inflation rate of 5.0%. The actuarial value of assets was not determined as the College has not advance funded its

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

obligation. The Plan's unfunded actuarial accrued liability is being amortized using a level dollar method over 30 years on an open group basis, combined with a total payroll growth rate of 3% per year.

**(10) Risk Management**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The College carried 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.

**(11) Health Insurance**

The College maintains a self-insured plan to cover health and dental benefits for its employees through a third-party administrator. 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. At June 30, 2009 and 2008, the amount of these liabilities was \$535,000. This liability is the College's best estimate based on available information. Changes in the College's liability for employee health claims for the years ended June 30, 2009 and 2008 are as follows:

	<b>2009</b>	<b>2008</b>
Claims payable – beginning of year	\$ 535,000	535,000
Claims and other expenses incurred – during year	5,086,183	4,810,531
Claims paid – during year	(5,086,183)	(4,810,531)
Claims payable – end of year	\$ 535,000	535,000

**(12) Operating Lease Commitments**

The College leases a building on its Grayslake campus to an agency of the State of Illinois and an agency of the County. The State lease is in a renewal term of four years which expires November 30, 2012. The lease with the County agency has a four year term which expires October 31, 2012. The book value of the leased building at June 30, 2009 and 2008 is \$2,173,035 and \$2,228,595, respectively.

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, 2009 and 2008 was \$20,000. Deferred revenue related to the lease was \$900,000 and \$920,000 at June 30, 2009 and 2008, respectively. The College also leases space in this building to the County of Lake. The lease is for a five year term which expires June 30, 2014. The monthly lease rental is adjusted annually based on the consumer price index.

The following schedule lists, by year, the future minimum rental due to the College under the various leases at June 30, 2009:

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

Notes to Basic Financial Statements

June 30, 2009 and 2008

Year ending June 30:	2010	\$ 446,979
	2011	452,684
	2012	461,086
	2013	282,657
	2014	162,840

**(13) Expenses by Natural Classification**

Expenses are reported in the statements of revenues, expenses, and changes in net assets by functional classification. The College's operating expenses by natural classification for the years ended June 30, 2009 and 2008 are as follows:

	2009	2008
Natural classification of total expenses:		
Salaries	\$ 54,228,360	51,673,049
Benefits	18,737,175	16,143,316
Contractual services	7,732,370	6,999,655
Materials and supplies	11,623,703	9,801,159
Travel and meetings	1,042,591	737,940
Fixed charges	1,736,437	1,613,722
Utilities	3,307,335	3,364,746
Interest	593,093	846,068
Depreciation	4,393,484	4,254,000
Other	6,072,686	6,408,699
Total expenses	\$ 109,467,234	101,842,354

The total above differs from the Statement of Activities operating expenses amount by the amount of interest expense which is classified as nonoperating.

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

Required Supplementary Information  
Other Postemployment Benefits  
Schedule of Funding Progress  
June 30, 2009

<u>Actuarial Valuation Date July 1,</u>	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percent Funded (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 13,025,082	0.0%	\$ 13,025,082	\$ 36,389,494	35.8%
2007	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A

As noted in note 9, the College implemented GASB45 for the June 30, 2009 report. There is no information available for the preceding years.



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

Required Supplementary Information  
Other Postemployment Benefits  
Schedule of Employer Contributions  
June 30, 2009

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percent Contributed</u>
2008	\$ 637,797	\$ 1,535,624	41.5%
2007	N/A	N/A	N/A
2006	N/A	N/A	N/A

As noted in note 9, the College implemented GASB45 for the June 30, 2009 report. There is no information available for the preceding years.

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**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.

<u><b>Contents</b></u>	<u><b>Tables</b></u>
<b>Financial Trends</b> These tables contain trend information to help the reader understand and assess how the College's financial position and operations have changed over time.	<b>1-2</b>
<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.	<b>3-6</b>
<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.	<b>7-10</b>
<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.	<b>11-13</b>
<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.	<b>14-15</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The College implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Table 1

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

Net Assets by Component (Unaudited)

Last Five Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Invested in capital assets, net of related debt	\$ 89,508,677	88,952,883	89,839,524	87,287,374	81,243,423
Restricted for:					
Working cash	17,550,000	17,550,000	17,550,000	17,550,000	17,528,336
Debt service	3,638,451	3,476,226	3,273,884	3,083,848	3,118,894
Capital projects	1,090,977	1,091,225	1,087,520	1,090,088	3,024,292
Other	1,083,162	1,112,681	1,543,755	1,103,319	1,156,671
Unrestricted	<u>13,963,221</u>	<u>11,169,617</u>	<u>6,515,345</u>	<u>6,397,510</u>	<u>6,449,074</u>
Total net assets	<u>\$ 126,834,488</u>	<u>123,352,632</u>	<u>119,810,028</u>	<u>116,512,139</u>	<u>112,520,690</u>

Table 2

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

Changes in Net Assets (Unaudited)

Last Five Fiscal Years

	2009	2008	2007	2006	2005
Operating revenues:					
Student tuition and fees	\$ 24,431,056	22,068,220	19,230,727	17,347,474	16,015,708
Less scholarship allowances	(3,438,360)	(2,451,962)	(2,514,675)	(2,378,310)	(2,417,436)
Net student tuition and fees	20,992,696	19,616,258	16,716,052	14,969,164	13,598,272
Auxiliary enterprises	10,539,065	10,080,324	9,080,086	6,774,052	6,315,048
Other operations	1,921,201	1,728,044	4,175,887	3,836,333	3,609,459
Total operating revenues	33,452,962	31,424,626	29,972,025	25,579,549	23,522,779
Operating expenses:					
Education and general:					
Instruction	40,662,025	37,675,261	33,738,179	30,873,970	30,405,117
Academic support	5,418,601	4,942,062	4,829,196	4,722,016	4,725,087
Student services	7,416,388	6,344,790	6,083,190	5,096,901	4,728,531
Public service	7,127,721	5,807,824	7,614,717	6,956,771	6,903,265
Institutional support	22,160,018	21,005,231	21,575,050	16,844,508	17,202,310
Operations and maintenance of plant	9,214,707	8,785,206	8,090,545	7,522,383	6,606,018
Financial aid	2,478,091	1,945,642	2,002,225	2,353,612	2,647,663
Depreciation	4,393,484	4,254,000	4,289,978	4,114,324	3,898,729
Auxiliary enterprises	10,003,106	10,236,270	7,420,792	7,289,152	6,806,566
Total operating expenses	108,874,141	100,996,286	95,643,872	85,773,637	83,923,286
Operating loss	(75,421,179)	(69,571,660)	(65,671,847)	(60,194,088)	(60,400,507)
Nonoperating revenues (expenses):					
Local property taxes	55,125,615	52,163,382	48,818,356	45,454,623	42,320,584
Personal property replacement tax	1,180,747	1,349,780	1,262,216	1,156,921	912,768
State appropriations	15,655,068	13,807,432	12,559,165	11,187,839	12,219,066
Federal grants and contracts	5,716,530	4,046,087	4,243,973	4,591,755	4,840,223
Local grants and contracts	1,138,575	1,134,897	1,521,415	1,293,677	1,346,526
Investment income	679,593	1,246,168	1,156,004	871,968	466,066
Interest expense	(593,093)	(846,068)	(598,183)	(741,305)	(714,955)
Net nonoperating revenues (expenses)	78,903,035	72,901,678	68,962,946	63,815,478	61,390,278
Increase (decrease) before capital contributions	3,481,856	3,330,018	3,291,099	3,621,390	989,771
State capital appropriations	—	212,586	370,059	6,223,910	11,323,668
Increase in net assets	\$ 3,481,856	3,542,604	3,661,158	9,845,300	12,313,439

In fiscal year 2004, the State of Illinois made a contribution of \$23.8 million on behalf of the College to the State Universities Retirement System of Illinois (SURS). The normal contribution was \$4.3 million and the "special" contribution (or one-time catch-up) from House Bill 3759 (PA 93-002) was \$19.5 million. Thus, for fiscal year 2004, operating expenses and State appropriations were \$19.5 million higher due to this special contribution.

Table 3

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

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

Last Ten Fiscal Years

Fiscal year ended June 30,	Levy year	Residential property	Commercial property	Industrial property	Farm & other property	Total taxable assessed value	Total direct tax rate	Estimated actual taxable value	Assessed value as a percentage of actual value
2009	2008	\$ 23,786,834,186	3,980,347,903	1,047,235,622	153,386,437	28,967,804,148	0.196	\$ 86,903,412,444	33.33
2008	2007	22,992,716,946	3,799,304,015	988,337,508	143,089,901	27,923,448,370	0.192	83,770,345,110	33.33
2007	2006	21,428,065,407	3,463,978,017	932,383,121	141,859,575	25,966,286,120	0.195	77,898,858,360	33.33
2006	2005	19,610,105,688	3,280,579,317	885,271,430	135,072,902	23,911,029,337	0.197	71,733,088,728	33.33
2005	2004	17,757,398,911	3,069,446,188	851,317,368	127,167,862	21,805,330,329	0.200	65,415,991,641	33.33
2004	2003	16,500,329,646	2,955,899,095	821,353,626	117,376,097	20,394,958,464	0.201	61,184,875,393	33.33
2003	2002	15,096,304,053	2,753,203,480	762,433,758	120,746,176	18,732,687,467	0.208	56,198,062,401	33.33
2002	2001	13,733,063,408	2,641,221,105	754,281,352	121,250,580	17,249,816,445	0.211	51,749,449,335	33.33
2001	2000	12,629,410,656	2,486,936,171	710,408,596	119,677,803	15,946,433,226	0.235	47,839,299,678	33.33
2000	1999	11,866,243,221	2,330,290,309	721,729,327	118,165,009	15,036,427,866	0.213	45,109,283,598	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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>College direct rates</b>										
Bonds	0.006	0.006	0.007	0.007	0.008	0.008	0.010	0.009	0.032	0.011
Educational	0.129	0.128	0.128	0.128	0.129	0.129	0.130	0.129	0.133	0.130
Medicare	0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.003	-	-
Operation & maintenance	0.057	0.054	0.056	0.058	0.058	0.059	0.059	0.060	0.060	0.060
Operation & maintenance (restricted)	-	-	-	-	-	-	-	-	0.006	0.004
Health & safety	-	-	-	-	-	-	-	-	-	-
Tort judgement & liability insurance	0.003	0.003	0.003	0.003	0.004	0.004	0.002	0.004	0.004	0.007
Audit	-	-	-	-	-	-	0.005	0.006	-	0.001
<b>Total direct rate</b>	<b>0.196</b>	<b>0.192</b>	<b>0.195</b>	<b>0.197</b>	<b>0.200</b>	<b>0.201</b>	<b>0.208</b>	<b>0.211</b>	<b>0.235</b>	<b>0.213</b>
<b>Lake County rate</b>	<b>0.453</b>	<b>0.444</b>	<b>0.450</b>	<b>0.454</b>	<b>0.465</b>	<b>0.490</b>	<b>0.502</b>	<b>0.516</b>	<b>0.521</b>	<b>0.521</b>
<b>Lake County Forest Preserves rate</b>	<b>0.199</b>	<b>0.201</b>	<b>0.204</b>	<b>0.210</b>	<b>0.219</b>	<b>0.225</b>	<b>0.232</b>	<b>0.221</b>	<b>0.231</b>	<b>0.187</b>
<b>Elementary School rates</b>	<b>0.965 - 4.403</b>	<b>0.944 - 4.330</b>	<b>0.964 - 4.296</b>	<b>1.013 - 3.670</b>	<b>1.051 - 4.137</b>	<b>1.101 - 3.679</b>	<b>1.152 - 3.836</b>	<b>0.088 - 3.998</b>	<b>0.089 - 4.044</b>	<b>0.087 - 4.044</b>
<b>Unit School rates</b>	<b>3.064 - 5.691</b>	<b>3.023 - 5.639</b>	<b>3.386 - 5.834</b>	<b>3.246 - 5.872</b>	<b>3.401 - 5.941</b>	<b>3.200 - 5.938</b>	<b>3.353 - 5.960</b>	<b>3.733 - 5.440</b>	<b>3.330 - 5.400</b>	<b>3.565 - 5.481</b>
<b>High School rates</b>	<b>1.001 - 3.066</b>	<b>0.959 - 3.746</b>	<b>0.961 - 3.136</b>	<b>0.965 - 3.197</b>	<b>1.003 - 3.233</b>	<b>1.045 - 3.061</b>	<b>1.092 - 2.798</b>	<b>1.157 - 2.772</b>	<b>1.201 - 2.364</b>	<b>1.219 - 2.309</b>
<b>Township rates</b>	<b>0.029 - 0.372</b>	<b>0.028 - 0.368</b>	<b>0.029 - 0.375</b>	<b>0.029 - 0.359</b>	<b>0.028 - 0.355</b>	<b>0.027 - 0.355</b>	<b>0.028 - 0.357</b>	<b>0.029 - 0.348</b>	<b>0.029 - 0.312</b>	<b>0.029 - 0.310</b>
<b>Sanitary District rates</b>	<b>0.000 - 0.192</b>	<b>0.000 - 0.186</b>	<b>0.030 - 0.187</b>	<b>0.031 - 0.191</b>	<b>0.028 - 0.198</b>	<b>0.029 - 0.198</b>	<b>0.030 - 0.209</b>	<b>0.035 - 0.216</b>	<b>0.036 - 0.214</b>	<b>0.037 - 0.213</b>
<b>Park District rates</b>	<b>0.000 - 0.707</b>	<b>0.019 - 0.707</b>	<b>0.019 - 0.728</b>	<b>0.019 - 0.711</b>	<b>0.019 - 0.730</b>	<b>0.019 - 0.791</b>	<b>0.019 - 0.763</b>	<b>0.020 - 0.689</b>	<b>0.021 - 0.702</b>	<b>0.020 - 0.599</b>
<b>Library District rates</b>	<b>0.150 - 0.477</b>	<b>0.152 - 0.433</b>	<b>0.161 - 0.436</b>	<b>0.155 - 0.438</b>	<b>0.170 - 0.452</b>	<b>0.173 - 0.451</b>	<b>0.172 - 0.446</b>	<b>0.179 - 0.472</b>	<b>0.178 - 0.468</b>	<b>0.199 - 0.460</b>
<b>Fire District rates</b>	<b>0.124 - 0.677</b>	<b>0.121 - 0.652</b>	<b>0.128 - 0.674</b>	<b>0.136 - 0.690</b>	<b>0.142 - 0.709</b>	<b>0.141 - 0.779</b>	<b>0.148 - 0.698</b>	<b>0.155 - 0.716</b>	<b>0.124 - 0.710</b>	<b>0.151 - 0.700</b>
<b>City &amp; Village rates</b>	<b>0.000 - 2.491</b>	<b>0.000 - 2.446</b>	<b>0.012 - 2.123</b>	<b>0.013 - 2.060</b>	<b>0.012 - 1.605</b>	<b>0.012 - 1.613</b>	<b>0.012 - 1.597</b>	<b>0.012 - 1.449</b>	<b>0.012 - 1.489</b>	<b>0.012 - 1.497</b>
<b>Special Service Area rates</b>	<b>0.029 - 10.130</b>	<b>0.029 - 15.221</b>	<b>0.014 - 15.877</b>	<b>5.714 - 10.809</b>	<b>5.832 - 10.886</b>	<b>5.676 - 11.014</b>	<b>4.253 - 10.862</b>	<b>5.748 - 10.564</b>	<b>4.622 - 9.227</b>	<b>4.630 - 9.628</b>

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

Table 5

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

Principal Property Tax Payers (Unaudited)  
Current Levy Year and Seven Years Ago

Taxpayer	2008			2001		
	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 Laboratories	\$ 167,866,409	1	0.60 %	\$ 133,308,517	1	0.77 %
Gurnee Mills	59,179,562	2	0.21	—	-	-
Discover Financial Services, Inc.	46,566,431	3	0.17	—	-	-
Van Vlissingen & Co.	45,270,693	4	0.16	—	-	-
Marvin F Poer & Co.	41,128,691	5	0.15	—	-	-
JBC Funds Parkway North LLC	38,620,348	6	0.14	48,050,369	3	0.28
Hewitt Properties III, LLC	33,817,439	7	0.12	36,361,869	5	0.21
Baxter Healthcare Corp	32,839,963	8	0.12	—	-	-
Midwest Family Housing LLC	32,739,885	9	0.12	—	-	-
Long Ridge Office Portfolio LP	31,473,325	10	0.11	—	-	-
Exelon Generation Company LLC	—	-	-	78,089,827	2	0.45
Gurnee Properties Assoc.	—	-	-	47,043,829	4	0.27
American National Bank	—	-	-	30,405,096	6	0.18
LaSalle National Bank	—	-	-	28,551,984	7	0.17
Time Warner Entertainment Co.	—	-	-	26,953,217	8	0.16
Lumbermen's Mutual Casualty Co.	—	-	-	25,894,154	9	0.15
Motorola, Inc.	—	-	-	25,579,905	10	0.15
	<u>\$ 529,502,746</u>		<u>1.90 %</u>	<u>\$ 480,238,767</u>		<u>2.79 %</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.

1999 data (nine years ago) is not available per the Lake County Clerk's Office.

Source: Lake County Clerk's Office

Table 6

**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 fiscal year of the levy		Collections in subsequent years <sup>(a)</sup>	Total collections to date	
			Amount	Percentage of levy		Amount	Percentage of levy
2009	2008	\$ 56,776,896	27,829,509	49.02	% \$ —	27,829,509	49.02
2008	2007	53,613,021	53,543,676	99.87	—	53,543,676	99.87
2007	2006	50,634,258	50,549,528	99.83	—	50,549,528	99.83
2006	2005	47,104,728	46,911,144	99.59	—	46,911,144	99.59
2005	2004	43,610,661	43,497,924	99.74	—	43,497,924	99.74
2004	2003	40,993,867	40,805,598	99.54	—	40,805,598	99.54
2003	2002	38,963,990	38,845,545	99.70	—	38,845,545	99.70
2002	2001	36,397,113	36,270,250	99.65	—	36,270,250	99.65
2001	2000	37,474,118	37,382,753	99.76	—	37,382,753	99.76
2000	1999	32,027,591	31,978,095	99.85	—	31,978,095	99.85

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

Fiscal year	General Obligation Limited Tax Funding Bonds		General Obligation Limited Tax Debt Certificates		General Obligation Capital Refunding Bonds		Capital Appreciation Limited Tax Bonds		General Obligation Bonds - Alternate Revenue Source		General Obligation Bonds	Total	Percentage of taxable assessed value of property <sup>(a)</sup>	Per FTE student count <sup>(b)</sup>
2009	\$ 7,210,000	3,925,000	—	2,010,000	320,000	—	—	13,465,000	0.046%	1,511				
2008	7,405,000	4,560,000	—	3,025,000	615,000	—	—	15,605,000	0.056%	1,902				
2007	7,595,000	5,140,000	—	4,040,000	895,000	—	—	17,670,000	0.068%	2,154				
2006	7,650,000	3,165,000	—	5,185,000	1,155,000	—	—	17,155,000	0.072%	2,096				
2005	7,700,000	3,385,000	—	6,535,000	1,390,000	—	—	19,010,000	0.087%	2,383				
2004	3,250,000	3,385,000	—	7,885,000	2,050,000	—	—	16,570,000	0.081%	2,131				
2003	3,250,000	3,385,000	—	9,235,000	3,305,000	—	—	19,175,000	0.102%	2,671				
2002	3,250,000	—	—	10,585,000	4,485,000	—	—	18,320,000	0.106%	2,765				
2001	—	—	3,215,000	10,585,000	5,655,000	—	1,525,000	20,980,000	0.132%	3,302				
2000	1,405,000	—	3,215,000	10,585,000	6,610,000	—	1,525,000	23,340,000	0.155%	3,821				

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

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

<sup>(b)</sup> See Table 11 for FTE Student Count.

Table 8

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

Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>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>
2009	\$ 13,465,000	712,453	0.046%	\$ 18.90
2008	15,605,000	706,386	0.056%	22.09
2007	17,670,000	701,754	0.068%	25.18
2006	17,155,000	694,862	0.072%	24.69
2005	19,010,000	686,580	0.087%	27.69
2004	16,570,000	677,561	0.081%	24.46
2003	19,175,000	672,303	0.102%	28.52
2002	18,320,000	660,851	0.106%	27.72
2001	20,980,000	648,241	0.132%	32.36
2000	23,340,000	644,356	0.155%	36.22
1999	22,295,000	622,300	0.158%	35.83

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

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

Table 9

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

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

<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>
2009	2008	\$ 28,967,804,148	832,824,369	13,465,000	819,359,369	1.62%
2008	2007	27,923,448,370	802,799,141	15,605,000	787,194,141	1.94%
2007	2006	25,966,286,120	746,530,726	17,670,000	728,860,726	2.37%
2006	2005	23,911,029,337	687,442,093	17,155,000	670,287,093	2.50%
2005	2004	21,805,330,329	626,903,247	19,010,000	607,893,247	3.03%
2004	2003	20,394,958,464	586,355,056	16,570,000	569,785,056	2.83%
2003	2002	18,732,687,467	538,564,765	19,175,000	519,389,765	3.56%
2002	2001	17,249,816,445	495,932,223	18,320,000	477,612,223	3.69%
2001	2000	15,946,433,226	458,459,955	20,980,000	437,479,955	4.58%
2000	1999	15,036,427,866	432,297,301	23,340,000	408,957,301	5.40%

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



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

Pledged Revenue Coverage (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Alternate Revenue Bonds <sup>(a)</sup>				Alternate Revenue Bonds <sup>(b)</sup>			
	Available Revenue	Debt Service		Coverage	Available Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2009	\$ 395,400	295,000	21,358	1.25	\$ —	—	—	—
2008	392,800	280,000	34,225	1.25	—	—	—	—
2007	382,700	260,000	46,175	1.25	—	—	—	—
2006	371,900	235,000	62,500	1.25	—	—	—	—
2005	365,600	210,000	82,495	1.25	604,125	450,000	33,300	1.25
2004	363,700	195,000	95,991	1.25	1,463,350	1,060,000	110,680	1.25
2003	354,700	180,000	103,727	1.25	1,478,975	1,000,000	183,180	1.25
2002	351,000	170,000	110,818	1.25	1,568,975	1,000,000	255,180	1.25
2001	340,300	155,000	117,240	1.25	1,390,475	800,000	312,380	1.25
2000	216,517	—	120,262	1.80	1,461,475	800,000	369,180	1.25

<sup>(a)</sup> Pledged Revenues consist of lease payments received by the College from the lease of the Series 1998A Project (rented to an agency of the State of Illinois). Although these rents are sufficient to pay the debt service, net bookstore revenues are pledged to the extent needed to provide the 1.25 coverage rate (Fiscal years 2001-2008).

<sup>(b)</sup> Pledged Revenues consisted of the revenues of the College's operations, building and maintenance fund (O&M Fund). Only the revenues from this fund needed to provide the 1.25 coverage rate are reflected in this table. Bond repaid in full at June 30, 2005.

Table 11

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

Student Enrollment Demographic Statistics (Unaudited)  
Last Ten Fiscal Years

Fall Term	Enrollment		Gender		Attendance			Enrollment Status			In-District Residency	Average Age
	Headcount	FTE	Male	Female	Full-time	Part-time	New	Continuing	Returning			
2008	16,359	8,912	6,994	9,303	5,192	11,167	5,082	8,446	2,831	94%	28.6	
2007	16,010	8,578	6,722	9,226	4,892	11,118	4,830	8,360	2,820	94%	28.7	
2006	15,558	8,203	6,604	8,874	4,611	10,947	4,923	7,965	2,670	93%	28.6	
2005	15,745	8,184	6,699	8,956	4,514	11,231	4,925	7,884	2,936	93%	28.7	
2004	15,866	7,979	6,735	9,012	4,357	11,509	5,075	7,937	2,854	93%	28.8	
2003	15,828	7,777	6,689	9,079	4,106	11,722	5,172	7,728	2,928	91%	29.1	
2002	15,457	7,180	6,539	8,857	3,829	11,628	5,027	7,448	2,982	89%	29.8	
2001	14,385	6,626	6,284	8,044	3,514	10,871	4,695	6,729	2,961	89%	32.2	
2000	14,442	6,353	6,331	8,074	3,213	11,229	4,991	6,910	2,541	90%	31.1	
1999	14,036	6,109	6,187	7,846	3,079	10,957	3,854	7,936	2,246	88%	30.8	

Table 12

COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532

Reimbursable Claimed Hours (Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business	Technical	Health	Remedial	Adult Basic Secondary Education	Total
2009	154,132	14,176	22,027	16,570	21,098	39,156	267,159
2008	145,866	13,124	21,509	14,516	19,814	36,633	251,462
2007	144,067	13,512	20,203	12,911	20,612	33,332	244,637
2006	140,008	12,354	19,370	11,905	20,968	28,047	232,652
2005	138,408	10,605	21,807	12,094	18,972	24,871	226,756
2004	137,952	10,686	22,986	12,474	20,206	21,658	225,961
2003	130,937	10,528	24,048	11,177	18,706	19,184	214,580
2002	119,585	8,940	26,033	10,518	17,431	18,096	200,603
2001	108,639	7,989	26,218	8,919	16,324	18,452	186,541
2000	111,464	8,145	27,278	7,968	17,069	14,836	186,760

Amounts are based on midterm enrollment.

Table 13

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

Principal Employers (Unaudited)

Current Year

Employer	2009		
	Employees <sup>(a)</sup>	Rank	Percentage of total County employees <sup>(a)</sup>
Department of the Navy	25,000	1	6.78%
Abbott Laboratories	15,700	2	4.26%
Hewitt Associates, LLC	6,000	3	1.63%
Baxter Healthcare Corporation	4,600	4	1.25%
Motorola, Inc.	4,000	5	1.09%
Discover Financial Services, Inc.	3,500	6	0.95%
HSBC, Inc.	3,100	7	0.84%
County of Lake	2,800	8	0.76%
CDW Corporation	2,500	9	0.68%
Condell Health Network, Inc.	2,500	10	0.68%
Walgreen Company	2,500	11	0.68%
Medline Industries, Inc.	2,000	12	0.54%
College of Lake County	2,000	13	0.54%
	<u>76,200</u>		<u>20.67%</u>

<sup>(a)</sup> Civilian only.

Source: Lake County Planning, Building and Development Department

2000 data (nine years ago) is not available per the Lake County Clerk's Office.

Table 14

**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	2006 Systems Portfolio
Population in District 2008 (note 1):	712,453
Percentage change from 1990 census	38.0%
Employment in District (note 2):	
Labor force, civilian (July 2009)	368,571
Unemployment rate (July 2009)	9.3%

## 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	

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Enrollment (Fall Semester, based on 10th day enrollment) (note 4):										
Total headcount	16,359	16,010	15,558	15,745	15,866	15,828	15,457	14,385	14,442	14,036
Percent change	2.18%	2.91%	-1.19%	-0.76%	0.24%	2.40%	7.45%	-0.39%	2.89%	1.84%
Total student semester hours	133,683	128,674	123,047	122,756	119,692	116,658	107,694	99,389	95,296	91,639
Total FTE semester hours	8,912	8,578	8,203	8,184	7,979	7,777	7,180	6,626	6,353	6,109
Percent change	3.89%	4.57%	0.23%	2.57%	2.60%	8.31%	8.36%	4.30%	3.99%	1.20%
Total seats taken	42,671	40,891	38,507	38,308	37,406	36,687	33,908	33,638	32,144	30,964
Percent change	4.35%	6.19%	0.52%	2.41%	1.96%	8.20%	0.80%	4.65%	3.81%	1.60%
Degrees and certificates awarded (note 5):										
A.A., A.S., and A.E.S.	586	600	515	567	559	500	538	530	505	489
A.A.S.	381	341	316	305	330	320	296	290	270	251
A.F.A./A.P.	2	-	-	-	1	1	1	-	1	-
Certificates	800	930	998	944	1,044	993	709	699	543	424
Total, degrees/certificates	1,769	1,871	1,829	1,816	1,934	1,814	1,544	1,519	1,319	1,164
College Workforce (Fall semester) (note 6):										
Faculty/academic support	1,075	834	832	810	794	827	977	788	951	888
Administrators	59	54	50	50	50	53	57	60	56	54
Prof./Tech.	195	172	167	140	132	135	136	135	133	121
Clerical	114	110	110	104	106	105	107	138	102	99
Maintenance and others	156	144	148	149	138	137	135	78	132	127
% Full-time	40%	47%	45%	46%	46%	45%	48%	44%	39%	42%
% Women*	58%	57%	57%	56%	61%	57%	56%	60%	55%	54%
% Minorities*	20%	20%	20%	20%	27%	18%	15%	20%	14%	12%

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

## Notes:

1. From U.S. Department of Commerce, U.S. Bureau of Census website.
  2. From Illinois Department of Employment Security, Local Area Unemployment Statistics, July 2009.
  3. From Lake County Planning, Building and Development website.
  4. From College of Lake County Institutional Effectiveness, Research and Planning, Fact Files.
  5. From College of Lake County Office of Institutional Effectiveness, Research and Planning, Graduate Follow-up Study, Part II FY 1999-2004.
  6. From Illinois Community College Board CI (Faculty, Staff, and Salary) Database.
- \* Excludes part-time faculty

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

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Grayslake Campus-purchased 1968</b>										
Size of campus (acres) <sup>(a)</sup>	225.1	225.1	225.1	225.1	225.1	225.1	225.1	226.1	226.1	226.1
Gross square footage <sup>(b)</sup>	814,174	814,174	814,174	814,174	814,174	679,174	679,174	679,174	679,174	679,174
Square footage rented <sup>(c)</sup>	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of classrooms	102	102	102	102	102	81	81	81	81	81
Number of laboratories	94	94	94	94	94	51	51	51	51	51
<b>Lakeshore Campus-purchased 1979/1995</b>										
Size of campus (acres)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Gross square footage	71,599	71,599	71,599	71,599	71,599	71,599	71,599	71,599	71,599	71,599
Number of classrooms	14	14	14	14	14	14	14	14	14	14
Number of laboratories	7	7	7	7	7	7	7	7	7	7
<b>Southlake Center-purchased 1997</b>										
Size of campus (acres) <sup>(d)</sup>	20.6	20.6	20.6	20.6	22.9	22.9	22.9	22.9	22.9	22.9
Gross square footage	66,269	66,269	45,814	16,269	16,269	16,269	16,269	16,269	16,269	16,269
Number of classrooms	20	20	23	9	9	9	9	9	9	9
Number of laboratories	8	8	5	2	2	2	2	2	2	2
<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	—	—
Gross square footage	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	—	—
Square footage rented <sup>(c)</sup>	32,976	32,976	32,976	32,976	32,976	—	—	—	—	—
Number of classrooms available	9	—	—	—	—	—	—	—	—	—
Number of laboratories available	1	—	—	—	—	—	—	—	—	—

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

<sup>(b)</sup> 2005: Technology Building addition

<sup>(c)</sup> Details regarding the College's operating leases can be found in the notes to the financial statements.

<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.

Source: College of Lake County Facilities Department



COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532

All Funds Summary  
Uniform Financial Statement Number 1  
Year ended June 30, 2009

	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	Total
Fund balance (deficit) at June 30, 2009	\$ 5,163,983	8,080,116	1,104,076	3,476,226	5,430	1,049,833	17,649,974	97,232	221,838	(352,705)	36,496,003
Revenues:											
Local tax revenue	36,792,610	15,775,937	—	1,704,793	—	761,403	—	—	—	852,273	55,125,613
All other local revenue	20,250	—	—	—	—	1,140,056	—	—	—	—	781,653
ICCB grants	5,573,120	—	—	—	—	1,037,983	—	—	—	—	6,713,176
All other state revenue	1,180,747	—	—	—	—	5,716,530	—	—	—	—	2,218,730
Federal revenue	—	—	2,471,972	—	—	—	—	782,584	—	—	5,716,530
Student tuition and fees	21,959,084	77,632	539,438	—	11,223,840	5,547,059	257,318	34,839	—	—	25,213,640
All other revenue	602,040	—	—	—	—	—	—	—	—	—	18,282,166
Total revenues	66,127,851	15,853,569	3,011,410	1,704,793	11,223,840	14,203,031	257,318	817,423	—	852,273	114,051,508
Expenditures:											
Instruction	33,498,397	—	—	—	—	—	—	—	—	—	33,498,397
Academic support	4,669,762	—	—	—	—	—	—	—	—	—	4,669,762
Student services	6,225,349	200,525	—	—	—	—	—	801,726	—	—	7,227,600
Public service	2,209,971	—	—	—	—	4,710,476	—	—	—	—	6,920,447
Auxiliary services	—	—	—	—	10,398,834	—	—	—	—	—	10,398,834
Operations and maintenance	—	8,165,701	—	—	—	—	—	—	—	—	8,165,701
Institutional support	18,197,521	6,056,689	4,119,765	1,542,568	—	—	—	—	185,279	797,721	30,899,543
Scholarships and student grants	90,266	—	—	—	—	10,242,535	—	—	—	—	10,332,801
Total expenditures	64,891,266	14,422,915	4,119,765	1,542,568	10,398,834	14,953,011	—	801,726	185,279	797,721	112,113,085
Other financing sources (uses):											
Debt proceeds	—	—	—	—	—	—	—	—	—	—	—
Net transfers	30,000	(1,600,000)	1,600,000	—	—	—	(250,000)	—	220,000	—	—
Total other financing sources (uses)	30,000	(1,600,000)	1,600,000	—	—	—	(250,000)	—	220,000	—	—
Fund balance (deficit) at June 30, 2009	\$ 6,430,568	7,910,770	1,595,721	3,638,451	830,436	299,853	17,657,292	112,929	256,559	(298,153)	38,434,426

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

Summary of Capital Assets and Debt  
Uniform Financial Statement Number 2

Year ended June 30, 2009

	<u>Capital asset/ debt account groups June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital asset/ debt account groups June 30, 2009</u>
Fixed assets:				
Sites and improvements	\$ 13,121,896	304,069	—	13,425,965
Buildings, additions, and improvements	123,734,403	811,878	—	124,546,281
Construction work in progress	—	—	—	—
Equipment, furniture, and machinery	<u>20,989,076</u>	<u>2,068,760</u>	<u>(755,513)</u>	<u>22,302,323</u>
Fixed assets	157,845,375	3,184,707	(755,513)	160,274,569
Accumulated depreciation	<u>(54,437,243)</u>	<u>(4,393,484)</u>	<u>755,513</u>	<u>(58,075,214)</u>
Net fixed assets	<u>\$ 103,408,132</u>	<u>(1,208,777)</u>	<u>—</u>	<u>102,199,355</u>
Fixed debt:				
Bonds payable	\$ 15,605,000	—	(2,140,000)	13,465,000
Total fixed liabilities	<u>\$ 15,605,000</u>	<u>—</u>	<u>(2,140,000)</u>	<u>13,465,000</u>

The College has no tax anticipation warrants or notes outstanding at June 30, 2009.

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

Operating Funds Revenues and Expenditures  
Uniform Financial Statement Number 3

Year ended June 30, 2009

	<u>Education Fund</u>	<u>O&amp;M Fund</u>	<u>Total Operating</u>
Operating revenues by source:			
Local government:			
Current taxes	\$ 36,792,610	15,775,937	52,568,547
Charge-back revenue	20,250	—	20,250
Total local government	<u>36,812,860</u>	<u>15,775,937</u>	<u>52,588,797</u>
State government:			
ICCB credit hour grants	5,322,621	—	5,322,621
Corporate personal property replacement taxes	1,180,747	—	1,180,747
Vocational education and other	250,499	—	250,499
Total state government	<u>6,753,867</u>	<u>—</u>	<u>6,753,867</u>
Student tuition and fees:			
Tuition and fees	21,959,084	—	21,959,084
Total student tuition and fees	<u>21,959,084</u>	<u>—</u>	<u>21,959,084</u>
Other sources:			
Investment revenue	386,904	—	386,904
Other	215,136	77,632	292,768
Transfers	30,000	—	30,000
Total other sources	<u>632,040</u>	<u>77,632</u>	<u>709,672</u>
Total fiscal year 2009 revenue	<u>66,157,851</u>	<u>15,853,569</u>	<u>82,011,420</u>
Less nonoperating items*:			
Tuition charge-back revenue	20,250	—	20,250
Transfers from nonoperating funds	30,000	—	30,000
Adjusted revenue	<u>\$ 66,107,601</u>	<u>15,853,569</u>	<u>81,961,170</u>

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

Operating Funds Revenues and Expenditures  
Uniform Financial Statement Number 3

Year ended June 30, 2009

	<u>Education Fund</u>	<u>O&amp;M Fund</u>	<u>Total operating</u>
Operating expenditures:			
Instruction	\$ 33,498,397	—	33,498,397
Academic support	4,669,762	—	4,669,762
Student services	6,225,349	200,525	6,425,874
Public service	2,209,971	—	2,209,971
Auxiliary services	—	—	—
Operations and maintenance	—	8,165,701	8,165,701
Institutional support	18,197,521	6,056,689	24,254,210
Scholarships and student grants	90,266	—	90,266
Transfers	—	1,600,000	1,600,000
	<hr/>	<hr/>	<hr/>
Total operating expenditures by program	64,891,266	16,022,915	80,914,181
Less nonoperating items*:			
Tuition charge-back	—	—	—
Transfers to nonoperating funds	—	1,600,000	1,600,000
	<hr/>	<hr/>	<hr/>
Adjusted expenditures	\$ 64,891,266	14,422,915	79,314,181
By object:			
Salaries	\$ 44,969,533	4,348,366	49,317,899
Employee benefits	8,134,737	2,107,906	10,242,643
Contractual services	4,141,139	1,722,709	5,863,848
General materials and supplies	3,715,252	883,028	4,598,280
Conference and meeting expense	772,678	31,035	803,713
Fixed charges	1,017,871	552,637	1,570,508
Utilities	—	3,307,335	3,307,335
Capital outlay	49,978	1,445,749	1,495,727
Other	2,090,078	24,150	2,114,228
Transfers	—	1,600,000	1,600,000
	<hr/>	<hr/>	<hr/>
Total operating expenditures by object	64,891,266	16,022,915	80,914,181
Less nonoperating items*:			
Tuition charge-back	—	—	—
Transfers to nonoperating funds	—	1,600,000	1,600,000
	<hr/>	<hr/>	<hr/>
Adjusted expenditures	\$ 64,891,266	14,422,915	79,314,181

\* 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 Purpose Fund Revenues and Expenditures  
Uniform Financial Statement Number 4

Year ended June 30, 2009

	<b>Restricted Purposes Fund</b>
Revenue by source:	
Local government:	
Local taxes	\$ —
Other local government	761,403
Total local government	761,403
State government:	
ICCB – Shifting Gears - CNC Bridge Grant	128,652
ICCB – Workforce Development Grants	92,889
ICCB – P-16 Initiative Grant	—
ICCB – State Adult Education Grant	884,284
ICCB – Career and Technical Education – Program Improvement Grant	34,231
Other	1,037,983
Total state government	2,178,039
Federal government:	
U.S. Department:	
Dept of Education	5,464,946
Other	251,584
Total federal government	5,716,530
Other sources:	
Investment revenue	14,829
Other	5,532,230
Total other sources	5,547,059
Total restricted purposes fund revenues	\$ 14,203,031

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

Restricted Purpose Fund Revenues and Expenditures  
Uniform Financial Statement Number 4

Year ended June 30, 2009

	<u>Restricted Purposes Fund</u>
Restricted purposes fund expenditures, by program:	
Public services	\$ 4,710,476
Scholarships and student grants	10,242,535
Total restricted purposes fund expenditures, by program	<u>\$ 14,953,011</u>
Restricted purposes fund expenditures, by object:	
Salaries	\$ 2,154,895
Employee benefits	378,128
Contractual services	238,604
General materials and supplies	209,437
Travel and conference/meeting expenses	144,723
Utilities	—
Fixed charges	4,651
Capital outlay	166,679
Other	11,655,894
Total restricted purposes fund expenditures, by object	<u>\$ 14,953,011</u>



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

Current Funds\* – Expenditures by Activity  
Uniform Financial Statement Number 5

Year ended June 30, 2009

Instruction:		
Instructional programs	\$	31,022,426
Other		2,475,971
		<hr/>
Total instruction		33,498,397
		<hr/>
Academic support:		
Library center		1,957,278
Instructional materials center		264,004
Education media center		70,741
Academic computing support		976,226
Academic administration and planning		182,545
Other		1,218,968
		<hr/>
Total academic support		4,669,762
		<hr/>
Student services:		
Admission and records		1,054,632
Counseling and career services		2,471,401
Financial aid administration		653,813
Other		2,246,028
		<hr/>
Total student services		6,425,874
		<hr/>
Public service:		
Community education		5,072,621
Customized training		315,950
Community services		924,011
Other		607,865
		<hr/>
Total public services		6,920,447
		<hr/>
Auxiliary services		10,398,834
		<hr/>
Operations and maintenance:		
Maintenance		1,855,766
Custodial services		2,454,360
Grounds		566,907
Transportation		51,771
Utilities		2,991,255
Administration		245,642
Other		—
		<hr/>
Total operations and maintenance		8,165,701
		<hr/>

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

Current Funds\* – Expenditures by Activity  
Uniform Financial Statement Number 5

Year ended June 30, 2009

Institutional support:	
Executive management	\$ 2,048,863
Fiscal operations	630,039
Community relations	2,177,591
Administrative support	1,848,022
Board of trustees	193,731
General institutional	13,303,421
Institutional research	403,034
Administrative data processing	4,442,211
Other	<u>190,298</u>
Total institutional support	<u>25,237,210</u>
Scholarships, student grants, and waivers	<u>10,332,801</u>
Total current funds expenditures	<u>\$ 105,649,026</u>

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

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

Certification of Chargeback Reimbursement

Fiscal year 2010

All fiscal year 2009 noncapital audited operating expenditures from the following funds:

1. Education Fund	\$ 64,841,288
2. Operations and Maintenance Fund	12,977,166
3. Operations and Maintenance Fund (Restricted)	1,199,691
4. Bond and Interest Fund	1,542,568
5. Public Building Commission Rental Fund	—
6. Restricted Purposes Fund	14,786,333
7. Audit Fund	185,279
8. Liability, Protection, and Settlement Fund	797,721
9. Auxiliary Enterprise Fund (Subsidy Only)	—
10. Total noncapital audited expenditures	<u>96,330,046</u>
11. Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds	<u>3,525,676</u>
12. Total costs included	<u>99,855,722</u>
13. Total certified semester credit hours for FY 2009	261,443.5
14. Per capita cost	381.94
15. All FY 2009 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>11,221,359</u>
16. Less FY 2009 state and federal grants per semester credit hour	42.92
17. Less each district's average ICCB grant rate for fiscal year 2010	30.38
18. Less each district's student tuition per semester credit hour for fiscal year 2010	<u>95.00</u>
19. Equals charge-back reimbursement per semester credit hour	<u><u>\$ 213.64</u></u>

Approved: /s/ Nancy McNerney October 6, 2009  
Interim Vice-President for Administrative Affairs Date

Approved: /s/ Girard W. Weber October 6, 2009  
President Date

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
College of Lake County  
Community College District No. 532

We have audited the accompanying balance sheets of the College of Lake County, Community College District No. 532 (the College) Workforce Development (Business/Industry), State Adult Education (State Basic, Public Assistance, and State Performance), and Career and Technical Education – Program Improvement Grants (Grant Programs), as of June 30, 2009, and the related statements of revenues, expenditures, and changes in fund balances for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements presented are only for the Grant Programs and do not purport to, and do not, present fairly the financial position or results of operations of the College.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College's Workforce Development (Business/Industry), State Adult Education (State Basic, Public Assistance, and State Performance), and Career and Technical Education – Program Improvement Grants as of June 30, 2009, and the revenues, expenditures, and changes in fund balances for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit were made for the purpose of forming opinions on the financial statements taken as a whole for each of the grant programs referred to in the first paragraph. The supplementary information included on pages 67 and 70 is presented for purposes of additional analysis and are not a required part of the financial statements of the Workforce Development (Business/Industry), and State Adult Education (State Basic, Public Assistance, and State Performance) Grant programs. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements of the Workforce Development (Business/Industry), and State Adult Education (State Basic, Public Assistance, and State Performance) Grant programs taken as a whole.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2009



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INDEPENDENT AUDITORS' 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*

The Board of Trustees  
College of Lake County  
Community College District No. 532

We have audited the accompanying financial statements of the College of Lake County, Community College District No. 532 (the College) Workforce Development (Business/Industry), State Adult Education (State Basic, Public Assistance, and State Performance), and Career and Technical Education – Program Improvement Grants (Grant Programs), as of and for the year ended June 30, 2009, and have issued our report thereon dated October 6, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting of the Grant Programs as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

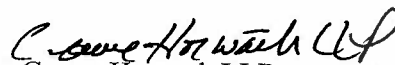
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether these financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2009

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

Workforce Development (Business/Industry) Grant Program

Balance Sheet

June 30, 2009

**Assets**

Cash	\$ <u>          </u>
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**Liabilities and Fund Balance**

Liabilities	\$ <u>          </u>
Fund balance	<u>          </u>
Total liabilities and fund balance	\$ <u>          </u>

See accompanying notes to ICCB State Grants financial statements.

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

Workforce Development (Business/Industry) Grant Program

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

Year ended June 30, 2009

Revenues:		
State sources	\$	93,108
Expenditures:		
Current year's grant:		
Salaries		—
Employee benefits		—
Contractual services		79,933
Materials and supplies		11,552
Conference and meeting		1,623
Capital outlay		—
Total expenditures		93,108
Excess of revenues over expenditures		—
Fund balance at July 1, 2008		—
Fund balance at June 30, 2009	\$	—

See accompanying notes to ICCB State Grants financial statements.

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

ICCB Compliance Statement For Workforce Development (Business/Industry) Grant Program  
Total Expenditures For ICCB Grant Funds Only

Year ended June 30, 2009

	Column A	Column B	Column C
	<u>General</u>	<u>Operation of Workforce Devel. Office</u>	<u>Total</u>
Expenditures:			
1. Personnel (salaries and benefits)**	\$ —	—	—
2. Contractual expense	—	79,933	79,933
3. Instructional materials	—	11,552	11,552
4. Instructional equipment*	—	—	—
5. Promotional materials	—	—	—
6. Staff development	—	—	—
7. Conference and meeting expenses	—	1,623	1,623
8. Travel**	—	—	—
9. Costs of operating a business	—	—	—
assistance center/economic	—	—	—
development workforce preparations	—	—	—
offices:	—	—	—
a. Office equipment*	—	—	—
b. Utilities and telephone	—	—	—
c. Consumable supplies	—	—	—
d. Duplicating	—	—	—
e. Facility rental	—	—	—
10. Totals	<u>\$ —</u>	<u>93,108</u>	<u>93,108</u> ***

\* Sum of expenditures should be less than or equal to 25% of the district's total workforce preparation grant.

\*\* Salaries charged to this grant should be paid commensurate with the percentage of time spent working on business and industry/economic development activities. Staff development and travel costs should only be paid for staff that spend 51% or more of their time on work in the business assistance center or economic development office.

\*\*\* Sum of total expenditures (Column C) should equal total expenditures reported in Statement of Revenues, Expenditures, and Changes in Fund Balance.

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

State Adult Education Grant Program

Balance Sheet

June 30, 2009

<b>Assets</b>	<b>State Basic</b>	<b>Public Assistance</b>	<b>State Performance</b>	<b>Total</b>
Cash	\$ —	—	—	—
Accounts receivable	54,080	112,000	46,601	212,681
Total assets	<u>\$ 54,080</u>	<u>112,000</u>	<u>46,601</u>	<u>212,681</u>
<b>Liabilities and Fund Balance</b>				
Liabilities				
Due to other funds	\$ 54,080	112,000	46,601	212,681
Total liabilities	54,080	112,000	46,601	212,681
Fund balance	—	—	—	—
Total liabilities and fund balance	<u>\$ 54,080</u>	<u>112,000</u>	<u>46,601</u>	<u>212,681</u>

See accompanying notes to ICCB State Grants financial statements.

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

State Adult Education Grant Program

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

Year ended June 30, 2009

	<b>State Basic</b>	<b>Public Assistance</b>	<b>State Performance</b>	<b>Total</b>
Revenues:				
State sources	\$ 234,345	448,000	201,939	884,284
Expenditures – by program:				
Instructional and student services:				
Instruction	182,079	206,034	51,209	439,322
Social work services	—	—	—	—
Guidance services	9,935	—	6,456	16,391
Assistive and adaptive equipment	—	—	—	—
Assessment and testing	12,907	109,677	14,987	137,571
Student transportation services	—	—	—	—
Literacy services	13,744	26,634	41,765	82,143
Child care services	—	—	—	—
Total instructional and student services	218,665	342,345	114,417	675,427
Program support:				
Improvement of instructional services	—	907	3,158	4,065
General administration	4,561	29,417	39,288	73,266
Operation and maintenance of plant services	—	—	—	—
Workforce coordination	—	24,601	—	24,601
Data and information services	11,119	50,730	45,076	106,925
Approve indirect costs	—	—	—	—
Total program support	15,680	105,655	87,522	208,857
Total expenditures	234,345	448,000	201,939	884,284
Excess of revenues over expenditures	—	—	—	—
Fund balance at July 1, 2008	—	—	—	—
Fund balance at June 30, 2009	\$ —	—	—	—

See accompanying notes to ICCB State Grants financial statements.

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

State Adult Education Grant Program

ICCB Compliance Statement  
Expenditure Amounts and Percentages for ICCB Grant Funds Only

Year ended June 30, 2009

State basic	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	\$182,079	78%
General administration (9% maximum allowed)	\$4,561	2%
State public assistance	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	\$206,034	46%
General administration (9% maximum allowed)	\$29,417	7%



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

Career and Technical Education – Program Improvement Grant Program

Balance Sheet

June 30, 2009

**Assets**

Cash	\$	—
Accounts receivable		<u>34,231</u>
Total assets	\$	<u><u>34,231</u></u>

**Liabilities and Fund Balance**

Liabilities		
Due to other funds	\$	<u>34,231</u>
Total liabilities		<u>34,231</u>
Fund balance		<u>—</u>
Total liabilities and fund balance	\$	<u><u>34,231</u></u>

See accompanying notes to ICCB State Grants financial statements.

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

Career and Technical Education – Program Improvement Grant Program

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

Year ended June 30, 2009

	<b>Total</b>
Revenues:	
State sources	\$ 34,231
Expenditures:	
Salaries	—
Employee benefits	—
Contractual services	—
Materials and supplies	995
Conference and meeting	—
Utilities	—
Capital outlay	33,236
Total expenditures	34,231
Excess of revenues over expenditures	—
Fund balance at July 1, 2008	—
Fund balance at June 30, 2009	\$ —

See accompanying notes to ICCB State Grants financial statements.

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

Grants Programs

Notes to ICCB State Grants Financial Statements

June 30, 2009

**(1) Summary of Significant Accounting Policies**

**(a) General**

The financial statements include only those transactions resulting from the ICCB Workforce Development (Business/Industry) Grant, State Adult Education Grant (State Basic, Public Assistance, and State Performance) Grant, and Career and Technical Education – Program Improvement Grant programs and are not intended to present the financial position or results of operations of the College of Lake County. These transactions have been accounted for in the Restricted Purposes Fund.

**(b) Basis of Accounting**

The statements have been prepared on the modified accrual basis of accounting. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent obligated. Unexpended funds that are obligated prior to June 30 for which the goods are received or services are provided after June 30 but prior to September 30 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

**(c) Budget**

The budgetary data reflected in the accounting statements is developed by the College's management and reflects transfers of budgeted amounts from those original planned expenditures.

**(d) Fixed Assets**

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

**(2) Background Information on Grant Activity**

***Unrestricted Grants***

**Base Operating Grant** – General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the College.

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

***Restricted Grants***

**Workforce Development Grant**

Business/Industry Services – Provides funding for a business/industry center at every college to provide a variety of employment training and business services outside of the classroom.

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

Grants Programs

Notes to ICCB State Grants Financial Statements

June 30, 2009

**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) Public Assistance – Grants awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.
- (3) State Performance – Grants awarded to Adult Education and Family Literacy providers based upon performance outcomes.

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



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INDEPENDENT ACCOUNTANTS' REPORT ON THE SCHEDULE OF ENROLLMENT DATA AND  
OTHERS BASED UPON WHICH CLAIMS ARE FILED

The Board of Trustees  
College of Lake County  
Community College District No. 532

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of College of Lake County, Community College District No. 532 (the College) for the year ended June 30, 2009. The Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was conducted in accordance with attestations standards established by the American Institute of Certified Public Accountants, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2009 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2009

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

Schedule of Enrollment Data and Other  
Bases Upon Which Claims were Filed  
Year ended June 30, 2009

	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	23,377.5	—	66,165.0	—	64,589.5	—	154,132.0	—
Business occupational	1,549.5	46.0	5,645.5	88.5	6,729.5	116.5	13,924.5	251.0
Technical occupational	2,076.5	—	9,189.0	—	10,761.0	—	22,026.5	—
Health occupational	1,633.0	—	6,587.0	—	8,350.0	—	16,570.0	—
Remedial development/Adult basic education/secondary education	2,276.0	—	9,954.0	—	8,868.0	—	21,098.0	—
	6,150.0	171.0	7,693.5	8,115.5	16,070.5	955.0	29,914.0	9,241.5
<b>Total</b>	<b>37,062.5</b>	<b>217.0</b>	<b>105,234.0</b>	<b>8,204.0</b>	<b>115,368.5</b>	<b>1,071.5</b>	<b>257,665.0</b>	<b>9,492.5</b>

Attending out-of-district on chargeback or contractual agreement	Total
260,382.5	261,443.5

Semester credit hours (all terms)

Reimbursable semester credit hours (all terms)

District 2008 equalized assessed valuation \$ 28,967,804,148

/s/ Girard Weber

President

/s/ Nancy Mc Nerney

Interim Vice-President for Administrative Affairs

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

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

Schedule of Enrollment Data and Other  
Bases Upon Which Claims were Filed  
Year ended June 30, 2009

	Reconciliation of Total Semester Credit Hours		
	Total unrestricted credit hours	Total restricted credit hours	Total restricted credit hours certified to the ICCB
Baccalaureate	154,132.0	—	—
Business occupational	13,924.5	—	251.0
Technical occupational	22,026.5	—	—
Health occupational	16,570.0	—	—
Remedial development	21,098.0	—	—
Adult basic education/ adult secondary	29,914.0	—	9,241.5
<b>Total</b>	<b>257,665.0</b>	<b>—</b>	<b>9,492.5</b>

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

	Total attending as certified to the ICCB		Difference
	Total attending	Total reimbursable certified to ICCB	
Reimbursable in-district residents	260,382.5	260,382.5	—
Reimbursable out-of-district on charge-back or contractual agreement	1,061.0	1,061.0	—
<b>Total</b>	<b>261,443.5</b>	<b>261,443.5</b>	<b>—</b>

	Total reimbursable certified to ICCB		Difference
	Total reimbursable	Total reimbursable certified to ICCB	
Dual Credit	2,099.0	2,099.0	—
Dual Enrollment	1,698.0	1,698.0	—
<b>Total</b>	<b>3,797.0</b>	<b>3,797.0</b>	<b>—</b>

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