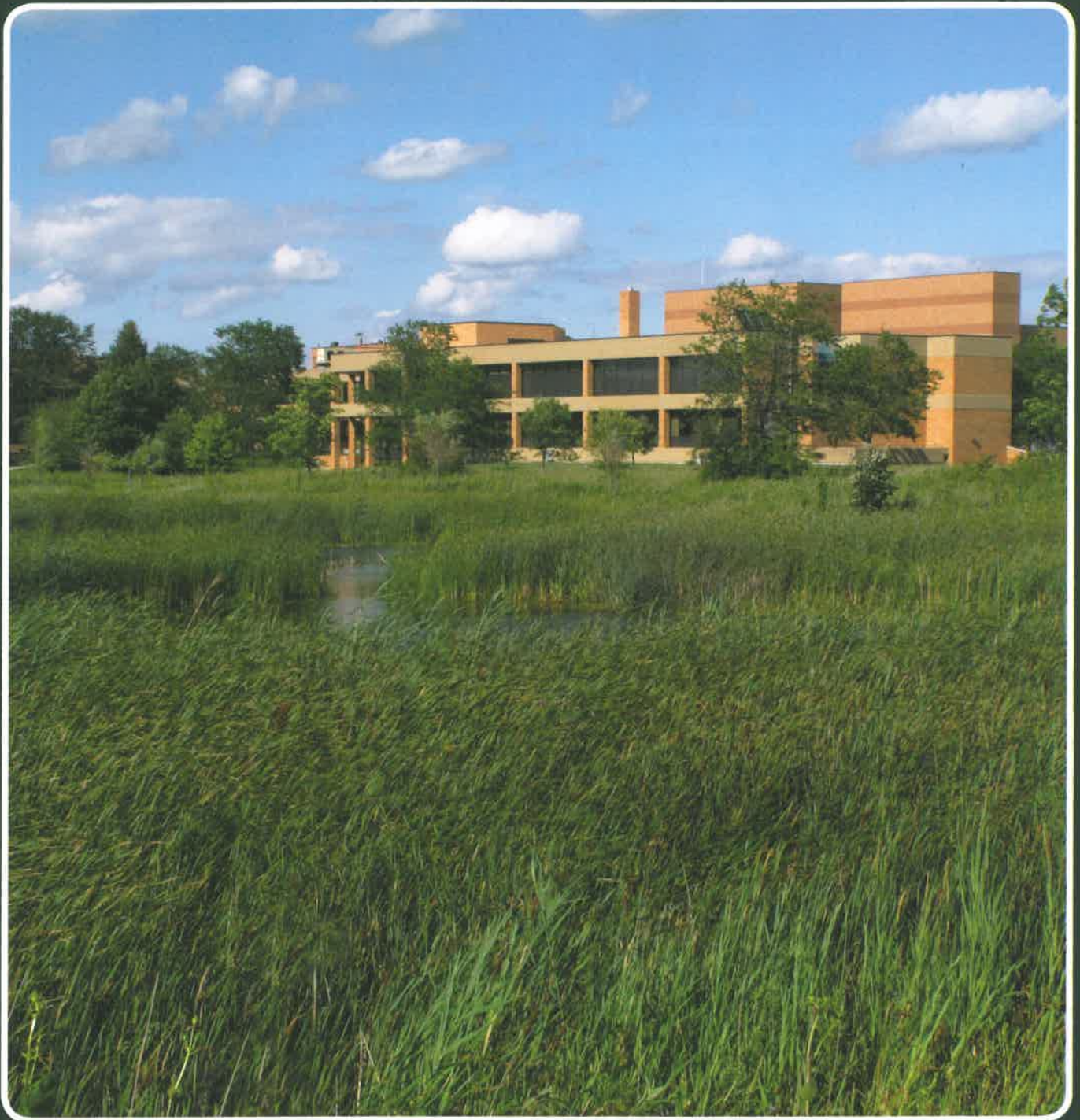


**College of Lake County**  
**Community College District No. 532**  
**Grayslake, Illinois**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**Fiscal Year Ended June 30, 2012**

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

Grayslake, Illinois

Comprehensive Annual Financial Report

June 30, 2012 and 2011

(With Independent Auditors' Reports Thereon)

Prepared by:

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Vice President, Administrative Affairs

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Controller

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

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

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October 11, 2012

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, 2012. 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 and the results of operations of the various funds and account groups 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 3-12) 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: 1) advance students learning and success; 2) maximize educational opportunity within the district; 3) ensure institutional sustainability and stewardship of resources; 4) promote diversity and global engagement as strengths within the College and Lake County community; 5) enable a culture of innovation, excellence, and continuous improvement; and 6) build the College's reputation as a premier educational institution.

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.

## **MISSION, VISION & GOALS**

Starting in Fiscal Year 2011 the College of Lake County set forth a new Strategic Planning initiative that includes the following mission, vision and goals:

### **Mission Statement**

The College of Lake County is a comprehensive community college that delivers high quality, accessible learning opportunities to advance student success and strengthen the diverse communities we serve.

### **Vision Statement**

The College of Lake County strives to be an innovative educational institution offering exceptional learning experiences and to be widely recognized for student success, business and community partnerships and for the achievements of faculty, staff and alumni.

### **Goals**

**1. Advance student learning and success.**

The college will maximize the quality of the CLC learning experience while helping students identify and reach their learning goals to become life-long learners and critical thinkers who are engaged in their communities, prepared to participate in the workforce, and knowledgeable about the diverse world in which we live.

**2. Maximize educational opportunity within the district.**

The college will enhance, develop and promote college-wide offerings that will anticipate and meet needs of the district.

**3. Ensure institutional sustainability and stewardship of resources.**

The college will efficiently manage and optimize its resources to ensure sustainable future growth and development.

**4. Promote diversity and global engagement as strengths within the college and Lake County community.**

The college will strive to build an inclusive community that recognizes, values, and respects people of all cultures and ways of life while cultivating social justice and global citizenship.

**5. Enable a culture of innovation, excellence, and continuous improvement.**

The college will promote employee engagement to create and sustain a culture of high performance, intellectual growth, collaboration and innovation that supports continuous improvement of academic programs and college processes.

**6. Build the college's reputation as a premier educational institution.**

The college will be recognized at the community, state and national levels for its academic quality, alumni achievement, and educational, economic, cultural, and arts leadership.

### **COLLEGE OF LAKE COUNTY ACTION PROJECTS**

Over the past few years, the college has been busy implementing its strategic plan as well as several operational plans which include the: college master plan, financial plan, information technology plan, sustainability plan, capital investment plan, and safety and emergency response

plan. For fiscal year (FY) 2012, College of Lake County continued its focus on planning for the future.

There have been various projects planned throughout the college that relate to the strategic and operational plans, such as the annual Academic Quality Improvement Program (AQIP) projects. These projects are in furtherance of the college's accreditation through the HLC. In FY12, the college undertook AQIP projects related to 1) removing barriers to completion, 2) increasing readiness of students to complete on-line courses, and 3) cohort scheduling. As of the end of the fiscal year, these projects have led to improved processes. For FY13, the college has planned to continue its barriers to completion project and has added projects aimed at student success and transitioning adult education students to college level coursework.

In addition to these large-scale AQIP projects, 44 departments have identified approximately 210 action projects, initiatives, or activities that will support CLC's goals and objectives in FY13. Selected projects for each goal are highlighted in the following pages.

***Strategic Goal 1: Advance student learning and success.***

Through its goal of advancing student learning and success, the college intends to "maximize the quality of the CLC learning experience while helping students identify and reach their learning goals to become life-long learners and critical thinkers who are engaged in their communities, prepared to participate in the workforce and knowledgeable about the world in which we live." For FY13, 68 action projects have been identified to help the college meet this goal. Key projects include:

- Several departments will be collaborating on the adoption and implementation of new student engagement software.
- Alumni Relations & Special Events is planning an alumni mentoring program in conjunction with Career and Placement Services.
- Educational Affairs plans on accomplishing the following student success projects: textbook reserve, tutoring, high-impact course support, computer bootcamp, faculty professional development in high-impact courses.
- Communication Arts department will oversee a project tracking day-to-day attrition of students in high impact courses and pinpointing circumstances which trigger spikes in attrition to determine ways to ameliorate the causes.
- The Engineering, Math & Physical Sciences division (EMPS) will implement three new developmental math courses designed to better prepare students to enter college level math courses.
- A science outreach program to improve K-12 participation in science outreach activities and increase dual credit earth science programs is also planned by EMPS.
- Libraries and Instructional Services plans on implementing an electronic reserves system that will allow easier access to reserve materials for students and faculty and staff.



***Strategic Goal 2: Maximize educational opportunities within the district.***

The goal of maximizing educational opportunities within the district focuses on “enhancing, developing, and promoting college-wide offerings that will anticipate and meet needs of the district.” A few of the 17 planned projects related to this goal are highlighted below:

- Alumni Relations and Special Events is planning a campaign to encourage alumni donations to the Foundation Scholarship Campaign.
- Financial Aid will be providing prospective students with an estimate of aid they can receive at CLC.
- Outreach events for southern Lake County high schools are being planned at the Southlake Campus.

***Strategic Goal 3: Ensure institutional sustainability and stewardship of resources.***

CLC strives to “efficiently manage and optimize its resources to ensure sustainable future growth and development.” For FY13, 34 projects were developed to help the college meet this goal, a few of which are listed below.

- The Finance Department will be implementing the PeopleSoft Financials E-Procurement system.
- Educational Affairs will be implementing Schedule 25 and X25 to improve space utilization.
- The College Foundation will have a campaign to raise additional funds for student scholarships and college programs and initiatives.
- Communication Arts will be implementing an ImageNow pilot project to digitize hard-copy records.
- Facilities is planning a wetland preservation increase.
- The office of Resource Development and Legislative Affairs will seek additional grant funding to offset limitations in the state budget and costs of the Master Plan.

***Strategic Goal 4: Promote diversity and global engagement as strengths within the College and Lake County community.***

Under this goal, the college “will strive to build an inclusive community that recognizes, values, and respects people of all cultures and ways of life while cultivating social justice and global citizenship.” Twenty projects are planned under this goal; a sample of these projects is listed below:

- Office for Students with Disabilities is planning an enhancement of its webpage.
- Admissions & Records will determine ways to reduce barriers to participation in study abroad opportunities.
- Admissions & Records will work to improve cross-cultural sensitivity and understanding among CLC students, faculty and staff.
- Human Resources will re-design the diversity training module.
- Office for Students with Disabilities will enhance Disability Awareness Month.

***Strategic Goal 5: Enable a culture of innovation, excellence, and continuous improvement.***

Through strategic goal 5, CLC hopes to “promote employee engagement to create and sustain a culture of high performance, intellectual growth, collaboration, and innovation that supports continuous improvement of academic programs and college processes.” Forty-eight projects, such as those listed below, have been planned under this goal.

- Human Resources will carry out the implementation of the compensation study.
- Human Resources will continue the implementation of paperless office processes and procedures.
- IEPR will continue the development of a computerized dashboard with a scorecard comprised of KPIs.
- IEPR will facilitate the PACE employee climate survey in fall 2012.
- IT has planned several projects to improve user satisfaction, increase access, and increase reliability of IT services.
- The PDC is planning for the creation of a Blackboard Resource site.
- Admissions and Records is planning to improve and simplify the veteran certification and benefit process.
- The Learning Assistance Center will oversee the creation of a testing center tracking and scheduling program.

***Strategic Goal 6: Build the college’s reputation as a premier educational institution.***

The college’s goal for building its reputation as a premier educational institution is to “be recognized at the community, state, and national levels for its academic quality, alumni achievement, and educational, economic, cultural, and arts leadership.” Twenty-three projects are planned under this goal. A few of these projects are presented below:

- The Center for Personal Enrichment plans to heighten program visibility through the distribution of marketing materials in an effort to increase enrollment.
- A remodel of the Social Sciences division office is planned.
- WPDI and the Small Business Development Center are planning a community outreach program.
- Resource Development and Legislative Affairs will attend legislative events in an effort to inform new legislators of the goals, services, and needs of the institution.
- Public Relations will facilitate a complete redesign of the college’s webpage.
- Facilities will replace the old message board on Washington Street with a new digital color display.
- EMPS plans on implementing a new Mechatronics Certificate program.
- Alumni Relations & Special Events will work on coordinating alumni networking events.

## POPULATION AND ENROLLMENT

Illinois has 48 community colleges and one multi-community college center in 39 community college districts. The College of Lake County's district is located in Lake County, Illinois, north of Chicago, bordering Cook County on the south, and Lake Michigan on the east, and Wisconsin on the north. In the 2010 census, the population of Lake County reached 703,462 for a 9% increase over the 2000 census level. As of 2011, the Lake County population was estimated to have increased 0.4% over the 2010 census to a population of 706,222. The *Chicago Metropolitan Agency for Planning* projects that Lake County's population will increase to 808,663 by 2020 and 953,673 by 2040.

Despite this projected population growth, the number of projected area high school graduates is expected to decline by approximately 10% by 2020 (IEPR projection) resulting in a 10% decline in the number of public high school students who enroll at CLC in the fall semester in 2020 compared to the number enrolled in fall 2011. The college has already experienced a slight decline in college-level student enrollment although adult education enrollment has seen an 18% increase in credit hours this fall.

In 2009 and 2010, CLC experienced record high enrollment growth in credit hours (6% in 2009 and 12% in 2010). This was perhaps related to the recession which caused many unemployed residents and college-age residents to enroll at CLC as an alternative to attending four-year colleges. Enrollment leveled out in 2011 and declined slightly in 2012 with a 2% decrease in credit hours. In fall 2012, credit hours increased approximately 0.6% overall compared to the prior fall term although college-level credit hours were down approximately 1.4%. So far, as the economy slowly rebounds, CLC has seen only small declines compared to some local peer colleges that are reporting declines as high as 10% for this term.

The following table illustrates CLC's enrollment trends over the past five years. These trends illustrate the population growth at the college in 2009 and 2010 as well as the slight declines the college experienced in 2011 and 2012.

**Enrollment Summary**  
**FY2008-2012**

	2008	2009	2010	2011	2012
<b>College-Level Credit Hours</b>	241,626	255,781	290,376	297,523	292,999
<b>Adult/Vocational Credit Hours</b>	48,543	50,538	51,397	44,580	43,039
<b>Total Credit Hours</b>	290,169	306,319	341,773	342,103	336,038
<b>College-Level FTE</b>	8,054	8,526	9,679	9,917	9,767

*Sources: Data Warehouse, College-Level Credit Hours divided by 30*

## ECONOMIC CONDITION

Although primarily a residential area, Lake County is home to some of the largest businesses in Illinois including: AON-Hewitt Associates, Motorola Mobility, W.W. Grainger, CDW, Walgreen's, Baxter, Condell Medical Center, and Abbott Laboratories. Great Lakes Naval Station is the largest military installation in Illinois and the largest training center for the U.S. Navy. In addition, Lake County has tourist attractions such as Gurnee Mills, Six Flags Great America, and Key Lime Cove water resort. In 2011, FedEx Ground built a distribution center in Grayslake which gave an economic boost to the area. Most recently, in 2012, Motorola Mobility announced that its headquarters would move from Libertyville to Chicago in summer 2013. Although 3,000 jobs are planned to relocate, the assessed valuation of property within the college district is not expected to decline since Motorola employees who are Lake County residents are not expected to move out of Lake County.

While the local economy has not been exempt from the recent recession, unemployment reached a high of 10.5% in 2010 and lowered slightly to 9.4% in 2011, it is currently in the process of a slow recovery with unemployment currently at 9% as of July 2012. U.S. Bureau of Labor Statistics reports slight growth (0.1%) in non-farm wages as well as increased consumer prices (1.1%) for the Lake-Kenosha County area for the month of July 2012 from the one year prior. Federally-funded construction projects and stimulus programs have helped the local economy but not enough to fuel a full recovery. The lingering effects of the recession and the slow recovery in the local housing market continue to bring uncertainties to our state and local funding. The Illinois Association of Realtors reports that in Lake County sales of residential property increased in the second quarter of 2012, though the median price declined. With these tight economic and fiscal conditions, however, the college remains focused on providing an affordable quality education to students by continuously looking for ways to increase revenue and cut costs.

## 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 three-year projections, is presented to the Board of Trustees for its

review. College departments then prepare budget requests, which are reviewed by the College’s executive team, and the final budget document is submitted to the Board of Trustees for approval. The entire budget preparation process encourages input and involvement at all levels of the College.

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

<b>Fund Types</b>	<b>Fund Groups</b>	<b>Fund</b>
Government Fund Types	General	Educational and Operations and Maintenance
	Special Revenue	Audit, Restricted Purpose, Liability Protection and Settlement, Insurance Reserve
	Debt Service	Bond and Interest
	Capital Project	Operations and Maintenance (Restricted)
Proprietary Fund Types	Enterprise	
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 \$25.37 billion in 2011 for tax collections in 2012.

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. Normally, we would expect the non-debt service tax levies to decline over time as the community grows which increases the assessed values. However, as noted below, the College’s assessed value of taxable property decreased, therefore increasing the total tax rate in order to generate tax revenue needed to support the College. The following table details the tax levy information.



Fund Type	Maximum Tax Rate	2011	2010	2009	2008
Education	\$0.750	.180	.148	.132	.129
Operations and Maintenance	.100	.051	.062	.061	.057
Liability, Protection and Settlement	(1)	.002	.002	.002	.003
Audit	.005	.000	.000	.000	.000
Bond and Interest	(1)	.007	.006	.005	.006
Medicare	(1)	.000	.000	.000	.001
Plant: Operations and Maintenance (Restricted)	.000	.000	.000	.000	.000
Life Safety	.050	.000	.000	.000	.000
Other	.000	<u>.000</u>	<u>.000</u>	<u>.000</u>	<u>.000</u>
Total tax rate		<u>0.240</u>	<u>0.218</u>	<u>0.200</u>	<u>0.196</u>

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

The assessed value of taxable property for levy year 2011 was \$25.37 billion, a decrease of \$1.9 billion compared to levy year 2010, or a decrease of 7%.

The College's average collection rate, including collection of back taxes, over the past five years is approximately 99.39%.

Revenue from tuition and fees has grown due to increases in tuition rates. The tuition and fees charged in fiscal year 2012 totaled \$109 per credit hour and will increase to \$112 per credit hour in fiscal year 2013.

Revenue from state sources has increased, as a percentage of total revenue, due to an increase in the state grants. Although grant funding has risen or remained level each year, the state's financial challenges may adversely affect this funding source in the future. Local revenue sources are expected to remain stable in the future based on population growth in Lake County.

**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 current property tax assessed valuation, is \$729,364,203. Current total indebtedness is \$23,235,000 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 four different outstanding series of bonds with varying maturity dates, with the last payment due in 2027. A working cash fund, with a current balance of \$17,674,889, 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. Currently, the College is preparing a comprehensive update of its master plan for facilities. The last major revision of the master plan occurred in 2003, with an update in 2006.

In Fiscal Year 2011, 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 percent of the costs and the College has agreed to pay the remaining 25 percent. The total funds appropriated by the state are \$53.5 million and the College will contribute an additional \$17.8 million. The College issued non-referendum bonds in Fiscal Year 2012 to cover their portion of the costs. These two new buildings will allow the College to grow and meet the expanding population needs of Lake County.

The state of Illinois continues to have difficulty meeting its financial obligations and a large unfunded liability in its pension systems remains despite a recent income tax increase. Pension reform proposals may shift costs to the College in the future. Given the uncertainty of pension projections, potential costs are not included in College financial forecasts. However, the College will continue to monitor discussions at the state level.

**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 2012 totaled \$91,810, constituting a net rate of return of 0.30 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, 2012.

**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 2011. 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.

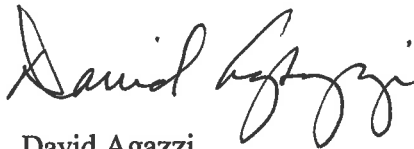
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

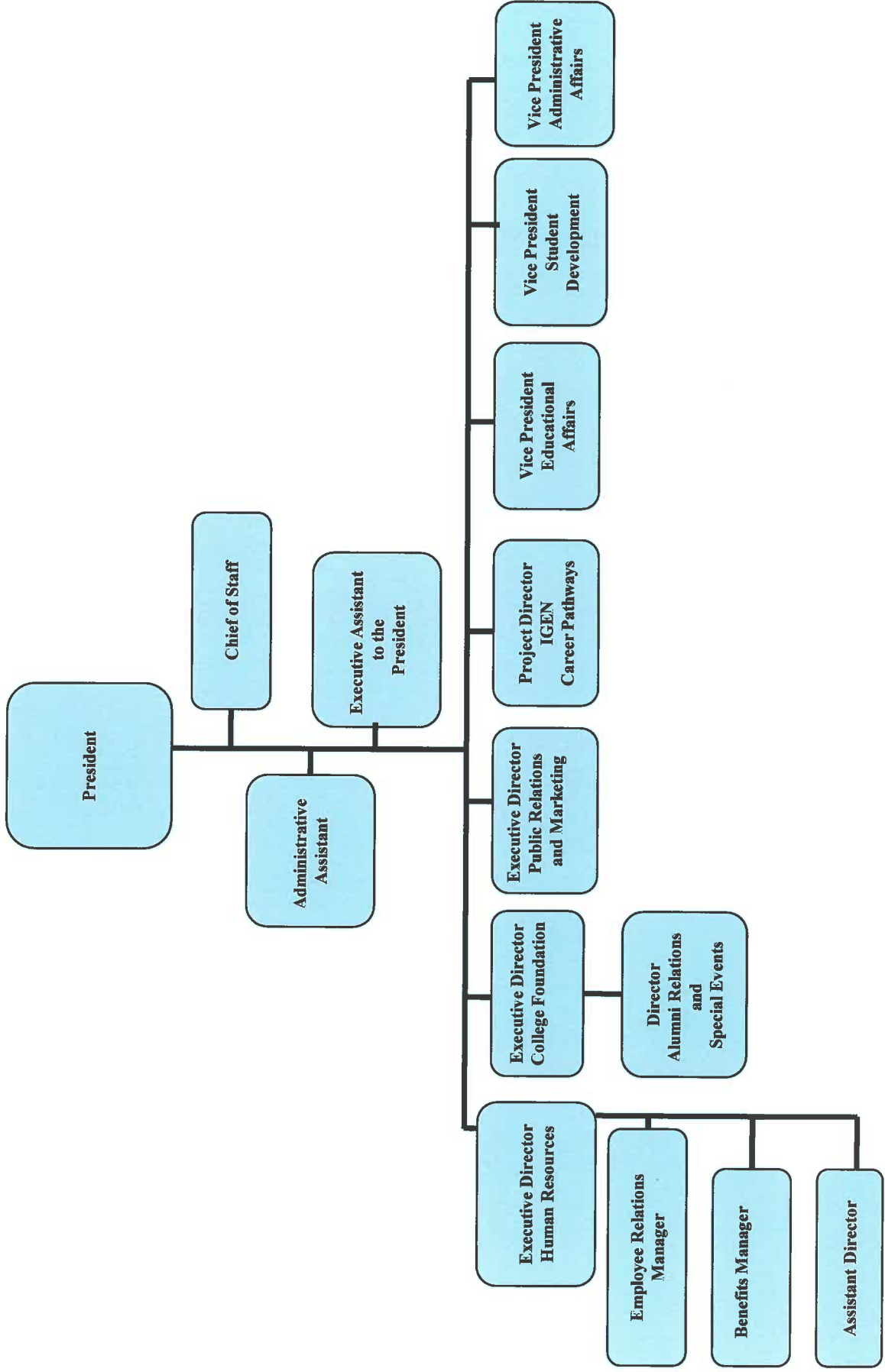


Girard W. Weber  
President

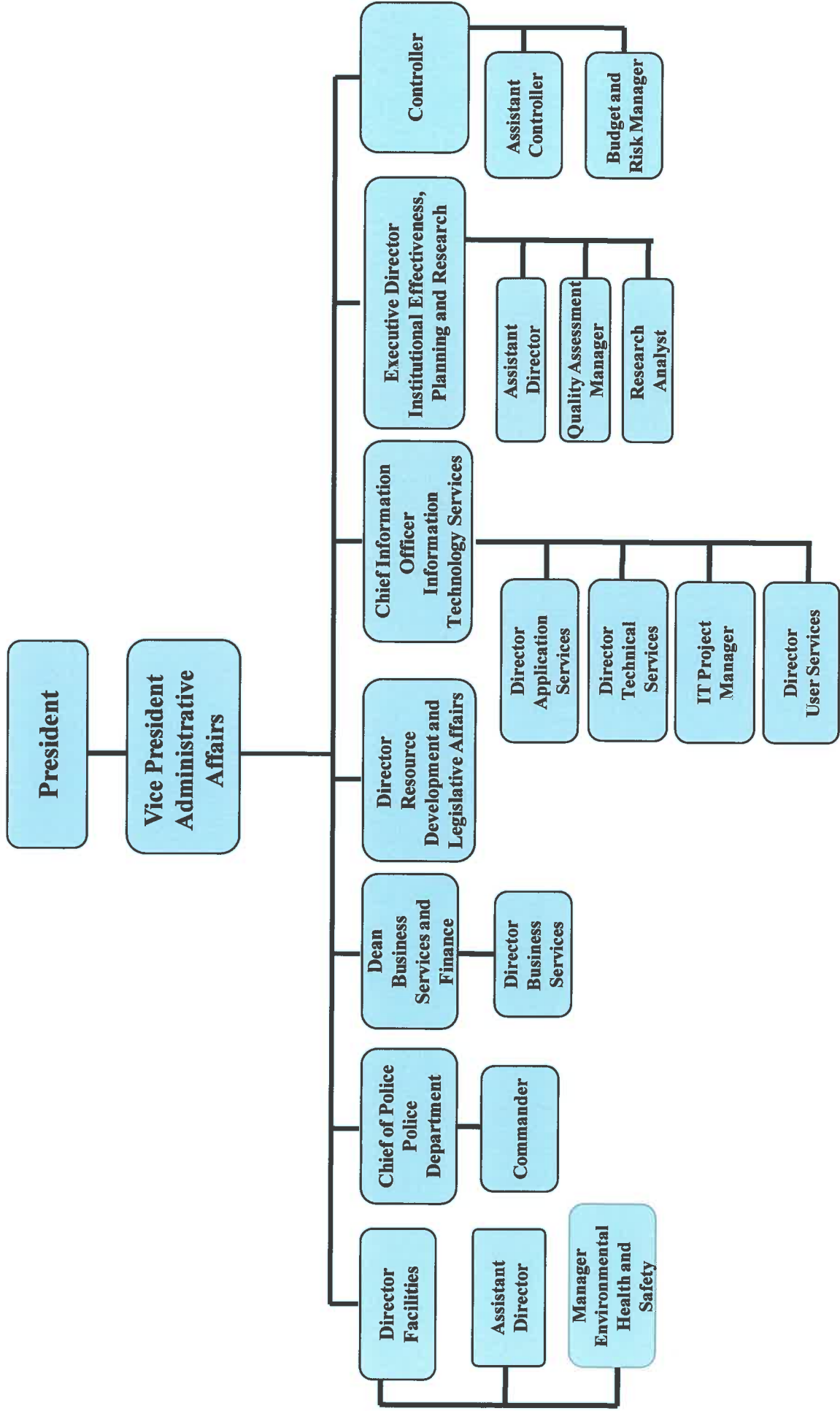


David Agazzi  
Vice President for Administrative Affairs

# Office of the President

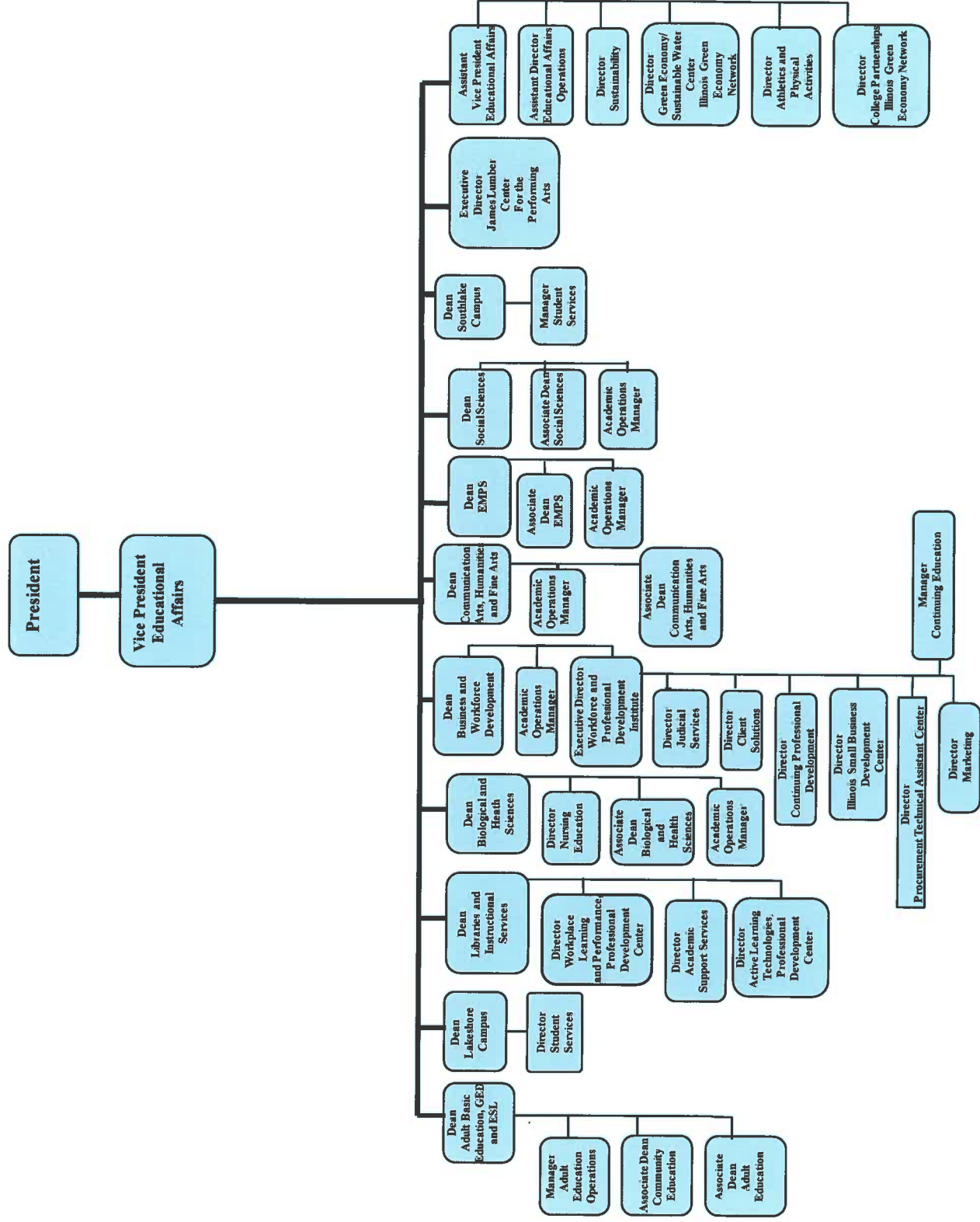


# Office of Administrative Affairs

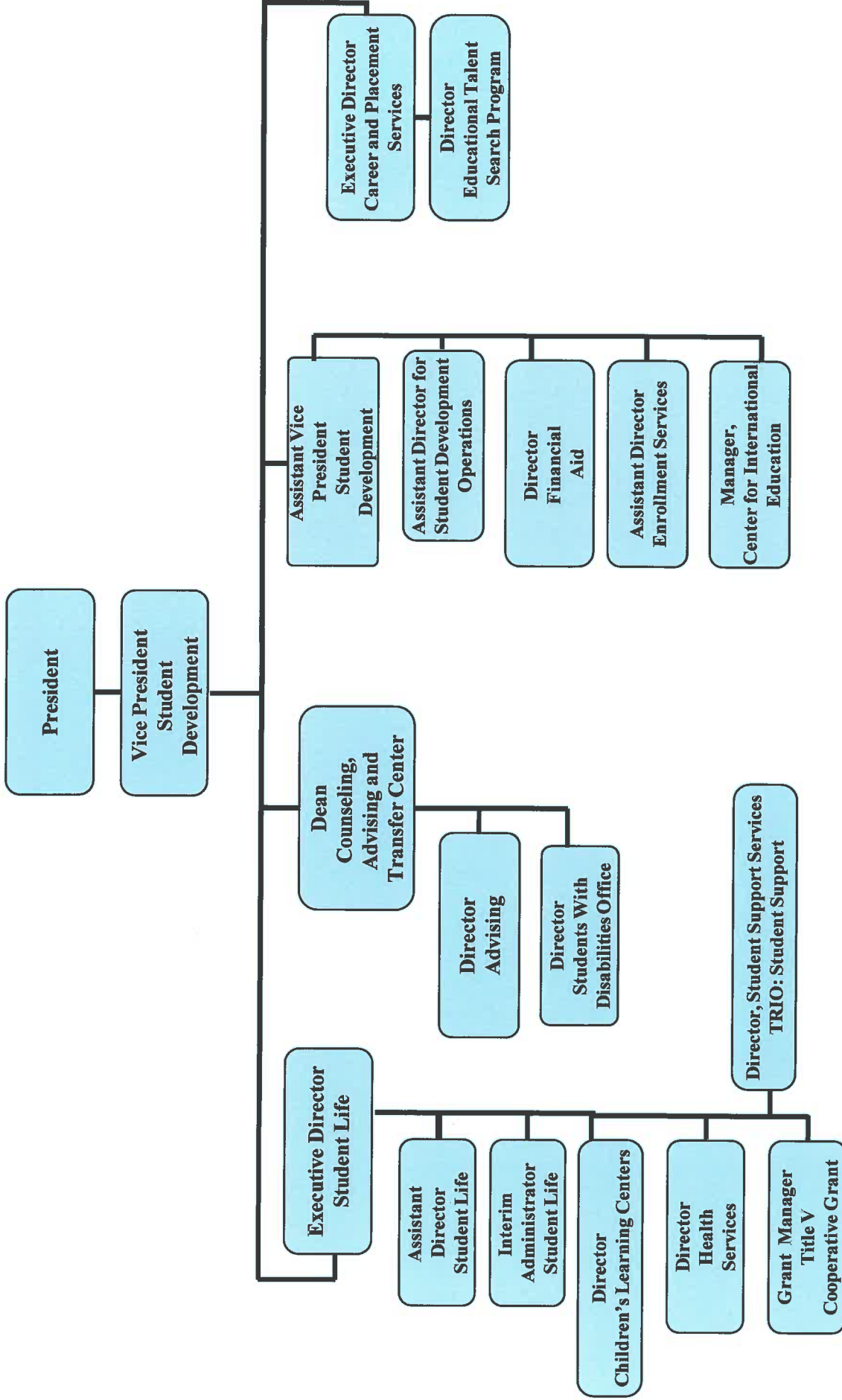




# Office of Educational Affairs



# Office of Student Development



College of Lake County  
Community College District No. 532

Principal Officials

Year ended June 30, 2012

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BOARD OF TRUSTEES

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	<u>Position</u>	<u>Term Expires</u>
Richard A. Anderson	Chairman	2015
Dr. William M. Griffin	Vice Chairman	2015
Amanda D. Howland	Trustee/Secretary	2015
Barbara D. Oilschlager	Trustee	2013
John W. Lumber	Trustee	2013
Jeanne T. Goshgarian	Trustee	2017
Lynda C. Paul	Trustee	2017
Theresa Westberg	Student Trustee	2013

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OFFICERS OF THE COLLEGE OF LAKE COUNTY

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Dr. Girard W. Weber	President
Dr. Richard Haney	Vice President for Educational Affairs
Darl E. Drummond	Vice President for Student Development
David Agazzi	Vice President for Administrative Affairs/ Treasurer

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OFFICIALS ISSUING REPORT

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David Agazzi	Vice President for Administrative Affairs
W. Andy Williams	Controller

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DIVISION ISSUING REPORT

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Administrative Affairs  
Finance Department

# 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, 2011

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.



*Linda C. Danison*

President

*Jeffrey R. Egan*

Executive Director

## INDEPENDENT AUDITORS' REPORT

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") and its discretely presented component unit, the College of Lake County Foundation, as of and for the years ended June 30, 2012 and 2011, 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 audit 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 audits provide 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, 2012 and 2011, and the respective changes in financial position and cash flows, where applicable, for the years 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 the same date as this report 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.



Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements. The Introductory Section, Statistical Section, and Schedules 1 – 6 in the Special Reports Section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Schedules 1 – 6 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 - 6 are fairly stated in all material respects in relation to the financial statements as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 11, 2012

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

**Management's Discussion and Analysis**

June 30, 2012 and 2011

(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, 2012 and 2011. 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 2012**

Total operating revenues were \$35,303,075 and total operating expenses were \$131,442,486 for the year ended June 30, 2012. The difference produced an operating loss of \$96,139,411.

Net non-operating revenues of \$104,849,631 for the year ended June 30, 2012 offset the operating loss and resulted in an overall increase in net assets of \$8,710,220. Non-operating revenues included local property taxes of \$60,194,469, replacement tax of \$1,139,553, state appropriations of \$27,664,030, federal grants and contracts of \$15,385,348, local grants and contracts of \$911,393 and net investment income of \$91,810; offset by interest expense of \$536,972.

Operating revenue accounted for 25.1% of the College's total revenue and non-operating revenue accounted for 74.9% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$23,372,065, auxiliary enterprise revenues totaling \$10,757,207, and other operating revenues of \$1,173,803.

Total net assets increased from \$147,422,439 at the beginning of the year to \$156,132,659 at the end of the year.

**Financial Highlights Fiscal Year 2011**

Total operating revenues were \$35,948,004 and total operating expenses were \$121,745,507 for the year ended June 30, 2011. The difference produced an operating loss of \$85,797,503.

Net nonoperating revenues of \$99,697,583 for the year ended June 30, 2011 offset the operating loss and resulted in an overall increase in net assets of \$13,900,080. Nonoperating revenues included local property taxes of \$58,363,768, replacement tax of 1,238,741, state appropriations of \$24,581,121, federal grants and contracts of \$14,874,344, local grants and contracts of \$951,778 and net investment income of \$109,959; offset by interest expense of \$422,128.

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

**Management's Discussion and Analysis**

June 30, 2012 and 2011

(Unaudited)

Operating revenue accounted for 26.5% of the College's total revenue and nonoperating revenue accounted for 73.5% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling \$23,756,337, auxiliary enterprise revenues totaling \$10,713,481, and other operating revenues of \$1,478,186.

Total net assets increased from \$133,522,359 at the beginning of the year to \$147,422,439 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, 2012 and 2011

(Unaudited)

**Financial Analysis**

*Net Assets*

The College's net assets at June 30, 2012, 2011, and 2010 were \$156.1 million, \$147.4 million, and \$133.5 million, respectively, an increase of \$8.7 million, \$13.9 million, and \$6.7 million, respectively. Total assets were \$284.7 million, \$260.5 million, and \$243.3 million, and total liabilities were \$128.5 million, \$113.1 million, and \$109.8 million at June 30, 2012, 2011, and 2010, 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, 2012, 2011, and 2010 is as follows:

<b>Net Assets</b>			
June 30,			
(in thousands)			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 156,465	133,179	115,446
Restricted assets	1,277	125	123
Other noncurrent assets	31,077	29,456	28,478
Capital assets, net of depreciation	<u>95,833</u>	<u>97,750</u>	<u>99,229</u>
Total assets	<u>284,652</u>	<u>260,510</u>	<u>243,276</u>
Current liabilities	72,192	72,843	69,136
Long-term liabilities	<u>56,327</u>	<u>40,244</u>	<u>40,617</u>
Total liabilities	<u>128,519</u>	<u>113,087</u>	<u>109,753</u>
Net assets:			
Invested in capital assets, net of related debt	89,841	88,245	88,360
Restricted	20,917	22,823	22,898
Unrestricted	<u>45,375</u>	<u>36,354</u>	<u>22,264</u>
Total net assets	<u>\$ 156,133</u>	<u>147,422</u>	<u>133,522</u>

The College had a current ratio of 2.17, 1.83, and 1.67 times at June 30, 2012, 2011, and 2010, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2012, for every dollar of current liabilities, the College has \$2.17 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, 2012 and 2011

(Unaudited)

Net Assets - Fiscal Year 2012 compared to 2011

Current assets have increased by \$23.3 million primarily due to increases in cash and investments of \$20.8 million and receivables of \$2.5 million.

Capital assets decreased by \$1.9 million due to the fact that depreciation expense was greater than capital additions during the year.

Current liabilities decreased by \$0.7 million primarily due to decrease of accrued expenses of \$2.2 million and the current portion of long term obligations of \$0.6 million offset by an increase in unearned property taxes of \$1.8 million.

Net Assets - Fiscal Year 2011 compared to 2010

Current assets increased by \$17.7 million primarily due to increases in cash and investments of \$13.3 million and receivables of \$4.4 million.

Capital assets decreased by \$1.5 million due to the fact that depreciation expense was greater than capital additions during the year.

Current liabilities increased by \$3.7 million primarily due to increases in accounts payable and accrued expenses of \$1.2 million and deferred property tax and tuition revenue of \$2.3 million.

***Changes in Net Assets***

The change in net assets, total revenues less total expenses, for the years ended June 30, 2012, 2011, and 2010 is as follows:

<b>Changes in Net Assets</b>			
Years ended June 30,			
(in thousands)			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total revenues	\$ 140,689	136,068	127,373
Total expenses	<u>131,979</u>	<u>122,168</u>	<u>120,685</u>
Increase in net assets	<u>\$ 8,710</u>	<u>13,900</u>	<u>6,688</u>



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

Management's Discussion and Analysis

June 30, 2012 and 2011

(Unaudited)

**Revenues**

Summaries of revenues for the years ended June 30, 2012, 2011, and 2010 are as follows:

<b>Revenue Summary</b>			
Years ended June 30,			
(in thousands)			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Operating:</b>			
Student tuition and fees, net	\$ 23,372	23,756	22,647
Auxiliary enterprise	10,757	10,714	11,067
Other operations	1,174	1,478	1,329
Total operating revenues	<u>35,303</u>	<u>35,948</u>	<u>35,043</u>
<b>Nonoperating:</b>			
Local property taxes	60,194	58,364	57,133
Personal property replacement taxes	1,140	1,239	955
State appropriations	27,664	24,581	20,282
Federal and local grants and contracts	16,296	15,826	13,804
Investment income, net	92	110	156
Total nonoperating revenues	<u>105,386</u>	<u>100,120</u>	<u>92,330</u>
Total revenues	<u>\$ 140,689</u>	<u>136,068</u>	<u>127,373</u>

Revenues - Fiscal Year 2012 Compared to 2011

Operating revenue decreased by \$0.6 million. This primarily reflects a decrease in net student tuition and fees. The decrease in net tuition and fees was due to decreased enrollment.

Nonoperating revenue increased by \$5.3 million primarily due to increases in local property taxes of \$1.8 million, state appropriations of \$3.1 million, and grants of \$0.5 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5%, whichever is lower. The increase in state appropriations was due to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of \$3.1 million. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Contribution requirements are established and may be amended by the Illinois General Assembly. The increase in federal and local grants was due to increased federal Pell grant awards.

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

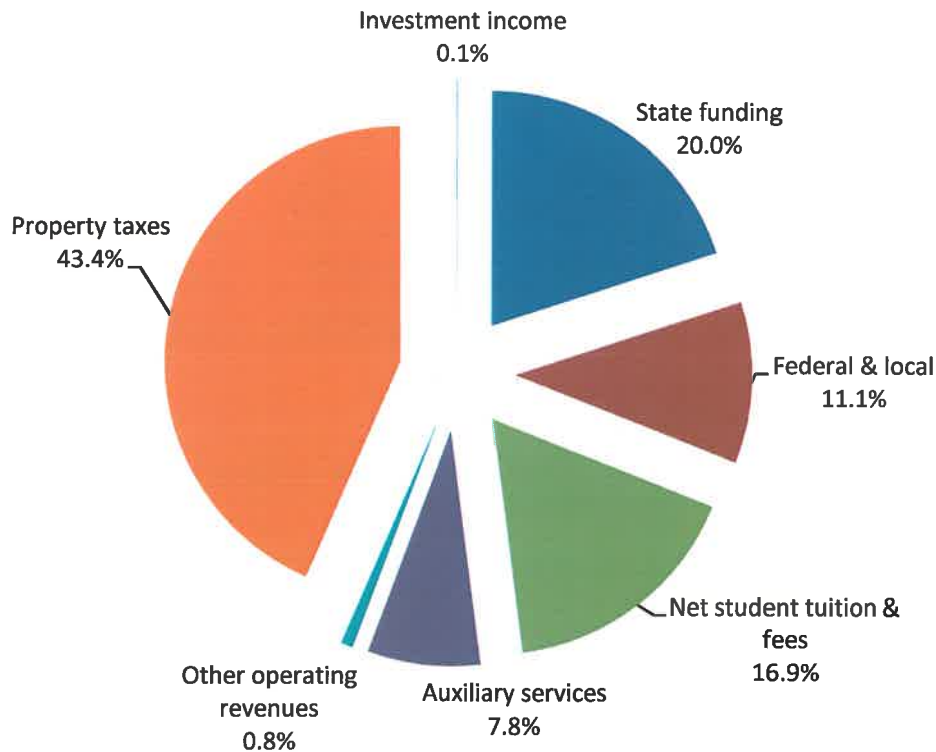
**Management's Discussion and Analysis**

**June 30, 2012 and 2011**

**(Unaudited)**

The pie chart shows all revenue from both operating and non-operating sources. State funding in the pie chart and above includes both capital and noncapital appropriations. The chart shows that property taxes accounted for the largest percentage of the College's revenue at 43.4%. The next highest sources were state funding of 20.0% and net student tuition and fees at 16.9%.

**College of Lake County  
Revenues  
Year ended June 30, 2012**



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

Management's Discussion and Analysis

June 30, 2012 and 2011

(Unaudited)

**Revenues - Fiscal Year 2011 Compared to 2010**

Operating revenue increased by \$0.9 million, which primarily reflects an increase in net student tuition and fees of \$1.1 million and a decrease in auxiliary revenue of \$0.3 million. The increase in net tuition and fees was due to increased enrollment.

Nonoperating revenue increased by \$7.8 million primarily due to increases in local property taxes of \$1.2 million, state appropriations of \$4.3 million, and federal grants of \$2.0 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5%, whichever is lower. The increase in state appropriations was due to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of \$1.5 million and a reclassification of \$2.8 million in Veterans, Illinois National Guard, and MAP grants from the local grants category to the state appropriations category. The increase in federal and local grants was due to increased federal student loans.

***Expenses***

Summaries of expenses for the years ended June 30, 2012, 2011, and 2010 are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 51,722	48,268	46,853
Academic support	5,368	5,464	5,507
Student services	9,109	8,136	7,862
Public service	8,687	7,576	6,426
Institutional support	24,459	21,841	21,549
Operations and maintenance of plant	9,501	8,898	9,558
Financial aid	6,627	6,588	7,350
Depreciation	4,334	4,246	4,151
Auxiliary enterprises	11,636	10,729	10,924
Interest expense	537	422	505
Total	<u>\$ 131,980</u>	<u>122,168</u>	<u>120,685</u>

**Expenses - Fiscal Year 2012 Compared to 2011**

Expenses increased by \$9.8 million. The increase in instruction costs, student services, and public services, is primarily due 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. The increase in interest expense is based on the College's bond payment schedule.

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

**Management's Discussion and Analysis**

**June 30, 2012 and 2011**

**(Unaudited)**

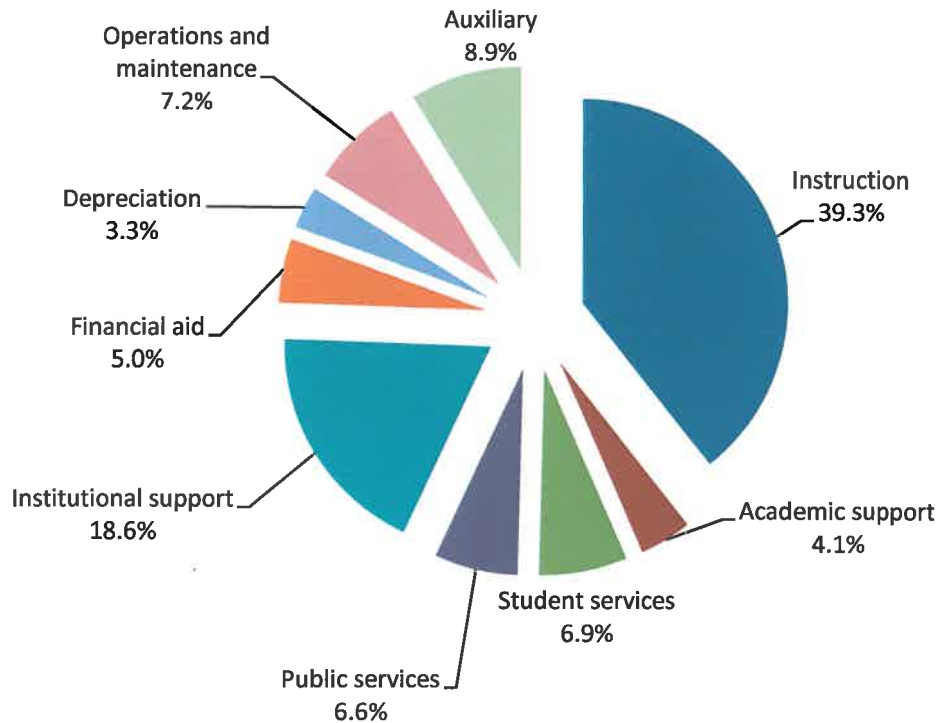
Expenses - Fiscal Year 2011 Compared to 2010

Expenses increased by \$1.5 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.

**Operating Expenses**

The pie chart shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 70.8% of total operating expenses. Direct services to students include instruction at 39.3%, academic support at 4.1%, student services at 6.9%, public service at 6.6%, financial aid at 5.0%, and auxiliary enterprises at 8.9%. Indirect services to students accounted for 29.1% of total expenses. Indirect services to students include operations and maintenance at 7.2%, institutional support at 18.6%, and depreciation at 3.3%.

**College of Lake County  
Operating Expenses  
Year ended June 30, 2012**



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

Management's Discussion and Analysis

June 30, 2012 and 2011

(Unaudited)

Capital Asset and Debt Administration

**Capital Assets**

As of June 30, 2012, 2011, and 2010, the College investment in capital assets totaled \$164.6 million, \$162.6 million, and \$160.3 million, respectively. Capital assets, net of accumulated depreciation of \$68.7 million, \$64.8 million, and \$61.1 million, totaled \$95.8 million, \$97.7 million, and \$99.2 million, respectively.

	(in thousands)		
	2012	2011	2010
Capital assets:			
Construction in Progress	\$ 158	—	—
Land	8,146	7,702	7,233
Land improvements	5,949	5,914	5,914
Buildings and improvements	125,736	125,612	124,885
Furniture and equipment	24,606	23,360	22,322
Total capital assets	164,595	162,588	160,354
Less accumulated depreciation	68,762	64,838	61,125
Capital assets, net	\$ 95,833	97,750	99,229

**Construction Projects**

No major construction projects (greater than \$300,000) were completed during fiscal year 2012.

Construction projects in progress as of June 30, 2012 include the installation of a generator and an Uninterrupted Power System for the data center for a total of \$158,041.

**Land Purchase**

The College purchased the News-Sun Building in Waukegan during the fiscal year. The total cost of site acquisition including demolition and fees was \$443,271. This property is a part of plans for expansion at the Lakeshore campus in Waukegan.

**Capital Asset Additions (being depreciated)**

Capital assets added during fiscal year 2012 include:

- Two solar hoop greenhouses
- New windows in the A wing to enhance energy efficiency
- Main fire panel to operate the fire protection system for the Grayslake campus; and
- Computers and equipment based on a college-wide replacement schedule

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

**Management's Discussion and Analysis**

June 30, 2012 and 2011

(Unaudited)

The total cost of capital asset additions (being depreciated) in fiscal year 2012 was \$1,873,117.

More detailed information on capital asset activity can be found in Note 3 to the basic financial statements on pages 26 through 28. More detailed information on long-term debt activity can be found in Note 5 to the basic financial statements on pages 29 through 31.

**Debt Payments**

For the years ended June 30, 2012 and 2011, the College paid \$4,715,000 and \$1,800,000, respectively, in principal on bonds and certificates of indebtedness. In fiscal year 2012, the College issued \$19.9 million in non-referendum Series 2012 bonds. The College did not issue any new debt in fiscal year 2011.

**Contacting The College's Financial Management**

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



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

Statements of Net Assets

June 30,

Assets	<u>2012</u>	<u>2011</u>
<b>Current assets:</b>		
Cash (note 2)	\$ 11,458,038	33,188,665
Investments (note 2)	74,298,211	31,741,465
Receivables:		
Property taxes, net of allowance of \$616,392 in 2012 and \$594,889 in 2011	60,880,717	59,361,427
Government claims	3,972,684	1,647,206
Tuition and fees, net of allowance of \$2,727,138 in 2012 and \$2,150,940 in 2011	2,392,623	2,221,273
Other	2,421,997	4,066,574
Inventories	1,041,715	952,545
Total current assets	<u>156,465,985</u>	<u>133,179,155</u>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	1,277,294	125,246
Other long-term investments	496,490	-
Property taxes receivable	30,508,500	29,436,500
Unamortized debt issue cost	70,864	18,856
Capital assets, net (note 3)	95,832,633	97,750,405
Total noncurrent assets	<u>128,185,781</u>	<u>127,331,007</u>
Total assets	<u>284,651,766</u>	<u>260,510,162</u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	2,216,518	2,269,354
Accrued expenses (note 4)	3,086,369	5,327,212
Tuition refunds payable	36,749	40,248
Unearned revenue:		
Property taxes (note 1(o))	60,951,528	59,144,540
Tuition and rent	3,138,102	3,030,224
Current portion of long-term obligations (note 5)	1,230,000	1,865,000
Amounts held in custody for others	729,039	523,533
Other current liabilities	803,548	643,219
Total current liabilities	<u>72,191,853</u>	<u>72,843,330</u>
<b>Noncurrent liabilities:</b>		
Long-term obligations (notes 5 and 9)	24,998,754	9,967,893
Unearned revenue:		
Property taxes	30,508,500	29,436,500
Rent (note 12)	820,000	840,000
Total noncurrent liabilities	<u>56,327,254</u>	<u>40,244,393</u>
Total liabilities	<u>128,519,107</u>	<u>113,087,723</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	89,840,672	88,244,604
Restricted for:		
Working cash	17,550,000	17,550,000
Debt service	1,163,008	3,821,509
Capital projects	1,914,268	754,227
Other	289,439	698,222
Unrestricted	45,375,272	36,353,877
Total net assets	<u>\$ 156,132,659</u>	<u>147,422,439</u>

See accompanying notes to financial statements.

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

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30,

	2012	2011
Operating revenues:		
Student tuition and fees	\$ 31,571,415	31,341,476
Less scholarship allowances	(8,199,350)	(7,585,139)
Net student tuition and fees	23,372,065	23,756,337
Auxiliary enterprises	10,757,207	10,713,481
Other operations	1,173,803	1,478,186
Total operating revenues	35,303,075	35,948,004
Operating expenses:		
Education and general:		
Instruction	51,721,715	48,268,132
Academic support	5,368,352	5,464,060
Student services	9,108,675	8,136,053
Public service	8,686,815	7,575,936
Institutional support	24,459,148	21,841,211
Operations and maintenance of plant	9,501,273	8,897,716
Financial aid	6,626,759	6,587,783
Depreciation	4,334,200	4,245,907
Auxiliary enterprises	11,635,549	10,728,709
Total operating expenses	131,442,486	121,745,507
Operating loss	(96,139,411)	(85,797,503)
Nonoperating revenues (expenses):		
Local property taxes	60,194,469	58,363,768
Personal property replacement tax	1,139,553	1,238,741
State appropriations	27,664,030	24,581,121
Federal grants and contracts	15,385,348	14,874,344
Local grants and contracts	911,393	951,778
Investment income	91,810	109,959
Interest expense	(536,972)	(422,128)
Total nonoperating revenues (expenses), net	104,849,631	99,697,583
Increase in net assets	8,710,220	13,900,080
Net assets at the beginning of the year	147,422,439	133,522,359
Net assets at the end of the year	\$ 156,132,659	147,422,439

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years ended June 30,

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Tuition and fees	\$ 23,510,600	23,453,486
Payments to suppliers	(48,064,270)	(43,009,733)
Payments to employees	(65,538,840)	(60,643,291)
Auxiliary enterprise charges	10,757,207	10,713,481
Chargeback revenue	34,476	25,663
Other	1,407,168	586,140
Net cash used in operating activities	<u>(77,893,659)</u>	<u>(68,874,254)</u>
Cash flows from noncapital financing activities:		
Local property taxes	60,482,167	58,515,650
Personal property replacement tax	1,084,180	1,229,266
State appropriations	13,293,800	12,200,314
Federal grants and contracts	13,212,549	14,042,285
Local grants and contracts	885,449	1,075,239
Net cash provided by noncapital financing activities	<u>88,958,145</u>	<u>87,062,754</u>
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	20,441,253	—
Principal paid on debt	(6,050,000)	(1,800,000)
Interest paid on debt	(591,862)	(423,240)
Purchases of capital assets	(2,465,428)	(2,767,507)
Net cash provided by (used in) capital and related financing activities	<u>11,333,963</u>	<u>(4,990,747)</u>
Cash flows from investing activities:		
Purchase of investments	(496,490)	—
Interest on investments	76,208	115,387
Net cash provided by (used in) investing activities	<u>(420,282)</u>	<u>115,387</u>
Net increase in cash and cash equivalents	21,978,167	13,313,140
Cash and cash equivalents, beginning of year	65,055,376	51,742,236
Cash and cash equivalents, end of year	<u>\$ 87,033,543</u>	<u>65,055,376</u>
Reconciliation to statements of net assets:		
Cash and cash equivalents:		
Cash	\$ 11,458,038	33,188,665
Short term investments (included in investments)	74,298,211	31,741,465
Restricted cash	1,277,294	125,246
Total cash and cash equivalents	<u>\$ 87,033,543</u>	<u>65,055,376</u>

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

Statements of Cash Flows

Years ended June 30,

	<b>2012</b>	<b>2011</b>
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	\$ (96,139,411)	(85,797,503)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,334,200	4,245,907
State payment for retirement obligation	14,782,706	11,682,036
Changes in assets and liabilities:		
Receivables (net)	1,001,492	(1,273,436)
Inventories	(89,170)	(22,591)
Accounts payable	(52,836)	613,362
Accrued vacation	94,916	152,849
Other accrued expenses	(2,279,269)	966,575
Other current liabilities	140,329	60,572
Amounts held in custody for others	205,506	200,745
Deferred tuition and fees	107,878	297,230
Net cash used in operating activities	\$ (77,893,659)	(68,874,254)

See accompanying notes to 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>2012</b>	<b>2011</b>
Cash and cash equivalents	\$	247,485	214,173
Investments		2,408,640	2,412,001
Other receivables		2,750	3,166
Deferred expense		9,125	7,600
Total assets	\$	<u>2,668,000</u>	<u>2,636,940</u>
<b>Liabilities</b>			
Accounts payable	\$	691	696
Miscellaneous payable		11,337	11,522
Deferred revenue		-	15,800
Grants and scholarships payable		17,285	3,882
Due to College of Lake County		-	2,244
Total liabilities		<u>29,313</u>	<u>34,144</u>
<b>Net Assets</b>			
Unrestricted		322,386	253,324
Temporarily restricted		1,514,293	1,547,464
Permanently restricted		802,008	802,008
Total net assets		<u>2,638,687</u>	<u>2,602,796</u>
Total liabilities and net assets	\$	<u>2,668,000</u>	<u>2,636,940</u>

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, 2012 and 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets at June 30, 2010	\$ (118,701)	1,894,724	546,423	2,322,446
<b>Public support and revenue:</b>				
Contributions and gifts	315,206	272,984	-	588,190
Special events revenue	280,273	-	-	280,273
Special events expense	(126,087)	-	-	(126,087)
Donated services	333,573	-	-	333,573
Other noncash donations	178,573	-	-	178,573
Net assets released from restrictions	181,728	(181,728)	-	-
Total public support	<u>1,163,266</u>	<u>91,256</u>	<u>-</u>	<u>1,254,522</u>
Investment income (loss)	69,597	149,969	5,585	225,151
Total public support and revenue	<u>1,232,863</u>	<u>241,225</u>	<u>5,585</u>	<u>1,479,673</u>
<b>Expenses:</b>				
<b>Program services:</b>				
Grants and scholarships	643,749	-	-	643,749
Gallery operations	33,560	-	-	33,560
Noncash donations to College of Lake County	178,573	-	-	178,573
<b>General and administrative:</b>				
Management and general	341,088	-	-	341,088
Travel/meeting	2,353	-	-	2,353
Total expenses	<u>1,199,323</u>	<u>-</u>	<u>-</u>	<u>1,199,323</u>
Increase (decrease) in net assets	33,540	241,225	5,585	280,350
Net asset transfers	338,485	(588,485)	250,000	-
Net assets at June 30, 2011	<u>253,324</u>	<u>1,547,464</u>	<u>802,008</u>	<u>2,602,796</u>
<b>Public support and revenue:</b>				
Contributions and gifts	420,401	88,664	-	509,065
Special events revenue	299,016	-	-	299,016
Special events expense	(125,727)	-	-	(125,727)
Donated services	360,505	-	-	360,505
Other noncash donations	74,270	-	-	74,270
Net assets released from restrictions	119,499	(119,499)	-	-
Total public support	<u>1,147,964</u>	<u>(30,835)</u>	<u>-</u>	<u>1,117,129</u>
<b>Other income (loss):</b>				
Investment income (loss)	(923)	(2,336)	-	(3,259)
Total public support and revenue	<u>1,147,041</u>	<u>(33,171)</u>	<u>-</u>	<u>1,113,870</u>
<b>Expenses:</b>				
<b>Program services:</b>				
Grants and scholarships	604,256	-	-	604,256
Gallery operations	32,647	-	-	32,647
Noncash donations to College of Lake County	74,270	-	-	74,270
<b>General and administrative:</b>				
Management and general	363,920	-	-	363,920
Travel/meeting	2,886	-	-	2,886
Total expenses	<u>1,077,979</u>	<u>-</u>	<u>-</u>	<u>1,077,979</u>
Increase (decrease) in net assets	69,062	(33,171)	-	35,891
Net asset transfers	-	-	-	-
Net assets at June 30, 2012	<u>\$ 322,386</u>	<u>1,514,293</u>	<u>802,008</u>	<u>2,638,687</u>

See accompanying notes to basic financial statements.



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

**Notes to Financial Statements**

**(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) Accounting Standards Codification*<sup>®</sup> (Codification) which is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB. 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 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.

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

**Notes to 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 Financial Statements**

**(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 \$5,000 or more, or computer assets with a unit cost of \$500 or more, and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. 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, 3 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 2012 and 2011 (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 Financial Statements**

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 2011 tax year are recorded as revenue in the fiscal year ended June 30, 2012. The remaining revenue related to the 2011 tax year extension has been deferred and will be recorded as revenue in fiscal year 2013. 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 Financial Statements**

**(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. However, for financial statement reporting the Foundation reports activities based on the existence of restrictions placed on the resources as 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 accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

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

**Notes to Financial Statements**

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

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for the District's fiscal year ended June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. This Statement is effective for the District's fiscal year ended June 30, 2013, with earlier application encouraged. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for the District's fiscal year ended June 30, 2013 with earlier application encouraged. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for the District's fiscal year ended June 30, 2013 with earlier application encouraged. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.



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

**Notes to Financial Statements**

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. When all of the conditions specified by the Statement exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for the District's fiscal year ended June 30, 2012. Implementation did not have a significant effect on the College's financial statements.

In March 2012, the GASB issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for the District's fiscal year ended June 30, 2014, with earlier application being encouraged. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In March 2012, the GASB issued GASB Statement 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, Districts should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement 62. The provisions of this Statement are effective for the College's fiscal year ended June 30, 2014, with earlier application being encouraged. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the

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

**Notes to Financial Statements**

notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the College's fiscal year ending June 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the College's financial year ending June 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**(2) Deposits and Investments**

As of June 30, 2012 and 2011, the College had the following investments and maturities:

	<u>Maturity</u>	2012 <u>Fair value</u>	2011 <u>Fair value</u>
<b>Deposits:</b>			
Cash accounts		\$ 11,458,038	33,188,665
Certificates of deposit	Less than 1 year	<u>50,192,856</u>	<u>16,883,893</u>
Total deposits		<u>61,650,894</u>	<u>50,072,558</u>
<b>Investments:</b>			
Money markets and savings accounts	Less than 1 year	17,800,252	12,700,021
Restricted accounts:			
Money market accounts	Less than 1 year	1,277,294	125,246
The Illinois Funds	Less than 1 year	1,239	157,551
ISDLAF Plus	Less than 1 year	<u>6,800,354</u>	<u>2,000,000</u>
Total investments	Less than 1 year	<u>25,879,139</u>	<u>14,982,818</u>
Total cash deposits and investments		<u>\$ 87,530,033</u>	<u>65,055,376</u>
<b>Current assets:</b>			
Cash		\$ 11,458,038	33,188,665
Investments	Less than 1 year	74,298,211	31,741,465
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents		1,277,294	125,246
Certificates of deposit	1 to 5 years	<u>496,490</u>	-
Total cash deposits and investments		<u>\$ 87,530,033</u>	<u>65,055,376</u>

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

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

**Notes to Financial Statements**

*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, 2012 and 2011, the College did not have a concentration of credit risk.

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

**Notes to Financial Statements**

**(3) Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Capital assets not being depreciated:				
Construction in Progress	\$ —	158,041	—	158,041
Land	7,702,298	443,271	—	8,145,569
Total capital assets not being depreciated	<u>7,702,298</u>	<u>601,312</u>	<u>—</u>	<u>8,303,610</u>
Capital assets being depreciated:				
Land improvements	5,913,812	35,623	—	5,949,435
Buildings and improvements	125,612,705	123,170	—	125,735,875
Furniture and equipment	23,359,989	1,714,324	467,981	24,606,332
Total capital assets being depreciated	<u>154,886,506</u>	<u>1,873,117</u>	<u>467,981</u>	<u>156,291,642</u>
Less accumulated depreciation:				
Land improvements	4,211,386	269,573	—	4,480,959
Buildings and improvements	43,056,496	2,751,393	—	45,807,889
Furniture and equipment	17,570,517	1,322,235	418,981	18,473,771
Total accumulated depreciation	<u>64,838,399</u>	<u>4,343,201</u>	<u>418,981</u>	<u>68,762,619</u>
Total capital assets being depreciated, net	<u>90,048,107</u>	<u>(2,470,084)</u>	<u>49,000</u>	<u>87,529,023</u>
Total capital assets, net	<u>\$ 97,750,405</u>	<u>(1,868,772)</u>	<u>49,000</u>	<u>95,832,633</u>

The College has construction in progress of \$158,041 at June 30, 2012. The College has commitments totaling \$1,773,784 related to this project.

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

**Notes to Financial Statements**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Capital assets not being depreciated:				
Land	\$ 7,232,934	469,364	-	7,702,298
Total capital assets not				
being depreciated	<u>7,232,934</u>	<u>469,364</u>	<u>-</u>	<u>7,702,298</u>
Capital assets being depreciated:				
Land improvements	5,913,812	-	-	5,913,812
Buildings and improvements	124,530,943	1,081,762	-	125,612,705
Furniture and equipment	22,667,663	1,229,306	536,980	23,359,989
Total capital assets				
being depreciated	<u>153,112,418</u>	<u>2,311,068</u>	<u>536,980</u>	<u>154,886,506</u>
Less accumulated depreciation:				
Land improvements	3,942,012	269,374	-	4,211,386
Buildings and improvements	40,398,921	2,657,575	-	43,056,496
Furniture and equipment	16,775,614	1,318,958	524,055	17,570,517
Total accumulated				
depreciation	<u>61,116,547</u>	<u>4,245,907</u>	<u>524,055</u>	<u>64,838,399</u>
Total capital assets				
being depreciated, net	<u>91,995,871</u>	<u>(1,934,839)</u>	<u>12,925</u>	<u>90,048,107</u>
Total capital assets, net	<u>\$ 99,228,805</u>	<u>(1,465,475)</u>	<u>12,925</u>	<u>97,750,405</u>

**(4) Accrued Expenses**

Accrued expenses consisted of the following at June 30:

	<u>2012</u>	<u>2011</u>
Accrued payroll and benefits	\$ 454,931	2,934,341
Accrued vacation	1,855,786	1,760,870
Accrued health insurance claims	650,000	535,000
Accrued expenses - other	<u>125,652</u>	<u>97,001</u>
Total accrued expenses	<u>\$ 3,086,369</u>	<u>5,327,212</u>

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

**Notes to Financial Statements**

**(5) Long-term Debt**

The College has the following outstanding bonds payable as of June 30, 2012 and 2011:

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 bonds were refunded with the issuance of the General Obligation Limited Tax Bonds Series 2012. The College called the refunded bonds in the amount of \$1,335,000 for full redemption and payment. The principal balance at June 30, 2011 was \$2,420,000

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, 2012 and 2011 was \$1,735,000 and \$1,990,000, 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, 2012 and 2011 was \$4,500,000.

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, 2012 and 2011 was \$0 and \$525,000, respectively.

General Obligation Limited Tax Bonds, Series 2012 with a yield of 2.00% to 3.00% depending on the date of serial maturity through 2027. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the 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 \$19,850,000. They received a premium of \$654,118 and paid issue costs of \$62,865. The principal balance at June 30, 2012 was \$17,000,000.



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

**Notes to Financial Statements**

Changes in long-term obligations during the year ended June 30, 2012 were as follows:

	<b>Balance June 30, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2012</b>	<b>Amounts due within one year</b>
General obligation bonds:					
Par	\$ 9,435,000	19,850,000	6,050,000	23,235,000	1,230,000
Premium	89,657	654,118	86,900	656,875	—
 Total general obligation bonds, net \$	<u>9,524,657</u>	<u>20,504,118</u>	<u>6,136,900</u>	<u>23,891,875</u>	<u>1,230,000</u>

The difference between the June 30, 2012 balance above, the June 30, 2011 balance below 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, 2011 were as follows:

	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2011</b>	<b>Amounts due within one year</b>
General obligation bonds:					
Par	\$ 11,235,000	-	1,800,000	9,435,000	1,865,000
Premium	111,596	-	21,939	89,657	-
Discount on capital appreciation bonds	(19,734)	-	(19,734)	-	-
 Total general obligation bonds, net \$	<u>11,326,862</u>	<u>-</u>	<u>1,802,205</u>	<u>9,524,657</u>	<u>1,865,000</u>

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

**Notes to Financial Statements**

The following is a schedule of the future debt service payments for bonds payable as of June 30, 2012.

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:				
2013	\$	1,230,000	712,291	1,942,291
2014		1,295,000	668,874	1,963,874
2015		1,380,000	608,310	1,988,310
2016		1,470,000	551,389	2,021,389
2017		1,545,000	498,391	2,043,391
2018-2022		7,575,000	1,827,757	9,402,757
2023-2027		<u>8,740,000</u>	<u>656,250</u>	<u>9,396,250</u>
	\$	<u>23,235,000</u>	<u>5,523,262</u>	<u>28,758,262</u>

**(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 (for FY 2013) is 34.51% 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, 2012, 2011, and 2010 were \$14,530,458, \$11,429,071 and \$9,940,847, 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 the responsibility of the employer. The College contributed \$158,916, \$113,891 and \$76,824 for the years ended June 30, 2012, 2011, and 2010, respectively.

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

**Notes to Financial Statements**

**(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:

	<b>2012</b>	<b>2011</b>
Accrued Compensated Absences – beginning of year	\$ 1,760,870	1,608,021
Compensated absences incurred – during year	1,855,786	1,760,870
Compensated Absences used – during year	<u>(1,760,870)</u>	<u>(1,608,021)</u>
Accrued Compensated Absences – end of year	<u>\$ 1,855,786</u>	<u>1,760,870</u>
Amounts due within one year	<u>\$ 1,855,786</u>	<u>1,760,870</u>

**(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 benefit, benefit levels, employee contributions, and employer contributions are governed by the College and can be amended by the College through its personnel manual and union contracts. 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.

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

**Notes to Financial Statements**

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

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 867,101	1,307,777
Interest on the net OPEB obligation	115,412	89,382
Adjustment to annual required contribution	<u>(152,449)</u>	<u>(116,288)</u>
Annual OPEB cost (expense)	830,064	1,280,871
Contributions made	<u>801,421</u>	<u>748,661</u>
Increase in net OPEB obligation	28,643	532,210
Net OPEB obligation, beginning of year	<u>2,308,236</u>	<u>1,776,026</u>
Net OPEB	\$ <u><u>2,336,879</u></u>	<u><u>2,308,236</u></u>

The College’s annual OPEB costs, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligations for 2012, 2011, and 2010 were as follows:

For the fiscal year ended June 30,	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual OPEB Cost	\$ 830,064	1,280,871	1,591,381
Percentage of Annual OPEB Cost Contributed	96.5%	58.4%	44.8%
Net OPEB Obligation	2,336,879	2,308,236	1,776,026

**Funding Status** – As of July 1, 2011, the actuarial accrued liability for benefits was \$9,682,986, all of which was unfunded. The covered payroll (annual payroll of active employees covered under the plan) was \$35,707,743 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 27 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

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

**Notes to Financial Statements**

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, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 9.5% 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 obligation. The Plan's unfunded actuarial accrued liability is being amortized using a level dollar method over 29 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) Self Insurance**

The College maintains a self-insured plan to cover health and dental benefits and workers' compensation for its employees through third-party administrators. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2012 and 2011, the amounts of these liabilities were \$650,000 and \$535,000, respectively. This liability is the College's best estimate based on available information and is expected to be paid within the next fiscal year. Changes in the College's liability for employee health claims for the years ended June 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Claims payable – beginning of year	\$ 535,000	535,000
Claims and other expenses incurred – during year	8,453,104	7,059,680
Claims paid – during year	(8,338,104)	(7,059,680)
Claims payable – end of year	\$ 650,000	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 lease was amended to extend the lease for one year expiring October 31, 2013. The book value of the leased building at June 30, 2012 and 2011 is \$2,006,354 and \$2,061,914, respectively.

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

**Notes to Financial Statements**

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, 2012 and 2011 was \$20,000. Deferred revenue related to the lease was \$840,000 and \$860,000 at June 30, 2012 and 2011, 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, 2012:

Year ending June 30:	2013	337,422
	2014	<u>192,341</u>
	Total	<u>\$ 529,763</u>

**(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, 2012 and 2011 are below. The total differs from the Statement of Activities operating expenses amount by the amount of interest expense which is classified as nonoperating.

	2012	2011
Natural classification of total expenses:		
Salaries	\$ 63,076,170	60,418,723
Benefits	27,659,524	23,617,666
Contractual services	6,532,534	6,977,480
Materials and supplies	11,703,845	11,193,478
Travel and meetings	1,042,498	855,930
Fixed charges	1,977,532	1,848,229
Utilities	2,820,842	3,173,901
Interest	536,972	422,128
Depreciation	4,334,200	4,245,907
Other	12,295,341	9,414,193
Total expenses	<u>\$ 131,979,458</u>	<u>122,167,635</u>

**Required Supplementary Information**



**COLLEGE OF LAKE COUNTY**  
**COMMUNITY COLLEGE DISTRICT NO. 532**  
Required Supplementary Information  
Other Postemployment Benefits  
Schedule of Funding Progress  
June 30, 2012

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date July 1,	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) Entry-Age	Percent Funded (1) / (2)	Unfunded Actuarial Accrued Liability (2) - (1)	Annual Covered Payroll	Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2011	\$ -	\$ 9,682,986	0.0%	\$ 9,682,986	\$ 35,707,743	27.1%
2010	-	11,720,553	0.0%	11,720,553	34,667,712	33.8%
2009	-	13,560,889	0.0%	13,560,889	37,481,179	36.2%
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

The College implemented GASB 45 in the fiscal year ended June 30, 2009 report.

There is no information available for the preceding years.

Further details on Postemployment benefits can be found in Note 9 of the financial statements.

**COLLEGE OF LAKE COUNTY**  
**COMMUNITY COLLEGE DISTRICT NO. 532**  
 Required Supplementary Information  
 Other Postemployment Benefits  
 Schedule of Employer Contributions  
 June 30, 2012

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percent Contributed</u>
2012	\$ 801,421	\$ 867,101	92.4%
2011	748,661	1,307,777	57.2%
2010	713,182	1,604,895	44.4%
2009	637,797	1,535,624	41.5%
2008	N/A	N/A	N/A

The College implemented GASB 45 in the fiscal year ended June 30, 2009 report.  
 There is no information available for the preceding years.  
 Further details on Postemployment benefits can be found in Note 9 of the financial statements.

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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.

<b><u>Contents</u></b>	<b><u>Tables</u></b>
<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Invested in capital assets, net of related debt	\$ 89,840,672	88,244,604	88,360,119	89,508,677	88,952,883
Restricted for:					
Working cash	17,550,000	17,550,000	17,550,000	17,550,000	17,550,000
Debt service	1,163,008	3,821,509	3,683,898	3,638,451	3,476,226
Capital projects	1,914,268	754,227	1,063,084	1,090,977	1,091,225
Other	289,439	698,222	601,233	1,083,162	1,112,681
Unrestricted	<u>45,375,272</u>	<u>36,353,877</u>	<u>22,264,025</u>	<u>13,963,221</u>	<u>11,169,617</u>
Total net assets	<u>\$ 156,132,659</u>	<u>147,422,439</u>	<u>133,522,359</u>	<u>126,834,488</u>	<u>123,352,632</u>

Table 2

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

Changes in Net Assets (Unaudited)

Last Five Fiscal Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenues:					
Student tuition and fees	\$ 31,571,415	31,341,476	27,687,389	24,431,056	22,068,220
Less scholarship allowances	<u>(8,199,350)</u>	<u>(7,585,139)</u>	<u>(5,040,088)</u>	<u>(3,438,360)</u>	<u>(2,451,962)</u>
Net student tuition and fees	23,372,065	23,756,337	22,647,301	20,992,696	19,616,258
Auxiliary enterprises	10,757,207	10,713,481	11,067,046	10,539,065	10,080,324
Other operations	<u>1,173,803</u>	<u>1,478,186</u>	<u>1,328,725</u>	<u>1,921,201</u>	<u>1,728,044</u>
Total operating revenues	<u>35,303,075</u>	<u>35,948,004</u>	<u>35,043,072</u>	<u>33,452,962</u>	<u>31,424,626</u>
Operating expenses:					
Education and general:					
Instruction	51,721,715	48,268,132	46,853,367	40,662,025	37,675,261
Academic support	5,368,352	5,464,060	5,506,810	5,418,601	4,942,062
Student services	9,108,675	8,136,053	7,861,672	7,416,388	6,344,790
Public service	8,686,815	7,575,936	6,426,550	7,127,721	5,807,824
Institutional support	24,459,148	21,841,211	21,549,383	22,160,018	21,005,231
Operations and maintenance of plant	9,501,273	8,897,716	9,557,706	9,214,707	8,785,206
Financial aid	6,626,759	6,587,783	7,349,762	2,478,091	1,945,642
Depreciation	4,334,200	4,245,907	4,151,105	4,393,484	4,254,000
Auxiliary enterprises	<u>11,635,549</u>	<u>10,728,709</u>	<u>10,924,069</u>	<u>10,003,106</u>	<u>10,236,270</u>
Total operating expenses	<u>131,442,486</u>	<u>121,745,507</u>	<u>120,180,424</u>	<u>108,874,141</u>	<u>100,996,286</u>
Operating loss	<u>(96,139,411)</u>	<u>(85,797,503)</u>	<u>(85,137,352)</u>	<u>(75,421,179)</u>	<u>(69,571,660)</u>
Nonoperating revenues (expenses):					
Local property taxes	60,194,469	58,363,768	57,133,098	55,125,615	52,163,382
Personal property replacement tax	1,139,553	1,238,741	955,215	1,180,747	1,349,780
State appropriations	27,664,030	24,581,121	20,282,045	15,655,068	13,807,432
Federal grants and contracts	15,385,348	14,874,344	12,736,502	5,716,530	4,046,087
Local grants and contracts	911,393	951,778	1,067,360	1,138,575	1,134,897
Investment income	91,810	109,959	155,791	679,593	1,246,168
Interest expense	<u>(536,972)</u>	<u>(422,128)</u>	<u>(504,788)</u>	<u>(593,093)</u>	<u>(846,068)</u>
Net nonoperating revenues (expenses)	<u>104,849,631</u>	<u>99,697,583</u>	<u>91,825,223</u>	<u>78,903,035</u>	<u>72,901,678</u>
Increase (decrease) before capital contributions	8,710,220	13,900,080	6,687,871	3,481,856	3,330,018
State capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,586</u>
Increase in net assets	<u>\$ 8,710,220</u>	<u>13,900,080</u>	<u>6,687,871</u>	<u>3,481,856</u>	<u>3,542,604</u>

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
2012	2011	\$ 20,373,987,923	3,818,085,918	1,020,867,520	156,248,304	25,369,189,665	0.240	76,107,568,995	33.33
2011	2010	22,224,909,605	3,844,218,020	1,027,794,240	158,160,815	27,255,082,680	0.218	81,765,248,040	33.33
2010	2009	23,479,024,924	3,977,027,085	1,051,356,708	155,323,495	28,662,732,212	0.200	85,988,196,636	33.33
2009	2008	23,786,834,186	3,980,347,903	1,047,235,622	153,386,437	28,967,804,148	0.196	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

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>College direct rates</b>										
Bonds	0.007	0.006	0.005	0.006	0.006	0.007	0.007	0.008	0.008	0.010
Educational	0.180	0.148	0.132	0.129	0.128	0.128	0.128	0.129	0.129	0.129
Medicare	-	-	-	0.001	0.001	0.001	0.001	0.001	0.001	0.002
Operation & maintenance	0.051	0.062	0.061	0.057	0.054	0.056	0.058	0.058	0.059	0.059
Operation & maintenance (restricted)	-	-	-	-	-	-	-	-	-	-
Health & safety	-	-	-	-	-	-	-	-	-	-
Tort judgement & liability insurance	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.004	0.004	0.002
Audit	-	-	-	-	-	-	-	-	-	0.005
<b>Total direct rate</b>	0.240	0.218	0.200	0.196	0.192	0.195	0.197	0.200	0.201	0.208
<b>Lake County rate</b>	0.554	0.505	0.464	0.453	0.444	0.450	0.454	0.465	0.490	0.502
<b>Lake County Forest Preserves rate</b>	0.201	0.198	0.200	0.199	0.201	0.204	0.210	0.219	0.225	0.232
<b>Elementary School rates</b>	1.186-5.818	1.095-4.879	0.998-4.423	0.965-4.403	0.944-4.330	0.964-4.296	1.013-3.670	1.051-4.137	1.101-3.679	1.152-3.836
<b>Unit School rates</b>	3.661-8.175	3.438-6.921	3.272-5.986	3.064-5.691	3.023-5.639	3.386-5.834	3.246-5.872	3.401-5.941	3.200-5.938	3.353-5.960
<b>High School rates</b>	1.191-3.824	1.101-3.497	1.069-3.195	1.001-3.066	0.959-3.746	0.961-3.136	0.965-3.197	1.003-3.233	1.045-3.061	1.092-2.798
<b>Township rates</b>	0.033-0.397	0.033-0.372	0.031-0.364	0.029-0.372	0.028-0.368	0.029-0.375	0.029-0.359	0.028-0.355	0.027-0.355	0.028-0.357
<b>Sanitary District rates</b>	0.000-0.241	0.000-0.216	0.000-0.194	0.000-0.192	0.000-0.186	0.030-0.187	0.031-0.191	0.028-0.198	0.029-0.198	0.030-0.209
<b>Park District rates</b>	0.000-0.894	0.000-0.767	0.000-0.703	0.000-0.707	0.019-0.707	0.019-0.728	0.019-0.711	0.019-0.730	0.019-0.791	0.019-0.763
<b>Library District rates</b>	0.185-0.475	0.170-0.450	0.161-0.452	0.150-0.477	0.152-0.433	0.161-0.436	0.155-0.438	0.170-0.452	0.173-0.451	0.172-0.446
<b>Fire District rates</b>	0.129-0.875	0.111-0.754	0.105-0.707	0.124-0.677	0.121-0.652	0.128-0.674	0.136-0.690	0.142-0.709	0.141-0.779	0.148-0.698
<b>City &amp; Village rates</b>	0.000-3.511	0.000-2.954	0.000-2.616	0.000-2.491	0.000-2.446	0.012-2.123	0.013-2.060	0.012-1.605	0.012-1.613	0.012-1.597
<b>Special Service Area rates</b>	0.013-7.314	0.013-15.414	0.029-8.651	0.029-10.130	0.029-15.221	0.014-15.877	5.714-10.809	5.832-10.886	5.676-11.014	4.253-10.862

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	2011			2004		
	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	\$ 172,372,207	1	0.68 %	\$ 171,185,301	1	0.79 %
Gurnee Mills	54,281,566	2	0.21	-	-	-
Discover Properties LLC	46,597,133	3	0.18	-	-	-
Walmart Stores Inc	42,009,657	4	0.17	-	-	-
Midwest Family Housing LLC	39,934,243	5	0.16	-	-	-
Arden Realty Inc	39,517,677	6	0.16	-	-	-
Van Vlissingen & Co	36,850,247	7	0.15	73,749,955	2	0.34
Takeda Pharmaceuticals North America	33,543,849	8	0.13	-	-	-
JBC Funds Parkway North LLC	32,602,121	9	0.13	-	-	-
Baxter Healthcare Corp	31,095,184	10	0.12	34,011,043	7	0.16
The Mills Corporation	-	-	-	53,599,797	3	0.25
Discover Financial Services Inc	-	-	-	43,139,214	4	0.20
Carramerica	-	-	-	39,519,616	5	0.18
Hewitt Properties III, LLC	-	-	-	36,037,736	6	0.17
Lasalle-5132110	-	-	-	33,283,501	8	0.15
Property Tax Services Co.	-	-	-	28,094,549	9	0.13
W.W. Grainger, Inc.	-	-	-	26,311,800	10	0.12
	<u>\$ 528,803,884</u>		<u>2.08 %</u>	<u>\$ 538,932,512</u>		<u>2.49 %</u>

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

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

Source: Lake County Clerk's Office

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
2012	2011	\$ 60,886,055	30,513,839	50.12 %	\$ -	30,513,839	50.12
2011	2010	59,416,080	59,279,661	99.77	-	59,279,661	99.77
2010	2009	57,325,464	57,199,885	99.78	-	57,199,885	99.78
2009	2008	56,776,896	56,627,879	99.74	-	56,627,879	99.74
2008	2007	53,613,021	53,467,319	99.73	-	53,467,319	99.73
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

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

<sup>(a)</sup> Prior year taxes collected are immaterial and not reported to the College by year.

Source: Lake County Treasurer's Office

Table 7

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

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years

<b>Fiscal year</b>	<b>General Obligation Limited Tax Funding Bonds</b>	<b>General Obligation Limited Tax Debt Certificates</b>	<b>Capital Appreciation Limited Tax Bonds</b>	<b>General Obligation Bonds - Alternate Revenue Source</b>	<b>Total</b>	<b>Percentage of taxable assessed value of property<sup>(a)</sup></b>	<b>Per FTE student count<sup>(b)</sup></b>
2012	\$ 21,500,000	1,735,000	-	-	23,235,000	0.092%	2,446
2011	6,920,000	2,515,000	-	-	9,435,000	0.035%	946
2010	7,000,000	3,235,000	1,000,000	-	11,235,000	0.039%	1,133
2009	7,210,000	3,925,000	2,010,000	320,000	13,465,000	0.046%	1,570
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

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

<b>Fiscal year</b>	<b>Net general bonded debt</b>	<b>Population</b>	<b>Percentage of taxable assessed value of property<sup>(a)</sup></b>	<b>Net bonded debt per capita</b>
2012	\$ 23,235,000	706,222	0.092%	\$ 32.90
2011	9,435,000	703,462	0.035%	13.41
2010	11,235,000	712,567	0.039%	15.77
2009	13,465,000	707,622	0.046%	19.03
2008	15,605,000	702,479	0.056%	22.21
2007	17,670,000	698,305	0.068%	25.30
2006	17,155,000	691,815	0.072%	24.80
2005	19,010,000	684,394	0.087%	27.78
2004	16,570,000	676,086	0.081%	24.51
2003	19,175,000	671,443	0.102%	28.56

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

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

Table 9

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

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

<b>Fiscal year</b>	<b>Levy year</b>	<b>Assessed valuation</b>	<b>Bond debt limit*</b>	<b>Amount of debt applicable to debt limit</b>	<b>Legal debt margin</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>
2012	2011	\$ 25,369,189,665	729,364,203	23,235,000	706,129,203	3.19%
2011	2010	27,255,082,680	783,583,627	9,435,000	774,148,627	1.20%
2010	2009	28,662,732,212	824,053,551	11,235,000	812,818,551	1.36%
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%

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

Table 10

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

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	
2012	\$ -	-	-	-	\$ -	-	-	-
2011	-	-	-	-	-	-	-	-
2010	409,200	320,000	7,360	1.25	-	-	-	-
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

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

<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		
2011	17,389	9,498		7,707	9,682		5,212	12,177		4,376	9,125	2,883	95%	28.9
2010	18,091	9,975		7,895	10,088		5,678	12,413		4,966	10,028	3,097	94%	28.7
2009	18,092	9,920		7,898	10,084		6,461	11,631		5,437	9,438	3,217	93%	28.9
2008	16,359	8,912		6,994	9,303		5,192	11,167		5,082	8,446	2,831	94%	28.6
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

Table 12

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

Reimbursable Claimed Hours (Unaudited)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Baccalaureate</b>	<b>Business</b>	<b>Technical</b>	<b>Health</b>	<b>Remedial</b>	<b>Adult Basic Secondary Education</b>	<b>Total</b>
2012	174,623	16,055	27,180	19,353	26,284	32,579	296,074
2011	175,907	16,931	27,620	19,749	26,098	34,632	300,936
2010	172,894	16,706	26,774	20,182	24,940	40,631	302,127
2009	154,132	14,176	22,027	16,570	21,098	39,156	267,159
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

Amounts are based on midterm enrollment.

Table 13

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

Principal Employers (Unaudited)

Current Year

Employer	2012		
	Employees <sup>(a)</sup>	Rank	Percentage of total County employees
Abbott Laboratories	12,300	1	3.50%
Solo Cup Company	8,000	2	2.28%
AON/Hewitt Associates, Inc.	4,700	3	1.34%
Motorola Mobility Holdings, Inc.	3,000	4	0.85%
Aluma Systems	3,000	4	0.85%
Phosphate Resource Partners LP	3,000	4	0.85%
LaCosta Facility Support Services	2,800	5	0.80%
W.W. Graninger	2,300	6	0.65%
Rexam CP Inc.	2,000	7	0.57%
Walgreen Co.	2,000	7	0.57%
Discover Financial Services	2,000	7	0.57%
Veterans Health Administration	2,000	7	0.57%
	<u>47,100</u>		<u>13.39%</u>

<sup>(a)</sup> Total civilian employees for the Department of the Navy is not currently available and omitted from this schedule.

Source: Lake County Partners, a 501(c)3 economic development corporation

2003 data (nine years ago) is not available per the Lake County Clerk's Office.

**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 2011 (note 1):	706,222
Percentage change from 2010 census	0.4%
Employment in District (note 2):	
Labor force, civilian (May 2012)	351,468
Unemployment rate (May 2012)	7.8%

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	

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Enrollment (Fall Semester, based on 10th day enrollment) (note 4):										
Total headcount	17,389	18,091	18,092	16,359	16,010	15,558	15,745	15,866	15,828	15,457
Percent change	-3.88%	-0.01%	10.59%	2.18%	2.91%	-1.19%	-0.76%	0.24%	2.40%	7.45%
Total student semester hours	142,475	149,623	148,807	133,683	128,674	123,047	122,756	119,692	116,658	107,694
Total FTE semester hours	9,498	9,975	9,920	8,912	8,578	8,203	8,184	7,979	7,777	7,180
Percent change	-4.78%	0.55%	11.31%	3.89%	4.57%	0.23%	2.57%	2.60%	8.31%	8.36%
Total seats taken	44,721	46,940	47,387	42,671	40,891	38,507	38,308	37,406	36,687	33,908
Percent change	-4.73%	-0.94%	11.05%	4.35%	6.19%	0.52%	2.41%	1.96%	8.20%	0.80%
Degrees and certificates awarded (note 5):										
A.A., A.S., and A.E.S.	823	706	648	586	600	515	567	559	500	538
A.A.S.	429	377	423	381	341	316	305	330	320	296
A.F.A./A.P.	1	2	1	2	-	-	-	1	1	1
Certificates	876	926	910	800	930	998	944	1,044	993	709
Total, degrees/certificates	2,129	2,011	1,982	1,769	1,871	1,829	1,816	1,934	1,814	1,544
College Workforce (Fall semester) (note 6):										
Faculty/academic support	1,027	976	963	1,075	834	832	810	794	827	977
Administrators	66	59	60	59	54	50	50	50	53	57
Prof./Tech.	227	196	184	195	172	167	140	132	135	136
Clerical	165	160	150	114	110	110	104	106	105	107
Maintenance and others	125	141	148	156	144	148	149	138	137	135
% Women*	63%	59%	60%	58%	57%	57%	56%	61%	57%	56%
% Minorities*	30%	21%	29%	20%	20%	20%	20%	27%	18%	15%

\* Excludes part-time faculty

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.
3. From Lake County Planning, Building and Development website.
4. From College of Lake County Institutional Effectiveness, Research and Planning, Fact Files.
5. From College of Lake County Office of Institutional Effectiveness, Research and Planning, Graduate Extract Files
6. From Illinois Community College Board CI (Faculty, Staff, and Salary) Datafile.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Grayslake Campus-purchased 1968</b>										
Size of campus (acres) <sup>(a)</sup>	223.4	223.4	223.4	225.1	225.1	225.1	225.1	225.1	225.1	225.1
Gross square footage <sup>(b)</sup>	789,082	789,082	789,082	814,174	814,174	814,174	814,174	814,174	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	97	97	97	102	102	102	102	102	81	81
Number of laboratories	94	94	94	94	94	94	94	94	51	51
<b>Lakeshore Campus-purchased 1979/1995</b>										
Size of campus (acres)	1.4	0.7	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	20.6	20.6	20.6	22.9	22.9	22.9
Gross square footage	66,269	66,269	66,269	66,269	66,269	45,814	16,269	16,269	16,269	16,269
Number of classrooms	20	20	20	20	20	23	9	9	9	9
Number of laboratories	8	8	8	8	8	5	2	2	2	2
<b>1 North Genesee-purchased 2002<sup>(e)</sup></b>										
Size of campus (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gross square footage	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660
Square footage rented <sup>(e)</sup>	19,330	19,330	19,330	32,976	32,976	32,976	32,976	32,976	—	—
Number of classrooms available	11	11	11	9	—	—	—	—	—	—
Number of laboratories available	1	1	1	1	—	—	—	—	—	—

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

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

<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, 2012

	Education Fund	O & M Fund	O & M Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Agency Fund	Audit Fund	Liability Protection and Settlement Funds	Insurance Reserve Fund	Total
<b>Fund balance (deficit) at June 30, 2011</b>	\$ 19,882,441	8,885,779	7,186,184	3,821,509	2,885,753	945,344	17,663,493	523,533	41,244	(165,678)	1,200,000	62,869,602
<b>Revenues:</b>												
Local tax revenue	43,030,497	14,930,563	-	1,706,768	-	1,053,833	-	-	-	526,641	-	60,194,469
All other local revenue	34,476	-	-	-	-	915,147	-	-	-	-	-	1,088,309
ICCB grants	6,218,650	-	-	-	-	3,009,539	-	-	-	-	-	7,133,797
All other state revenue	1,139,553	-	-	-	-	15,385,348	-	-	-	-	-	4,149,092
Federal revenue	-	-	2,810,543	-	-	564,933	-	889,770	-	-	-	15,385,348
Student tuition and fees	28,195,939	-	499,672	2,811	12,679,246	2,582,731	42,158	42,944	-	-	-	32,461,185
All other revenue	78,265	41,874	-	-	-	-	-	-	-	-	5,105	15,974,806
<b>Total revenues</b>	78,697,380	14,972,437	3,310,215	1,709,579	12,679,246	23,511,531	42,158	932,714	-	526,641	5,105	136,387,006
<b>Expenditures:</b>												
Instruction	38,980,526	-	-	-	-	-	-	-	-	-	-	38,980,526
Academic support	4,215,549	-	-	-	-	-	-	-	-	-	-	4,215,549
Student services	7,164,817	-	-	-	-	6,292,829	-	727,207	-	-	-	7,892,024
Public service	2,066,431	-	-	-	-	-	-	-	-	-	-	8,359,260
Auxiliary services	-	-	-	-	12,144,762	-	-	-	-	-	-	12,144,762
Operations and maintenance	-	7,923,263	-	-	-	-	-	-	-	-	-	7,923,263
Institutional support	22,903,227	3,280,961	4,436,878	5,716,695	-	-	-	-	194,953	558,817	-	37,091,531
Scholarships and student grants	166,501	-	-	-	-	17,635,479	-	-	-	-	-	17,801,980
<b>Total expenditures</b>	75,497,051	11,204,224	4,436,878	5,716,695	12,144,762	23,928,308	-	727,207	194,953	558,817	-	134,408,895
<b>Other financing sources (uses):</b>												
Debt proceeds	-	-	19,092,639	1,348,615	-	-	-	-	-	-	-	20,441,254
Net transfers	(3,000,738)	(3,600,000)	6,411,500	-	-	-	(30,762)	-	220,000	-	-	-
<b>Total other financing sources (uses)</b>	(3,000,738)	(3,600,000)	25,504,139	1,348,615	-	-	(30,762)	-	220,000	-	-	20,441,254
<b>Fund balance (deficit) at June 30, 2012</b>	\$ 20,082,032	9,053,992	31,563,660	1,163,008	3,420,237	528,567	17,674,889	729,040	66,291	(197,854)	1,205,105	85,288,967

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

Summary of Capital Assets and Debt  
Uniform Financial Statement Number 2

Year ended June 30, 2012

	<b>Capital asset/ debt account groups June 30, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Capital asset/ debt account groups June 30, 2012</b>
<b>Fixed assets:</b>				
Sites and improvements	\$ 13,616,110	478,893	-	14,095,003
Buildings, additions, and improvements	125,621,705	114,170	-	125,735,875
Construction work in progress	-	158,041	-	158,041
Equipment, furniture, and machinery	<u>23,359,989</u>	<u>1,714,324</u>	<u>(467,981)</u>	<u>24,606,332</u>
Fixed assets	162,597,804	2,465,428	(467,981)	164,595,251
Accumulated depreciation	<u>(64,847,399)</u>	<u>(4,334,200)</u>	418,981	<u>(68,762,618)</u>
Net fixed assets	\$ <u>97,750,405</u>	<u>(1,868,772)</u>	<u>(49,000)</u>	<u>95,832,633</u>
<b>Fixed debt:</b>				
Bonds payable	\$ <u>9,435,000</u>	<u>19,850,000</u>	<u>(6,050,000)</u>	<u>23,235,000</u>
Total fixed liabilities	\$ <u>9,435,000</u>	<u>19,850,000</u>	<u>(6,050,000)</u>	<u>23,235,000</u>

The College has no tax anticipation warrants or notes outstanding at June 30, 2012.



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

Operating Funds Revenues and Expenditures  
Uniform Financial Statement Number 3

Year ended June 30, 2012

	<u>Education Fund</u>	<u>O&amp;M Fund</u>	<u>Total Operating</u>
Operating revenues by source:			
Local government:			
Current taxes	\$ 43,030,497	14,930,563	57,961,060
Charge-back revenue	34,476	-	34,476
Total local government	<u>43,064,973</u>	<u>14,930,563</u>	<u>57,995,536</u>
State government:			
ICCB credit hour grants	5,475,973	-	5,475,973
Corporate personal property replacement taxes	1,139,553	-	1,139,553
Vocational education and other	742,677	-	742,677
Total state government	<u>7,358,203</u>	<u>-</u>	<u>7,358,203</u>
Student tuition and fees:			
Tuition and fees	28,195,939	-	28,195,939
Total student tuition and fees	<u>28,195,939</u>	<u>-</u>	<u>28,195,939</u>
Other sources:			
Investment revenue	32,704	-	32,704
Other	45,561	41,874	87,435
Transfers	30,762	-	30,762
Total other sources	<u>109,027</u>	<u>41,874</u>	<u>150,901</u>
Total revenue	78,728,142	14,972,437	93,700,579
Less nonoperating items*:			
Tuition charge-back revenue	34,476	-	34,476
Transfers from nonoperating funds	30,762	-	30,762
Adjusted revenue	<u>\$ 78,662,904</u>	<u>14,972,437</u>	<u>93,635,341</u>

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

Operating Funds Revenues and Expenditures  
Uniform Financial Statement Number 3

Year ended June 30, 2012

	<u>Education Fund</u>	<u>O&amp;M Fund</u>	<u>Total Operating</u>
Operating expenditures:			
Instruction	\$ 38,980,526	-	38,980,526
Academic support	4,215,549	-	4,215,549
Student services	7,164,817	-	7,164,817
Public service	2,066,431	-	2,066,431
Auxiliary services	-	-	-
Operations and maintenance	-	7,923,263	7,923,263
Institutional support	22,903,227	3,280,961	26,184,188
Scholarships and student grants	166,501	-	166,501
Transfers	3,031,500	3,600,000	6,631,500
Total operating expenditures by program	<u>78,528,551</u>	<u>14,804,224</u>	<u>93,332,775</u>
Less nonoperating items*:			
Tuition charge-back	-	-	-
Transfers to nonoperating funds	3,031,500	3,600,000	6,631,500
Adjusted expenditures	<u>\$ 75,497,051</u>	<u>11,204,224</u>	<u>86,701,275</u>
By object:			
Salaries	\$ 53,198,367	3,361,340	56,559,707
Employee benefits	9,240,515	1,771,119	11,011,634
Contractual services	3,386,062	1,068,243	4,454,305
General materials and supplies	3,517,679	1,022,740	4,540,419
Conference and meeting expense	696,236	8,931	705,167
Fixed charges	1,161,632	543,236	1,704,868
Utilities	-	2,820,842	2,820,842
Capital outlay	734,459	586,815	1,321,274
Other	3,562,101	20,958	3,583,059
Transfers	3,031,500	3,600,000	6,631,500
Total operating expenditures by object	<u>78,528,551</u>	<u>14,804,224</u>	<u>93,332,775</u>
Less nonoperating items*:			
Transfers to nonoperating funds	3,031,500	3,600,000	6,631,500
Adjusted expenditures	<u>\$ 75,497,051</u>	<u>11,204,224</u>	<u>86,701,275</u>

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

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

Restricted Purpose Fund Revenues and Expenditures  
Uniform Financial Statement Number 4

Year ended June 30, 2012

	<b>Restricted Purposes Fund</b>
Revenue by source:	
Local government:	
Other local government	\$ 1,053,833
Total local government	1,053,833
State government:	
ICCB – Workforce Development Grants	105,047
ICCB – State Adult Education Grant	768,575
ICCB – Career and Technical Education – Program Improvement Grant	41,525
Other	3,009,539
Total state government	3,924,686
Federal government:	
U.S. Department of Education	13,740,212
Other	1,645,136
Total federal government	15,385,348
Student tuition and fees:	
Tuition and fees	564,933
Other sources:	
Investment revenue	1,134
Other	2,581,597
Total other sources	2,582,731
Total restricted purposes fund revenues	\$ 23,511,531

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

Restricted Purpose Fund Revenues and Expenditures  
Uniform Financial Statement Number 4

Year ended June 30, 2012

	<b>Restricted Purposes Fund</b>
	<u>          </u>
Restricted purposes fund expenditures, by program:	
Public services	\$ 6,292,829
Scholarships and student grants	<u>17,635,479</u>
Total restricted purposes fund expenditures, by program	\$ <u><u>23,928,308</u></u>
Restricted purposes fund expenditures, by object:	
Salaries	\$ 3,247,236
Employee benefits	700,976
Contractual services	517,559
General materials and supplies	385,638
Travel and conference/meeting expenses	237,363
Utilities	-
Fixed charges	5,893
Capital outlay	204,534
Other	<u>18,629,109</u>
Total restricted purposes fund expenditures, by object	\$ <u><u>23,928,308</u></u>

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

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

Year ended June 30, 2012

Instruction:	
Instructional programs	\$ 36,586,280
Other	2,394,246
	<hr/>
Total instruction	38,980,526
Academic support:	
Library center	2,074,274
Instructional materials center	2,957
Education media center	147,825
Academic computing support	487,149
Academic administration and planning	196,033
Other	1,307,311
	<hr/>
Total academic support	4,215,549
Student services:	
Admission and records	1,158,039
Counseling and career services	2,732,311
Financial aid administration	701,110
Other	2,570,932
	<hr/>
Total student services	7,162,392
Public service:	
Community education	5,234,767
Customized training	228,464
Community services	2,087,677
Other	808,351
	<hr/>
Total public services	8,359,259
Auxiliary services	
	<hr/>
	12,144,762
Operations and maintenance:	
Maintenance	1,845,219
Custodial services	2,617,278
Grounds	527,531
Transportation	73,575
Utilities	2,466,272
Administration	393,388
	<hr/>
Total operations and maintenance	7,923,263

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

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

Year ended June 30, 2012

Institutional support:	
Executive management	\$ 1,443,885
Fiscal operations	675,940
Community relations	2,223,216
Administrative support	1,942,891
Board of trustees	304,959
General institutional	18,862,411
Institutional research	526,822
Administrative data processing	5,183,584
Other	<u>213,553</u>
Total institutional support	<u>31,377,261</u>
Scholarships, student grants, and waivers	<u>17,801,981</u>
Total current funds expenditures	\$ <u><u>127,964,993</u></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 2013

All fiscal year 2012 noncapital audited operating expenditures from the following funds:	
1. Education Fund	\$ 74,762,593
2. Operations and Maintenance Fund	10,617,408
3. Operations and Maintenance Fund (Restricted)	1,698,705
4. Bond and Interest Fund	5,716,695
5. Public Building Commission Rental Fund	-
6. Restricted Purposes Fund	23,723,775
7. Audit Fund	194,953
8. Liability, Protection, and Settlement Fund	558,817
9. Auxiliary Enterprise Fund (Subsidy Only)	-
10. Total noncapital audited expenditures	<u>117,272,946</u>
11. Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds	<u>3,466,393</u>
12. Total costs included	<u>120,739,339</u>
13. Total certified semester credit hours for FY 2012	296,074
14. Per capita cost	407.80
15. All FY 2012 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>19,019,355</u>
16. Less FY 2012 state and federal grants per semester credit hour	64.24
17. Less each district's average ICCB grant rate for fiscal year 2013	27.04
18. Less each district's student tuition per semester credit hour for fiscal year 2013	<u>112.00</u>
19. Equals charge-back reimbursement per semester credit hour	<u><u>\$ 204.52</u></u>

Approved: /s/ David T. Agazzi September 25, 2012  
Vice-President for Administrative Affairs Date

Approved: /s/ Girard W. Weber September 25, 2012  
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), Career and Technical Education – Program Improvement Grants and Tech Prep Support Grants (Grant Programs), and Student Success Grant as of June 30, 2012, 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), Career and Technical Education – Program Improvement Grants and Tech Prep Support Grants, and Student Success Grant as of June 30, 2012, 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 the same date as this report 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 was conducted for the purpose of forming opinions on the financial statements. The ICCB Compliance Statements on pages 69 and 72 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The ICCB Compliance Statements have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statements are fairly stated in all material respects in relation to the financial statements 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 11, 2012

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 and Tech Prep Support Grants (Grant Programs), as of and for the year ended June 30, 2012, and have issued our report thereon dated the same date as this report. 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 and the guidelines of the Illinois Community College Board *Fiscal Management Manual*.

#### Internal Control over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered College's internal control over financial reporting 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and as not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 11, 2012

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

Workforce Development (Business/Industry) Grant Program

Balance Sheet

June 30, 2012

**Assets**

Accounts receivable	\$ <u>          -</u>
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**Liabilities and Fund Balance**

Liabilities	
Due to other funds	\$           -

Fund balance	<u>          -</u>
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Total liabilities and fund balance	\$ <u>          -</u>
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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, 2012

Revenues:	
State sources	\$ <u>105,047</u>
Expenditures:	
Current year's grant:	
Salaries	1,000
Employee benefits	-
Contractual services	94,073
Materials and supplies	2,974
Conference and meeting	7,000
Capital outlay	<u>-</u>
Total expenditures	<u>105,047</u>
Excess of revenues over expenditures	-
Fund balance at July 1, 2011	<u>-</u>
Fund balance at June 30, 2012	<u><u>\$ -</u></u>

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, 2012

	Column A	Column B	Column C
	General	Operation of Workforce Devel. Office	Total
Expenditures:			
1. Personnel (salaries and benefits)**	\$ -	1,000	1,000
2. Contractual expense	-	94,073	94,073
3. Instructional materials	-	2,974	2,974
4. Instructional equipment*	-	-	-
5. Promotional materials	-	-	-
6. Staff development	-	-	-
7. Conference and meeting expenses	-	7,000	7,000
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	\$ -	105,047	105,047 ***

\* 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, 2012

<b>Assets</b>	<b>State Basic</b>	<b>Public Assistance</b>	<b>State Performance</b>	<b>Total</b>
Cash	\$ -	-	-	-
Accounts receivable	<u>50,526</u>	<u>44,736</u>	<u>97,097</u>	<u>192,359</u>
<b>Total assets</b>	<b>\$ <u>50,526</u></b>	<b><u>44,736</u></b>	<b><u>97,097</u></b>	<b><u>192,359</u></b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Due to other funds	\$ <u>50,526</u>	<u>44,736</u>	<u>97,097</u>	<u>192,359</u>
<b>Total liabilities</b>	<u>50,526</u>	<u>44,736</u>	<u>97,097</u>	<u>192,359</u>
Fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<b>\$ <u>50,526</u></b>	<b><u>44,736</u></b>	<b><u>97,097</u></b>	<b><u>192,359</u></b>

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, 2012

	<u>State Basic</u>	<u>Public Assistance</u>	<u>State Performance</u>	<u>Total</u>
Revenues:				
State sources	\$ 298,928	178,932	290,742	768,602
Expenditures – by program:				
Instructional and student services:				
Instruction	143,136	91,444	-	234,580
Social work services	-	-	-	-
Guidance services	36,082	29,458	11,069	76,609
Assistive and adaptive equipment	-	-	-	-
Assessment and testing	38,442	29,725	18,229	86,396
Student transportation services	-	-	-	-
Literacy services	45,894	7,360	13,896	67,150
Child care services	-	-	-	-
Total instructional and student services	<u>263,554</u>	<u>157,987</u>	<u>43,194</u>	<u>464,735</u>
Program support:				
Improvement of instructional services	2,676	200	12,209	15,085
General administration	25,151	15,660	145,963	186,774
Operation and maintenance of plant services	-	-	-	-
Workforce coordination	2,810	1,680	35,064	39,554
Data and information services	4,737	3,405	54,312	62,454
Approve indirect costs	-	-	-	-
Total program support	<u>35,374</u>	<u>20,945</u>	<u>247,548</u>	<u>303,867</u>
Total expenditures	<u>298,928</u>	<u>178,932</u>	<u>290,742</u>	<u>768,602</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at July 1, 2011	-	-	-	-
Fund balance at June 30, 2012	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

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, 2012

State basic	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	\$143,136	48%
General administration (9% maximum allowed)	\$25,151	8%
State public assistance	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	\$91,444	51%
General administration (9% maximum allowed)	\$15,660	9%

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

Career and Technical Education – Program Improvement Grant Program

Balance Sheet

June 30, 2012

**Assets**

Cash	\$	-
Accounts receivable		-
Total assets	\$	-

**Liabilities and Fund Balance**

<b>Liabilities</b>		
Due to other funds	\$	-
Total liabilities		-
Fund balance		-
Total liabilities and fund balance	\$	-

See accompanying notes to ICCB State Grants financial statements.

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

Career and Technical Education – Program Improvement Grant Program

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

Year ended June 30, 2012

	<u>Total</u>
Revenues:	
State sources	\$ 41,525
Expenditures:	
Salaries	33,202
Employee benefits	-
Contractual services	-
Materials and supplies	5,175
Conference and meeting	3,148
Utilities	-
Capital outlay	-
Total expenditures	<u>41,525</u>
Excess of revenues over expenditures	-
Fund balance at July 1, 2011	<u>-</u>
Fund balance at June 30, 2012	<u>\$ -</u>

See accompanying notes to ICCB State Grants financial statements.

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

Career and Technical Education - Tech Prep Support Grant Program

Balance Sheet

June 30, 2012

**Assets**

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

Liabilities	\$	-
Fund balance		<u>-</u>

Total liabilities and fund balance	\$	<u><u>-</u></u>
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See accompanying notes to ICCB State Grants financial statements.

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

Career and Technical Education - Tech Prep Support Grant Program

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

Year ended June 30, 2012

	<b>Total</b>
Revenues:	
State sources	\$ -
Expenditures:	
Salaries	-
Employee benefits	-
Contractual services	-
Materials and supplies	-
Conference and meeting	-
Utilities	-
Capital outlay	-
Total expenditures	-
Excess of revenues over expenditures	-
Fund balance at July 1, 2011	-
Fund balance at June 30, 2012	\$ -

See accompanying notes to ICCB State Grants financial statements.

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

**Student Success Grant Program**

**Balance Sheet**

**June 30, 2012**

**Assets**

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

Liabilities	\$	-
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Fund balance		<u>-</u>
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Total liabilities and fund balance	\$	<u><u>-</u></u>
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See accompanying notes to ICCB State Grants financial statements.

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

Student Success Grant Program  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year ended June 30, 2012

	<u>Total</u>
Revenues:	
State sources	\$ -
Expenditures:	
Salaries	41,274
Employee benefits	-
Contractual services	-
Materials and supplies	21,033
Conference and meeting	-
Utilities	-
Capital outlay	-
Other	-
Total expenditures	<u>62,307</u>
Excess of revenues over expenditures	(62,307)
Fund balance at July 1, 2011	<u>62,307</u>
Fund balance at June 30, 2012	<u><u>\$ -</u></u>

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, 2011

**(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, Career and Technical Education – Program Improvement Grant, Federal Adult Education Grant, and El Civics 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, 2011

**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.

**Student Success Grant**

This grant was provided to all Illinois community colleges in FY11. Monies were utilized for costs directly associated with providing services, supplemental instructional materials, and auxiliary aids designed to improve successful transition to postsecondary education, retention, and student learning outcomes for students with social, economic, physical/developmental disabilities and/or academic deficiencies that make it difficult to adapt to a college environment

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, 2012. 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 the same date as this report 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 11, 2012

**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, 2012

**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	29,426.0	-	73,133.0	-	72,064.0	-	174,623.0	-
Business occupational	2,220.0	-	6,142.0	212.0	7,465.0	15.5	15,827.0	227.5
Technical occupational	2,704.5	-	11,535.5	-	12,939.5	-	27,179.5	-
Health occupational	3,012.0	-	7,661.0	-	8,680.0	-	19,353.0	-
Remedial development/Adult basic education/secondary education	3,179.0	-	12,596.0	-	10,509.0	-	26,284.0	-
	5,654.0	-	9,554.0	3,175.8	11,501.2	2,694.5	26,709.2	5,870.3
<b>Total</b>	<b>46,195.5</b>	<b>-</b>	<b>120,621.5</b>	<b>3,387.8</b>	<b>123,158.7</b>	<b>2,710.0</b>	<b>289,975.7</b>	<b>6,097.8</b>

	Attending in-district	Attending out-of-district on chargeback or contractual agreement	Total
Semester credit hours (all terms)	287,131.7	1,809.0	288,940.7

	Dual Credit	Dual Enrollment	Total
Reimbursable semester credit hours (all terms)	4,516.0	2,119.0	6,635.0

District 2011 equalized assessed valuation \$ 25,369,189,665

/s/ Girard W. Weber  
President

/s/ David T. Agazzi  
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, 2012

	Reconciliation of Total Semester Credit Hours			
	Total unrestricted credit hours	Total unrestricted credit hours certified to the ICCB	Difference	Total restricted credit hours certified to the ICCB
Baccalaureate	174,623.0	174,623.0	-	-
Business occupational	15,827.0	15,827.0	-	-
Technical occupational	27,179.5	27,179.5	-	227.5
Health occupational	19,353.0	19,353.0	-	-
Remedial development	26,284.0	26,284.0	-	-
Adult basic education/ adult secondary	26,709.2	26,709.2	-	5,870.3
Total	<u>289,975.7</u>	<u>289,975.7</u>	<u>-</u>	<u>6,097.8</u>

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

	Total attending	Total attending as certified to the ICCB	Difference
	Reimbursable in-district residents	287,131.7	287,131.7
Reimbursable out-of-district on charge-back or contractual agreement	1,809.0	1,809.0	-
Total	<u>288,940.7</u>	<u>288,940.7</u>	<u>-</u>

	Total reimbursable	Total reimbursable certified to ICCB	Difference
	Dual Credit	4,516.0	4,516.0
Dual Enrollment	2,119.0	2,119.0	-
Total	<u>6,635.0</u>	<u>6,635.0</u>	<u>-</u>

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