College Lake County

Community College District 532
Grayslake, Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2022 & 2021

College of Lake County
Community College District No. 532

Grayslake, Illinois

Annual Comprehensive Financial Report
June 30, 2022 and 2021

Prepared by:

Kevin Appleton, CPA
Vice President, Business Services & Finance/CFO

College of Lake County
Community College District No. 532

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College of Lake County

Grayslake Campus

19351 West Washington Street
Grayslake, Illinois 60030-1198

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February 9, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the College of Lake County, Community College District No. 532 (the College) prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America, as set forth by the Governmental Accounting Standards Board (GASB). The Public Community College Act requires community colleges to submit audited financial statements with the Illinois Community College Board (ICCB). The report includes the College of Lake County Foundation as a component unit in compliance with GASB Statement No. 39 and GASB Statement No. 61. A more detailed description of the legal entity is contained in the notes to the financial statements in the financial section.

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

RSM US LLP, a firm of licensed public accountants, has audited the financial statements of the College and has issued an unmodified ("clean") opinion on the College's Annual Report for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of the report.

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

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

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

PROFILE OF THE COLLEGE

Established in 1969 within a framework of the Illinois Master Plan for Higher Education, the College of Lake County is a comprehensive community college dedicated to meeting the post-secondary educational and training needs of individuals within District No. 532. The College of Lake County is accredited by the Higher Learning Commission (HLC) under the Open Pathway accreditation model. It is a member of the North Central Association of Colleges and Schools (NCA). CLC transitioned to the Open Pathway accreditation model in fall 2018 and is on a 10-year accreditation cycle. The next reaccreditation visit will occur in the 2027-2028 academic year.

1. Illinois has 48 community colleges and one multi-community college center in 39 community college districts. The College of Lake County's district is located in Lake County, Illinois. The College delivers education, training, and services across three campuses: Grayslake, Lakeshore (Waukegan), and Southlake (Vernon Hills). The 2020 U.S. Census population of Lake County was 714,342. Economic Modeling Specialists International (EMSI) figures show the 2021 population to be 692,855, a 3% decrease over the 2020 census. *EMSI* is projecting a population of 686,343 by 2030.

The College is recognized by the ICCB and governed by a locally elected seven-member Board of Trustees and one appointed, non-voting (advisory) student representative. The College employs more than 746 full-time and 1,490 part-time staff members, including administrator, professional, specialist and classified staff, as well as full-time faculty, adjunct faculty, and student employees.

As a public institution of higher learning, the College of Lake County serves its students and the larger community through its mission, vision, and values of purpose, integrity, excellence, inclusion, unity, and compassion. The College's mission statement is as follows: The College of Lake County is a comprehensive community college committed to equitable, high-quality education, cultural enrichment, and partnerships to advance the diverse communities we serve. The 2024 Strategic Plan Pillars include: (1) Access and Success for Students, (2) Equity and Inclusion, (3) Teaching and Learning Excellence, (4) Community and Workforce Partnerships, (5) Collaborative Culture, and (6) Strategic Use of Resources.

The College is an open access institution offering high quality affordable liberal arts and career credentials across nine fields of interest to meet the transfer and workforce needs of the community. The College provides access to credentials through multiple pathways including dual credit, adult education, and developmental education. Through these efforts, the College ensures opportunities for all people, regardless of race, ethnic origin, creed, gender, age, veteran status, sexual orientation, or non-disqualifying disability.

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

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

A component unit of the College is the College of Lake County Foundation (the Foundation). The Foundation, established in 1974, provides resources to advance the mission of the College and support projects in the 2024 Strategic Plan, the 2020 Master Plan, as well as provide resources for students to earn their academic credential. Resources raised through donations, grants, and events fund scholarships and grants that provide College of Lake County students with opportunities for a better future. Through these efforts, the Foundation strengthens the vitality and well-being of the diverse communities the College and Foundation serves. The Foundation is a private, not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) guidance. There are no other potential component units excluded from this report.

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

The planning process begins with priority setting before budget entry processes begin and are used to guide decisions about budget allocation. The priorities are set as the aspiration and framework for the advancement of the strategic plan. Priorities emerge from the planning and budget process in the form of an annual college plan. Decisions are made within the context of the available resources (people, money, and time). Not all priorities require budget resources, and not all priorities are advanced as goals in the college plan.

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

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

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

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

ECONOMIC CONDITION

Local economy. Although primarily a residential area, Lake County is home to some of the largest businesses in Illinois, including AbbVie Inc., Abbott Laboratories, Alight/Aon Hewitt Corp., Discover Financial Services Inc., Advocate Health Care, Visual Pak, Baxter international, Walgreens Boots Alliance Inc., CDW Corp., and Medline Industries Inc. The Naval Station Great Lakes, the Navy's largest training installation and the home of the Navy's only Boot Camp, with over 20,000 Sailors, Marines, Soldiers, and Department of Defense (DoD) civilians who live and work on its 1600-acre campus. In addition, Lake County has tourist attractions such as Gurnee Mills (Simon Property Group), Great Wolf Resorts indoor water resort, and Six Flags Great America, which in 2019 was in the top 20 largest amusement parks in North America.

There are accumulating signs of a slowdown, including the steeply inverted yield curve, a sharp reversal in the housing market, weakening in both the manufacturing and services sectors, declining personal savings, tepid consumer confidence, retreating commodity prices, and a now falling U.S. dollar. On the positive side, employment remains strong, household income is rising, and inflation has begun to moderate. The latter forces are significant and may keep the economy out of a deep recession, but uncertainty is high.

At its December 2022 meeting, the Federal Open Market Committee (“FOMC”) raised the Fed Funds rate by 50 basis points to a new target range of 4.25% to 4.50%, which was a downshift following four consecutive 75 basis point hikes. The updated summary of economic projections points toward lower growth, higher inflation, and a higher unemployment rate in 2023.

The year-over-year change in the Consumer Price Index (“CPI”) fell to 6.5% in December 2022, down from 7.1% a month earlier. Overall prices declined for the month, the first such decrease since May of 2020. Falling gasoline, fuel oil, and car prices were the largest contributors. Shelter costs remained elevated, but they typically lag. After peaking at 9.1% in June of 2022, headline CPI has since moderated for six consecutive months. The labor market remained strong, as the economy added 223,000 jobs in December 2022. The unemployment rate fell back to 3.5%, matching a 50+ year low. Wage growth moderated, but remained above trend, while the labor force participation rate improved. The housing market continued to cool. Existing home sales declined by nearly 8% in November 2022, falling for the tenth consecutive month to a 12-year low (outside of one month during the pandemic). Building permits fell precipitously and were down by 29% through November 2022. Treasury yields generally traded within their broader calendar year 2022 fourth quarter ranges at the end of the quarter. That reversed quickly in the first two weeks of January, as lower expectations for inflation combined with growing concerns about an economic slowdown pushed longer-term rates to the lower end of the range. For all of 2022, rates were sharply higher. For reference, the yield on the 2-year Treasury was 369 basis points higher for the calendar year. The benchmark 3-month, 2-year, and 10-year U.S. Treasury yields finished December at 4.34%, 4.43%, and 3.88%, respectively.

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

Strategic and long-term financial planning.

The College engages in multi-year financial planning, which ensures that the College's financial projections are consistent with the institution's overall vision, strategic plan, master plan, and core values. The multi-year outlook is part of the planning and budget cycle that integrates college improvement projects with the required financial resources to meet strategic planning objectives.

Financial planning includes review of enrollment projections, revenue and expense history, and the current budget totals. The financial plan sets forth a framework for the Board of Trustees and the Administration to examine future implications of major financial and policy decisions. The plan identifies the priorities, resources, time frame for preparing budgets, as well as revenue projections. The plan is updated annually to ensure that the College is current with financial trends, enrollment changes, property tax variables, and the needs of the internal and external community that may financially impact the College.

Strategic planning is a systematic and ongoing activity used to set the College's priorities and allocate resources. The 2024 Strategic Plan was established through a detailed examination of economic and social trends and a comprehensive collaborative input process with the community, workforce, students, and employees. The 2024 Strategic Plan, adopted June 25, 2019, aligns to the mission, vision, and values and provides direction through six strategic pillars, each with five strategies to effect transformative change and improved student success outcomes. The 2024 Strategic Plan also includes CLC's definition of student success, as well as the diversity, equity, and inclusion statements. For further information, please see http://dept.clcillinois.edu/res/CLCWebsite/Reports/Strategic_Plan.pdf.

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

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

- The Board's continued endorsement for the full vision and concepts of Master Plan 2020 was provided with the FY2023 budget approval. Given some of the immediate workforce needs in Lake County, the Board supported the early launch of several projects that are represented in Master Plan 2020. Some projects were authorized, funded, and initiated during previous budget cycles to bridge the prior master plan and Master Plan 2020. These projects, those bridging the former master plan and those that were recently launched, collectively form the Master Plan 2020 Phase 0 projects. However, funding for the full vision was not requested in the FY2023 budget. We anticipate that funding for the full vision will include a mix of sources, including annual budgets, planned use of surplus funds, bond and other debt financing, grants and fundraising campaigns. In a still uncertain post-pandemic environment and with a commitment to finish what was started within the organizational capacity available and an intent to optimize all existing spaces before building new square footage, the funding in the FY2023 budget is limited to Phase 0 projects. Funding for Phase 0 projects is achieved through the FY2022 Bond and Surplus Allocation Plan. Capital fundraising is intentionally designed into the Master Plan funding strategy, but the Phase 0 projects are not dependent on these potential resources, with the exception of the Urban Farm at the Lakeshore Campus.

- The College of Lake County has a Aaa rating by Moody's Investor Services. It is one of few community colleges in the U.S. who have achieved this marker of financial stability. The College has a **history of being well-managed and is financially sound.** The College has maintained its Aaa bond rating from Moody's Investor Services despite past financial challenges at the State of Illinois level, and uncertainty throughout the recent COVID-19 pandemic. The diversity of the College's tax base contributes to this circumstance, but it would not be possible without sound financial management on the College's part over an extended period. In December 2022 the college issued the following bonds to finance some capital costs associated with the Phase 0 projects, to refund the outstanding amounts from the Series 2012 bonds, and to retire outstanding 2020 debt certificates. The anticipated sources and uses of the funds from the Series 2021 bonds are as follows:

	2021ABonds	2021B Bonds	2021C Bonds
SOURCES:			
Principal Amount	$48,440,000.00	$1,275,000.00	$7,865,000.00
Original Issue Premium	246.881.20	41.304.00	963.612.35
Total Sources	$48,686,881.20	$1,316,304.00	$8,828,612.35
USES:			
Costs of the Project	$40,000,000.00	$ 0.00	$ 0.00
Deposit with 2020 Prior Paying Agent	7,706,350.47	1,303,649.53	0.00
Deposit with 2012 Prior Paying Agent	0.00	0.00	8,764,324.50
Costs of lssuance	980,530.73	12,654.47	64,287.85
Total Uses	$48,686,881.20	$1,316,304.00	$8,828,612.35

Relevant financial policies. The College has established policy with parameters and provides guidance governing the issuance, management, continuing evaluation of, and reporting on all debt obligations issued by the College of Lake County. This policy follows the Illinois Community College Act (Chapter 110 of Illinois Compiled Statutes Act 805/Article IIIA. Bonds). The Vice President for Business Services and Finance/Disclosure Officer, as appointed by the Board of Trustees, is responsible for managing College's bond disclosure policy, record- keeping policy, and post-issuance compliance matters. In FY 2022, after a review of existing policy, the College's administration, bond counsel and financial advisor recommended the Board's debt management policy to be updated to include updated regulatory requirements, and to improve monitoring, and tax and regulatory compliance.

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

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

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

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

For the Fiscal Year 2023, College of Lake County continues its focus the 2024 Strategic Plan, the 2020 Master Plan and the Equity in Access and Success Plan to enact improved outcomes for students, expand community and workforce partnerships, and develop a collaborative student-focused culture.

SUSTAINABILITY

The College strives to be a leader in sustainability and has continued to make investments with the support of Federal and State grants, as well as college resources. Accomplishments include restored prairie and wetlands, geothermal heating and cooling, green roofs, 1.9 MW of solar PV ground mount and rooftop solar PV panels, and the Living Lab Trail. The College's recently constructed Science and Engineering building received the LEED Platinum designation, which is the highest sustainability rating with the U.S. Green Building Council. It is expected that the College's new Lakeshore Student Center will also qualify for LEED Platinum designation.

Sustainability Recognition:

- 2023 Edition of The Princeton Review, Green Colleges in the U.S.
- 2021 Tree Campus Higher Education recognition
- 2020 US Dept. of Ed. Green Ribbon Schools
- 2020 CLC Silver STARS rating
- 2017-19 Top 10 AASHE Sustainable Campus
- 2018 LEED Platinum for Science Building

- 2018 Illinois Sustainability Award
- 2017 Ill. Chapter USG BC Emerald Award
- 2016 Green Genome Award

AWARDS AND ACKNOWLEDGMENTS

GFOA Certificate of Achievement. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the College of Lake County for its comprehensive annual financial report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this comprehensive annual financial report for the year ended June 30, 2022 continues to meet the Certificate of Achievement Program's requirements.

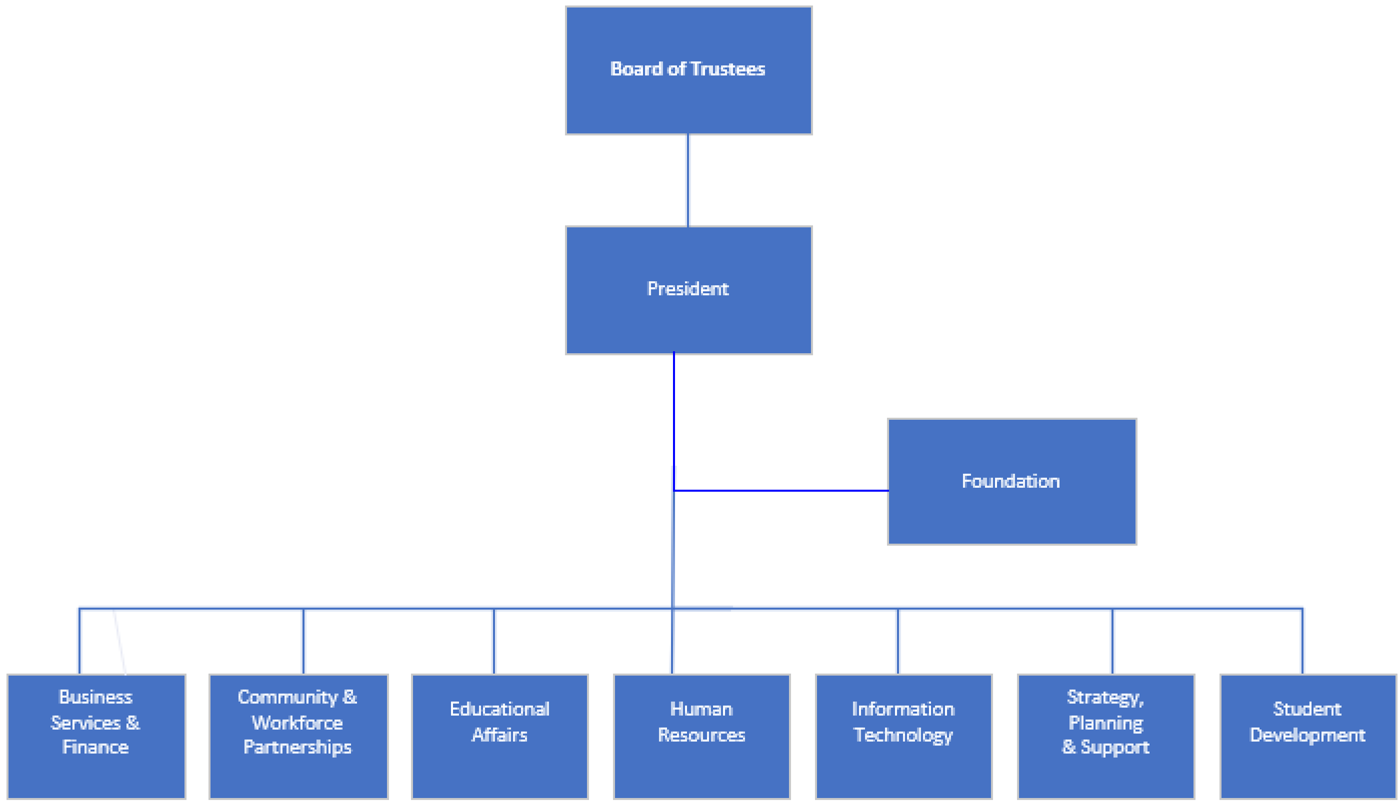
Acknowledgments. The AFR represents the work of several dedicated finance office administrators and staff members. It could not have been completed without the considerable effort of the RSM US LLP audit team, utilizing their extensive professional experience garnered from work with community colleges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

Respectfully submitted,

Kevin Appleton

Kevin Appleton
Vice President of Business Services and Finance/CFO

Chart of Organization – Community College District 532



College of Lake County
Community College District No. 532

Principal Officials

Year ended, June 30, 2022

Officers of the College

Dr. Lori Suddick, President

Derrick Harden, Vice President Strategy, Planning & Support
Chief of Staff

Dr. Richard Ammon, Interim Vice President Education
Chief Academic Officer

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

Karen Hlavin, Vice President Student Development
Chief Student Services Officer

Kevin Appleton, Vice President, Business Services & Finance/CFO
Treasurer

Sue Fay, Chief Human Resources Officer
Ethics Officer

Greg Kozak, Chief Information Officer

<u>Officials Issuing Report</u>

Kevin Appleton, Vice President Business Services & Finance/Chief Finance Officer

<u>Unit/Division Issuing Report</u>

Business Services & Finance Unit
Finance Division

RSM

RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the business-type activities and the discretely presented component unit of College of Lake County, Community College District No. 532 (the College), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters
Changes in Accounting Principle
The College adopted Governmental Accounting Standard Board Statement No. 87, *Leases,* which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information as described in the table of contents (Schedules 1–5) is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information as described in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section and Certification of Chargeback Reimbursement but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Chicago, Illinois
February 9, 2023

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, 2022 and 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

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

Financial Highlights Fiscal Year 2022

Total operating revenues were $29,148,332 and total operating expenses were $199,754,314 for the year ended June 30, 2022. The difference produced an operating loss of $170,605,982.

Net non-operating revenues of $171,889,058 for the year ended June 30, 2022 offset the operating loss and resulted in an overall increase in net position (before state capital appropriations and capital contributions) of $1,283,076. Non-operating revenues included local property taxes of $75,709,663, replacement tax of $3,822,023, state appropriations of $53,349,286, federal grants and contracts of $39,186,877 and local grants and contracts of $2,553,159 offset by investment loss of $1,041,341 and interest expense of $1,690,609.

Operating revenue accounted for 14.3% of the College's total revenue and non-operating revenue accounted for 85.7% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling $22,499,351, auxiliary enterprise revenues totaling $5,908,015, and other operating revenues of $740,966.

Total net position increased from $164,486,518 at the beginning of the year to $166,533,719 at the end of the year.

Financial Highlights Fiscal Year 2021

Total operating revenues were $32,466,432 and total operating expenses were $201,470,085 for the year ended June 30, 2021. The difference produced an operating loss of $169,003,653.

Net non-operating revenues of $166,074,120 for the year ended June 30, 2021 offset the operating loss and resulted in an overall decrease in net position (before state capital appropriations and capital contributions) of $2,929,533. Non-operating revenues included local property taxes of $73,718,780, replacement tax of $1,767,670, state appropriations of $70,820,292, federal grants and contracts of $19,122,053, local grants and contracts of $1,880,590 and investment income of $374,978; offset by interest expense of $1,610,243.

Operating revenue accounted for 16.4% of the College's total revenue and non-operating revenue accounted for 83.6% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, totaling $25,919,349, auxiliary enterprise revenues totaling $5,782,375, and other operating revenues of $764,708.

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

Overview of the Financial Statements

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

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

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

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

Financial Analysis

Net Position

The College's net position at June 30, 2022, 2021 and 2020 was $166.5 million, $164.5 million, and $166.6 million after restatement of $.9 million, respectively, an increase of $2.0 million, a decrease of $2.1 million, and an increase of $6.0 million, respectively. Total assets and deferred outflows of resources were $405.3 million, $360.1 million, and $357.1 million, and total liabilities and deferred inflows of resources were $238.8 million, $196.6 million, and $190.4 million at June 30, 2022, 2021 and 2020, respectively. The change in net position is an indicator of whether the financial condition has improved or worsened during the year. Assets and liabilities are measured using current values with the exception of capital assets. Capital assets are stated at historical cost, reduced by depreciation.

A summary of the statements of net position at June 30, 2022, 2021, and 2020 are as follows:

Statements of Net Position

June 30,
(in Thousands)

	2022	2021	2020 (as restated)
Current assets	$ 155,172	$ 120,595	$ 117,449
Restricted assets	11,412	11,476	10,990
Other noncurrent assets	30,599	33,105	36,245
Capital assets, net of depreciation and amortization	202,351	190,359	185,375
Total assets	399,534	355,535	350,059
Deferred outflows of resources	5,751	5,532	6,997
Current liabilities	28,507	21,740	20,451
Long-term liabilities	153,772	123,507	122,944
Total liabilities	182,279	145,247	143,395
Deferred inflows of resources	56,472	51,333	47,045
Net position:			
Net investment in capital assets	140,152	138,672	137,105
Restricted	19,077	18,543	17,812
Unrestricted	7,305	7,272	11,699
Total net position	$ 166,534	$ 164,487	$ 166,616

The College had a current ratio of 5.4, 5.6, and 5.7 times at June 30, 2022, 2021 and 2020, respectively. The current ratio is total current assets divided by total current liabilities. For example, at June 30, 2022, for every dollar of current liabilities, the College has $5.60 in current assets. This ratio is one indicator of the College's ability to pay its debts as they become due.

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

Net Position - Fiscal Year 2022 Compared to 2021

Current assets increased by $34.6 million primarily due to an increase in cash and short-term investments of $31.1 million and an increase in property tax receivable of $2.6 million. The net increase in cash and short-term investments was mainly due to proceeds from bond issue of net of $40.0 million less $11.0 million expended as of June 30, 2022.

Deferred outflows increased by $.2 million due to change in assets related to post-employment benefits other than pensions (OPEB). Additional information can be found in Notes 1 and 8 in the basic financial statements.

Noncurrent assets increased by $9.4 million due to an increase in capital assets of $12.0 million as net capital additions were greater than depreciation and deletions during the year. This was offset by a decrease in other long-term investments of $2.3 million.

Current liabilities increased by $6.8 million due to increases in accounts payable of $3.6 million and accrued expenses of $2.5 million. These increases were mainly related to construction in progress.

Deferred inflows increased by $5.1 million due to an increase in deferred property tax revenue of $1.0 million and an increase in credits related to post-employment benefits other than pensions (OPEB) of $4.1 million. Additional information can be found in Notes 1 and 8 in the basic financial statements.

Noncurrent liabilities increased $30.3 million due to new bond issues of $57.6 million, that included payoff of debt certificates of $9.0 million and refunding of $8.7 million of 2012 bonds. This was offset by other bond principal payments of $6.1 million and a decrease in the OPEB liability of $4.2 million.

Net Position - Fiscal Year 2021 Compared to 2020

Current assets increased by $3.1 million primarily due to an increase in investments of $4.4 million offset by a decrease in cash of $1.2 million.

Deferred outflows decreased by $1.5 million due to change in assets related to post-employment benefits other than pensions (OPEB). Additional information can be found in Notes 1 and 8 in the basic financial statements.

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

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

Deferred inflows increased by $3.7 million due to an increase in deferred property tax revenue of $1.0 million, the addition of credits related to leased assets of $.6 million and an increase in credits related to post-employment benefits other than pensions (OPEB) of $2.8 million. Additional information can be found in Notes 1 and 7 in the basic financial statements.

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

Changes in Net Position

Summary of the change in net position, total revenues less total expenses, for the years ended June 30, 2022, 2021 and 2020 is as follows:

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

	2022	2021	2020
Total revenues	$ 203,492	$ 200,951	$ 197,946
Total expenses	201,445	203,080	192,788
Increase (decrease) in net position	2,047	(2,129)	5,158
Net position at the beginning of the year (as previously reported)	164,487	166,616	160,580
Prior period restatement	-	-	878
Net position at the beginning of the year (as restated)	-	-	161,458
Net position at the end of the year	$ 166,534	$ 164,487	$ 166,616

Revenues

Summaries of revenues for the years ended June 30, 2022, 2021 and 2020 are as follows:

Revenue Summary
Years ended June 30,
(in thousands)

	2022	2021	2020
Operating:			
Student tuition and fees, net	$ 22,499	$ 25,919	$ 26,603
Auxiliary enterprise	5,908	5,782	5,772
Other operations	741	765	1,394
Total operating revenues	29,148	32,466	33,769
Nonoperating:			
Local property taxes	75,710	73,719	72,033
Personal property replacement taxes	3,822	1,768	1,269
State appropriations	53,349	70,820	67,562
Federal and local grants and contracts	41,740	21,003	20,018
Investment (loss) income, net	(1,041)	375	2,933
Total nonoperating revenues	173,580	167,685	163,815
State capital appropriations	-	800	349
Capital contributions	764	-	13
Total capital contributions	764	800	362
Total revenues	$ 203,492	$ 200,951	$ 197,946

Revenues - Fiscal Year 2022 Compared to 2021

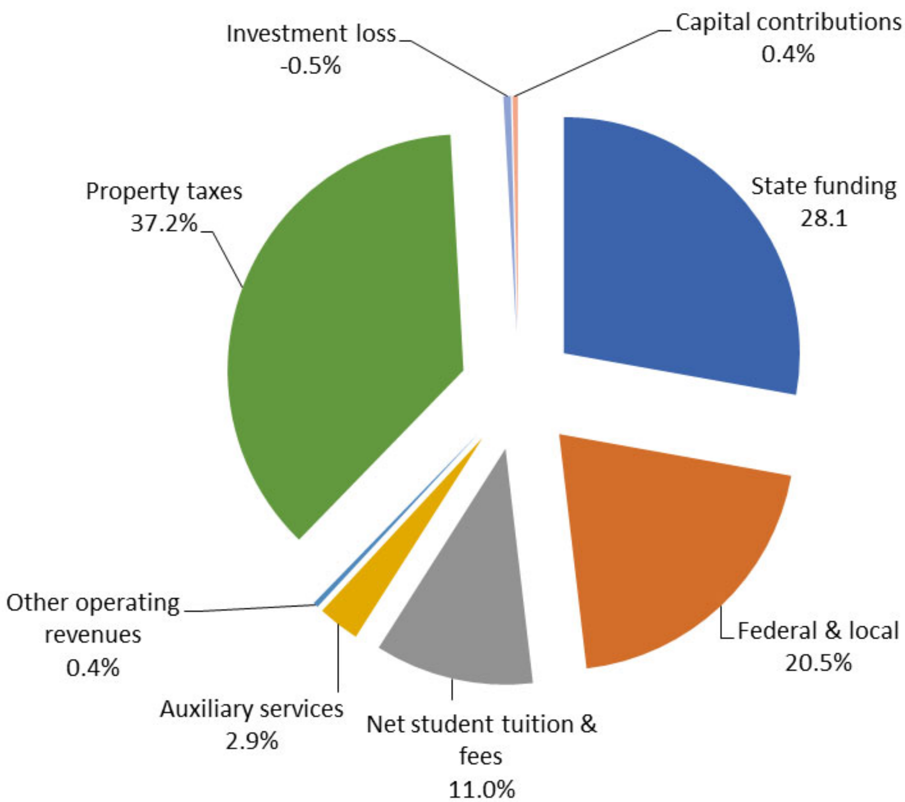
Operating revenue decreased by $3.3 million. Student tuition and fees decreased by $3.4 million and auxiliary revenue increased by $.1 million. Non-operating revenue increased by $5.9 million. State appropriations decreased by $17.5 million, Federal and local grants increased by $20.7 million and property taxes increased by $2.0 million. Investment income decreased by $1.4 million.

The decrease in state appropriations was mainly due to a decrease in the State Universities Retirement System of Illinois (SURS) contribution made by the state of $16.9 million. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Contribution requirements are established and may be amended by the Illinois General Assembly. There was also a decrease in the on-behalf payment from the State for postemployment benefits other than pensions of $1.5 million. There was an increase in the State Monetary Award Program (MAP) of $.7 million. There was an increase of $20.7 million in Federal and local grants. Higher Education Emergency Relief Fund grants as a result of COVID-19 related legislation were $18.8 million higher in fiscal year 2022 versus fiscal year 2021. This was also an increase in Pell funding of $.8 million and an increase in local grants of $.7 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5 percent, whichever is lower. There was a decrease in investment income of $1.4 million due to an overall decline in market values.

Fiscal year 2022 capital contributions was $.8 million from various donors.

The pie chart on the next page shows all revenue from both operating and non-operating sources. The chart shows that property taxes account for the largest percentage of the College's revenue at 37.2%. The next highest sources were state funding at 28.1% and federal and local at 20.5%.

College of Lake County
Revenues
Year ended June 30, 2022



Revenues - Fiscal Year 2021 Compared to 2020

Operating revenue decreased by $1.3 million. Student tuition and fees decreased by $.7 million and other revenue decreased by $.6 million. Non-operating revenue increased by $3.9 million. State appropriations increased by $3.3 million, Federal and local grants increased by $1.0 million and property taxes increased by $1.7 million. Investment income decreased by $2.6 million.

The increase in state appropriations was mainly due to an increase in the State Universities Retirement System of Illinois (SURS) contribution made by the state of $4.1 million. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate. Contribution requirements are established and may be amended by the Illinois General Assembly. As an offset, there was a decrease in the on-behalf payment from the State for postemployment benefits other than pensions of $1.5 million. There was an increase of $1.0 million in Federal and local grants. Higher Education Emergency Relief Fund grants as a result of COVID-19 related legislation were $2.3 million higher in fiscal year 2021 versus fiscal year 2020. This was offset by a decrease in Pell funding of $1.7 million. The increase in property tax revenues reflects the combination of the CPI and the assessed value of new construction. The College is subject to a tax cap (Illinois Public Act 89-1) that limits by formula the increase in taxes levied to the Consumer Price Index (CPI) or 5 percent, whichever is lower. There was a substantial decrease in investment income of $2.6 million as a result of a change in investment strategy focusing on shorter term investments due to the uncertainty of COVID-19.

Expenses

Summaries of expenses for the years ended June 30, 2022, 2021 and 2020 are as follows:

Expenses

Years ended June 30,
(in thousands)

	2022	2021	2020
Instruction	$ 72,051	$ 84,361	$ 81,887
Academic support	5,740	6,125	6,533
Student services	13,583	18,157	16,516
Public service	13,723	11,426	9,490
Institutional support	35,803	34,307	34,315
Operations and maintenance of plant	15,244	15,553	14,471
Financial aid	24,409	12,944	9,339
Depreciation and amortization	12,637	12,184	11,672
Auxiliary enterprises	6,564	6,434	6,916
Interest expense	1,691	1,589	1,649
Total	$ 201,445	$ 203,080	$ 192,788

Expenses - Fiscal Year 2022 Compared to 2021

Total expenses decreased by $1.6 million. Salaries increased by $1.9 million. The amount of the State's pension expense for the State University Retirement System (SURS) that is associated with the College is recorded by the College as pension expense (compensation and benefits) and nonoperating revenue (State appropriations) and decreased by $16.9 million. Substantially all employer contributions for SURS are made by the State of Illinois on behalf of the College at an actuarially determined rate.

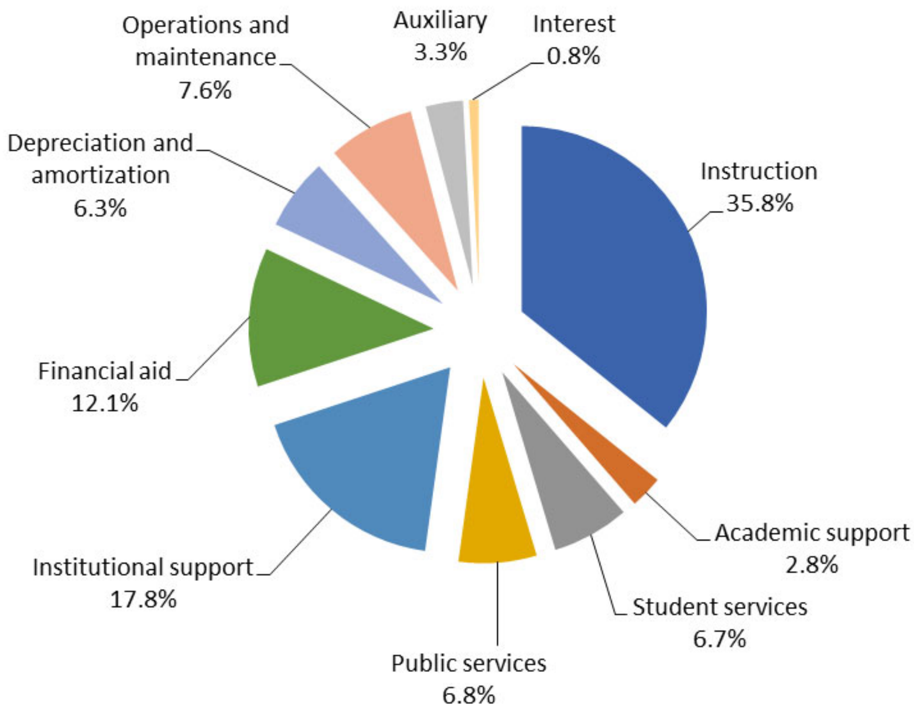
Post-retirement benefits other than pensions (OPEB) had a decrease of $1.5 million pertaining to the State's OPEB expense for CIP that is associated with the College and recorded by the College as pension expense (compensation and benefits) and nonoperating revenue (State appropriations).

Financial aid increased by $11.5 million, mainly due to availability of COVID-19 grants available for students. Contractual services increased by $3.2 million mainly due to additional software/maintenance costs and planning for new College-wide ERP (enterprise resource planning) software project.

Operating Expenses

The pie chart on the next page shows the operating expenses as a percentage of total operating expenses. Direct services to students accounted for 67.5% of total operating expenses. Direct services to students include instruction at 35.8%, academic support at 2.8%, student services at 6.7%, public services at 6.8%, financial aid at 12.1%, and auxiliary enterprises at 3.3%. Indirect services to students accounted for 32.5% of total expenses. Indirect services to students include operations and maintenance at 7.6%, institutional support at 17.8%, depreciation and amortization at 6.3% and interest at .8%.

College of Lake County
Operating Expenses
Year ended June 30, 2022



Expenses - Fiscal Year 2021 Compared to 2020

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

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

Depreciation increased by $.6 million due to the increase in assets placed in service recently.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2022, 2021 and 2020, the College investment in capital assets totaled $345.4 million, $320.9 million, and $304.2 million, respectively. Capital assets, net of accumulated depreciation and amortization of $143.0 million, $130.6 million, and $118.8 million, totaled $202.4 million, $190.3 million, and $185.4 million, respectively.

Capital Assets

Years ended June 30,
(in thousands)

	2022	2021	2020
Capital assets:			
Construction in progress	$ 20,212	$ 3,286	$ 2,361
Land	14,525	14,714	12,488
Capitalized collections	1,220	1,220	1,220
Land improvements	13,431	13,438	13,366
Buildings and improvements	237,932	235,768	228,874
Furniture and equipment	57,047	52,030	45,845
Leased assets	994	491	-
Total capital assets	345,361	320,947	304,154
Less accumulated depreciation	143,010	130,587	118,779
Capital assets, net	$ 202,351	$ 190,360	$ 185,375

Construction Projects

Major construction projects in progress as of June 30, 2022 included:

- Lakeshore Student Services Center and Bookstore
- Advanced Technology Center

The total cost of construction in progress as of June 30, 2022 was $20.2 million.

Capital Asset Additions (being depreciated)

Capital assets added during fiscal year 2022 include:

- Police security system
- Fire safety systems for A&L wings
- Dust collection system – ceramics
- Renovations:
    - Foundation offices
    - Physical education center
    - Video production area
    - 31 North Genesee exterior

The total cost of capital asset additions other than construction in progress in fiscal year 2022 was $7.9 million.

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

Debt Payments

For the years ended June 30, 2022, 2021 and 2020, the College paid $6.1 million, $5.9 million, and $5.6 million, respectively, in principal on bonds and certificates of indebtedness. In fiscal year 2022, the College refunded $8.7 million in bond principal with $7.9 million of new bonds to reduce total debt service costs by $.7 million, issued $9.0 million bonds to redeem $9.0 million in debt certificates and issued $40.0 million of bonds for capital projects. More detailed information on long-term debt activity can be found in Note 5 in the basic financial statements.

Future Outlook

The College continues to follow and adapt to CDC and state guidelines regarding COVID-19. Classes continue to be offered in-person, online and in hybrid format.

Contacting The College's Financial Management

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

College of Lake County
Community College District No. 532

Statements of Net Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (notes 1 and 2)	$ 57,617,159	$ 47,984,380
Investments (note 2)	45,511,443	24,029,301
Receivables:		
Property taxes, net of allowance of $380,700 in 2022 and $369,831 in 2021	42,428,430	39,861,053
Government claims	831,926	330,704
Tuition, net of allowance of $1,590,551 in 2022 and $1,901,103 in 2021	3,502,697	2,597,091
Other	4,353,327	4,794,328
Inventories	475,548	558,552
Prepaid expenses	240,450	253,300
Short-term lease receivable	211,047	186,199
Total current assets	155,172,027	120,594,908
Noncurrent assets:		
Restricted cash and cash equivalents (notes 1 and 2)	11,411,449	11,475,632
Other long-term investments (note 2)	30,369,777	32,664,380
Long-term lease receivable	229,134	440,181
Capital assets, not being depreciated (note 3)	35,956,826	19,220,470
Capital assets being depreciated, net (note 3)	166,394,172	171,139,119
Total noncurrent assets	244,361,358	234,939,782
Total assets	399,533,385	355,534,690
Deferred outflows of resources (note 1)	5,751,278	5,531,629
Liabilities		
Current liabilities:		
Accounts payable	7,324,417	3,758,946
Accrued expenses (note 4)	10,763,604	8,226,523
Tuition refunds payable	85,562	132,106
Unearned tuition and rent	3,073,850	3,057,645
Current portion of long-term obligations (note 5)	6,523,835	6,232,752
Other current liabilities	735,350	332,119
Total current liabilities	28,506,618	21,740,091
Noncurrent liabilities:		
Long-term obligations (notes 5 and 8)	153,152,134	122,866,990
Unearned rent revenue (note 13)	620,000	640,000
Total noncurrent liabilities	153,772,134	123,506,990
Total liabilities	182,278,752	145,247,081
Deferred inflows of resources (note 1)	56,472,192	51,332,720
Net Position		
Net investment in capital assets	140,151,562	138,671,398
Restricted for:		
Debt service	1,807,787	1,825,264
Capital projects	11,411,449	11,475,632
Student organizations	1,146,825	1,131,511
Grant purposes	2,202,706	1,742,599
Other	2,507,984	2,367,796
Unrestricted	7,305,406	7,272,318
Total net position	$ 166,533,719	$ 164,486,518

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Student tuition and fees	$ 33,684,370	$ 34,479,843
Less scholarship allowances	(11,185,019)	(8,560,494)
Net student tuition and fees	22,499,351	25,919,349
Auxiliary enterprises	5,908,015	5,782,375
Other operations	740,966	764,708
Total operating revenues	29,148,332	32,466,432
Operating expenses:		
Education and general:		
Instruction	72,050,845	84,360,795
Academic support	5,740,326	6,125,172
Student services	13,582,986	18,157,529
Public service	13,722,734	11,426,304
Institutional support	35,802,514	34,163,698
Operations and maintenance of plant	15,244,438	15,552,767
Financial aid	24,408,627	12,944,144
Amortization	189,523	121,534
Depreciation	12,447,902	12,184,532
Auxiliary enterprises	6,564,419	6,433,610
Total operating expenses	199,754,314	201,470,085
Operating loss	(170,605,982)	(169,003,653)
Nonoperating revenues (expenses):		
Local property taxes	75,709,663	73,718,780
Personal property replacement tax	3,822,023	1,767,670
State appropriations	53,349,286	70,820,292
Federal grants and contracts	39,186,877	19,122,053
Local grants and contracts	2,553,159	1,880,590
Investment (loss) income	(1,041,341)	374,978
Interest expense	(1,690,609)	(1,610,243)
Total nonoperating revenues (expenses), net	171,889,058	166,074,120
Increase (decrease) before capital appropriations and contributions	1,283,076	(2,929,533)
State capital appropriations	-	800,000
Capital contributions	764,125	-
Total capital contributions	764,125	800,000
Increase (decrease) in net position	2,047,201	(2,129,533)
Net position at the beginning of the year	164,486,518	166,616,051
Net position at the end of the year	$ 166,533,719	$ 164,486,518

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Tuition and fees	$ 21,563,406	$ 25,695,699
Payments to suppliers	(66,739,976)	(52,862,712)
Payments to employees	(79,083,282)	(77,110,693)
Auxiliary enterprise charges	5,908,015	5,782,375
Other	319,322	984,320
Net cash used in operating activities	(118,032,515)	(97,511,011)
Cash flows from noncapital financing activities:		
Local property taxes	74,111,440	76,589,155
Personal property replacement tax	3,526,531	1,617,868
State appropriations	15,466,223	15,167,600
Federal grants and contracts	39,730,805	17,679,931
Local grants and contracts	2,553,159	1,510,590
Net cash provided by noncapital financing activities	135,388,158	112,565,144
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	57,580,000	9,000,000
Proceeds from premium on issuance of bonds	1,251,797	-
Principal paid on debt	(23,845,000)	(5,860,000)
Interest paid on debt	(2,058,384)	(1,670,506)
Proceeds from sale of capital assets	190,000	-
Purchases of capital assets	(21,330,606)	(16,894,131)
Capital contributions	764,125	-
Net cash provided by (used in) capital and related financing activities	12,551,932	(15,424,637)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	52,583,431	60,275,540
Purchases of investments	(73,675,096)	(61,624,318)
Interest on investments	752,686	1,013,339
Net cash used in investing activities	(20,338,979)	(335,439)
Net increase (decrease) in cash and cash equivalents	9,568,596	(705,943)
Cash and cash equivalents, beginning of year	59,460,012	60,165,955
Cash and cash equivalents, end of year	$ 69,028,608	$ 59,460,012
Reconciliation to Statements of Net Position:		
Unrestricted cash and cash equivalent	$ 57,617,159	$ 47,984,380
Restricted cash and cash equivalents	11,411,449	11,475,632
Total cash and cash equivalents	$ 69,028,608	$ 59,460,012

(Continued)

College of Lake County
Community College District No. 532

Statements of Cash Flows (Continued)
Years Ended June 30, 2022 and 2021

	2022	2021
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	$ (170,605,982)	$ (169,003,653)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	12,447,902	12,184,532
Amortization	189,523	121,534
Pension expense for special funding situation	38,381,564	55,210,544
OPEB expense for special funding situation	(464,414)	1,036,966
Changes in assets, liabilities and deferrals:		
Net College OPEB related deferred outflows/inflows	2,141,157	147,461
Net CIP OPEB related deferred outflows/inflows	1,944,395	3,927,472
Net lease revenue deferred inflows	(19,122)	35,837
Receivables (net)	(1,178,113)	133,994
Inventories and prepaid expenses	95,854	277,986
Accounts payable	3,578,190	616,358
Accrued expenses	(4,745,014)	(1,290,685)
Other current liabilities	383,231	(537,318)
Deferred tuition and fees	16,205	(228,839)
Lease obligations	(197,891)	(143,200)
Net cash used in operating activities	$ (118,032,515)	$ (97,511,011)

	2022	2021
Supplemental schedule of noncash capital and related financing activities:		
Capital contributions	$ 764,000	$ -
State capital appropriations	-	800,000
(Loss) gain on investments	(1,904,126)	(572,336)
Purchases of capital assets included in payables	2,992,093	-

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Component Unit – College of Lake County Foundation
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 5,691,296	$ 1,404,887
Pledges receivables	280,352	1,119,492
Prepaid expenses	302	171
Investments	5,773,184	5,994,439
Total assets	$ 11,745,134	$ 8,518,989
Liabilities		
Accounts payable	$ 194	$ 55
Grants and scholarships payable	-	137,701
Deferred revenue	7,600	2,040
Total liabilities	7,794	139,796
Net Assets		
Without donor restrictions:		
Undesignated	1,063,293	1,112,187
With donor restrictions:		
Purpose restrictions	8,308,562	5,486,524
Perpetual in nature	2,365,485	1,780,482
	10,674,047	7,267,006
Total net assets	11,737,340	8,379,193
Total liabilities and net assets	$ 11,745,134	$ 8,518,989

See accompanying notes to basic financial statements.

College of Lake County
Community College District No. 532

Component Unit – College of Lake County Foundation
Statements of Activities
Years Ended June 30, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at June 30, 2020	$ 805,710	$ 4,456,480	$ 5,262,190
Public support and revenue:			
Contributions and gifts	283,469	2,959,719	3,243,188
Special events revenue	77,446	-	77,446
Less: cost of direct benefits to donors	(12,583)	-	(12,583)
Donated services	777,667	-	777,667
Other noncash donations	40,585	66,926	107,511
Net assets released from restrictions	933,181	(933,181)	-
Total public support	2,099,765	2,093,464	4,193,229
Other income:			
Investment income	279,969	722,062	1,002,031
Total other income	279,969	722,062	1,002,031
Total public support and revenue	2,379,734	2,815,526	5,195,260
Expenses:			
Program services:			
Grants and scholarships	1,280,831	-	1,280,831
Noncash donations to College of Lake County	40,585	-	40,585
Noncash donations to other organizations	66,926	-	66,926
Supporting services:			
Management and general	246,483	-	246,483
Travel/meeting	655	-	655
Fundraising	442,777	-	442,777
Total expenses	2,078,257	-	2,078,257
Increase in net assets before other item	301,477	2,815,526	3,117,003
Other item:			
Change in donor designation	5,000	(5,000)	-
Increase in net assets	306,477	2,810,526	3,117,003
Net assets at June 30, 2021	1,112,187	7,267,006	8,379,193
Public support and revenue:			
Contributions and gifts	359,948	5,935,973	6,295,921
Special events revenue	116,400	-	116,400
Less: cost of direct benefits to donors	(18,868)	-	(18,868)
Donated services	646,472	-	646,472
Other noncash donations	26,838	-	26,838
Net assets released from restrictions	2,055,164	(2,055,164)	-
Total public support	3,185,954	3,880,809	7,066,763
Other income:			
Investment income	(443,860)	(463,268)	(907,128)
Total other income	(443,860)	(463,268)	(907,128)
Total public support and revenue	2,742,094	3,417,541	6,159,635
Expenses:			
Program services:			
Grants and scholarships	2,199,165	-	2,199,165
Noncash donations to College of Lake County	26,838	-	26,838
Supporting services:			
Management and general	253,381	-	253,381
Travel/meeting	3,913	-	3,913
Fundraising	318,191	-	318,191
Total expenses	2,801,488	-	2,801,488
(Decrease) increase in net assets before other item	(59,394)	3,417,541	3,358,147
Other item:			
Change in donor designation	10,500	(10,500)	-
(Decrease) increase in net assets	(48,894)	3,407,041	3,358,147
Net assets at June 30, 2022	$ 1,063,293	$ 10,674,047	$ 11,737,340

See accompanying notes to basic financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

Basis of accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-entity transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

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

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

Investments: Investments are reported at fair value. External investment pools are reported at net asset value based on amortized cost, which approximates fair value. Illinois Portfolio, IIT class and Illinois Trust – Illinois TERM series are external investment pools. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in the carrying value of investments, resulting in realized and unrealized gains or losses, are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

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

Receivables: Receivables include (1) property taxes, net of allowance, (2) government claims associated with state and federal funding, (3) tuition and fees, net of allowance and (4) lease receivables and (5) other receivable balances associated with accounts receivable from vendors, traffic court tuition, and accrued interest.

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

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

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

The College reports intangible right-to-use assets. These assets, as defined by GASB Statement No. 87, *Leases*, are for lease contracts of nonfinancial equipment and real estate assets.

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

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

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

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

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

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

Changes in proportion and differences between employer contributions and share of contributions of the College's allocation of the State of Illinois' College Insurance Program (CIP) other postemployment benefit (OPEB) plan are considered to be deferred outflows. See Note 8 for further discussion of the College's deferred outflows of resources.

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

Deferred Outflows of Resources are summarized below:

Deferred Outflows of Resources	2022	2021
Deferred charges - College OPEB plan	$ 874,630	$ 817,018
Deferred charges - CIP OPEB plan	4,009,963	3,750,083
Subtotal - deferred outflows of pension-related resources	4,884,593	4,567,101
Deferred grant-related pension contributions	106,871	140,958
Deferred refunding cost	759,814	823,570
Total deferred outflows of resources	$ 5,751,278	$ 5,531,629

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

Property tax revenues levied for the subsequent fiscal year and future lease revenues related to GASB Statement 87, *Leases*, are considered to be deferred inflows. Unearned revenues include (1) amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that are related to the subsequent accounting period, (2) amounts received from grant and contract sponsors that have not yet been earned, and (3) building rentals received in advance.

Changes in assumptions, changes in proportion and differences between employer contributions and proportionate share of contributions, differences between expected and actual experience and net difference between projected and actual investment earnings on plan investments of the College's CIP plan are considered to be deferred inflows. See Note 8 for further discussion of the College's deferred inflows of resources.

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

Differences between expected and actual experience and changes of assumptions of the College's other post employment benefit plan are considered to be deferred inflows. See Note 8 for further discussion of the College's deferred inflows of resources.

Deferred Inflows of Resources are summarized below:

Deferred Inflows of Resources	2022	2021
Deferred property tax revenue	$ 38,096,575	$ 37,127,421
Deferred lease revenue	393,654	626,380
Deferred credits - College OPEB plan	2,416,247	217,478
Deferred credits - CIP OPEB plan	15,565,716	13,361,441
Total deferred inflows of resources	$ 56,472,192	$ 51,332,720

Noncurrent liabilities: Noncurrent liabilities include (1) principal amounts of bond obligations with maturities greater than one year, (2) net post-employment benefit obligations, (3) lease obligations and (4) a portion of unearned rental revenue.

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

For financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees. See Note 6 for additional discussion.

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

Net position: The College's net position is classified as follows:

Net Investment in Capital Assets

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

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

Restricted Net Position

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

Unrestricted Net Position

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

The Board of Trustees has designated $7,200,000 of the College's unrestricted net position for the future payment of OPEB costs and claims.

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

Operating Revenue

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

Nonoperating Revenue

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

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

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

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

In accordance with a College Board resolution, 50% of the property taxes extended for the 2021 tax year are recorded as revenue in the fiscal year ended June 30, 2022. The remaining revenue related to the 2021 tax year extension has been deferred and will be recorded as revenue in fiscal year 2023. Based upon collection histories, the College records real property taxes at approximately 100% of the extended levy.

Eliminations: Interfund activities between the College and its auxiliary enterprise are eliminated for purposes of preparing the statements of revenues, expenses, and changes in net position, and the statements of net position.

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

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

Pending accounting pronouncements: GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the College beginning with its year ending June 30, 2023. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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

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

The objectives of GASB Statement No. 99, *Omnibus*, are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for the College beginning with its year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 99 are effective for the College beginning with its year ending June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the College beginning with its year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for the College beginning with its year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Management has not yet completed its evaluation of the impact of the provisions of the standards on its financial statements.

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

Reclassifications: Certain 2021 balances have been reclassified to conform with the current-year presentation without any effect on previously reported net position totals or changes in net position.

Subsequent events: The College's management has performed an analysis of the activities and transactions subsequent to June 30, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has performed their analysis through February 9, 2023, the date the financial statements were available to be issued.

Note 2. Deposits and Investments

As of June 30, 2022 and 2021, the College had the following cash, cash equivalents and investments:

	2022	2021
	Carrying Value	
Cash and cash equivalents:		
Cash accounts	$ 20,104,739	$ 13,302,115
Restricted accounts - money market	11,411,449	11,475,632
Illinois Trust IIIT Class	34,519,065	34,682,265
Illinois Term	895,000	-
Commercial paper	2,098,355	-
Total cash and cash equivalents	69,028,608	59,460,012
Investments:		
Certificates of deposit	992,000	2,763,655
U.S. Treasury Bond/Note	26,608,696	13,151,773
U.S. Agency Collat. Mortgage Obligation	381,516	2,532,046
U.S. Agency Bond/Note	3,675,350	6,913,033
U.S. Mortgage-Backed Security	892,501	1,358,232
U.S. Commercial Mortgage-Backed Security	1,128,878	-
Commercial Paper	12,297,255	14,296,865
Supra-National Agency Bond/Note	14,528,083	4,227,318
Corporate Note	13,303,182	6,830,184
Municipal Bond/Note	2,073,759	4,620,575
Total investments	75,881,220	56,693,681
Total cash, cash equivalents and investments	$ 144,909,828	$ 116,153,693
Current assets:		
Cash and cash equivalents	$ 57,617,159	$ 47,984,380
Investments	45,511,443	24,029,301
Noncurrent assets:		
Restricted cash and cash equivalents	11,411,449	11,475,632
Other long-term investments	30,369,777	32,664,380
Total cash, cash equivalents and investments	$ 144,909,828	$ 116,153,693

Note 2. Deposits and Investments (Continued)

As of June 30, 2022 and 2021, the College's investments had the following maturities:

	2022 Maturities				
	Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years	Total
Certificates of deposit	$ 992,000	$ -	$ -	$ -	$ 992,000
U.S. Treasury Bond/Note	11,238,613	15,370,083	-	-	26,608,696
U.S. Agency Collat. Mortgage Obligation	-	-	359,912	21,604	381,516
U.S. Agency Bond/Note	1,117,078	2,558,272	-	-	3,675,350
U.S. Mortgage-Backed Security	-	69,825	650,142	172,534	892,501
U.S. Commercial Mortgage-Backed Security	468,942	659,936	-	-	1,128,878
Commercial Paper	12,297,255	-	-	-	12,297,255
Supra-National Agency Bond/Note	13,190,268	1,337,815	-	-	14,528,083
Corporate Note	5,069,863	8,233,319	-	-	13,303,182
Municipal Bond/Note	1,137,424	936,335	-	-	2,073,759
Total investments	$ 45,511,443	$ 29,165,585	$ 1,010,054	$ 194,138	$ 75,881,220

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

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

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

The College is also authorized to invest in short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if such obligations are rated at the time of purchase within the three highest classifications established by two or more standard rating services and do not exceed 10% of a corporation's outstanding obligations. No more than one-third of the College's funds may be invested in short-term obligations of corporations that mature in 270 days or less at the time of settlement, and an additional one-third of the College's funds may be invested in obligations of corporations that mature between 270 days and three years at the time of settlement. Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation (FDIC).

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

Note 2. Deposits and Investments (Continued)

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

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

Credit ratings for the College's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2022 and 2021 (excluding investments in U.S. Treasuries and FDIC Insured Bank Certificates of Deposit which are not considered to have credit risk) are as follows:

2022:

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

Investment Type	AAA/Aaa	A-1+/P-1	A-1/P-1	AA+/Aaa	A-2/P-1	A-1/NR
U.S. Agency Collat. Mortgage Obligation	0%	0%	0%	100%	0%	0%
U.S. Agency Bond/Note	0%	0%	0%	100%	0%	0%
U.S. Mortgage-Backed Security	0%	0%	0%	100%	0%	0%
U.S. Commercial Mortgage-Backed Security	0%	0%	0%	100%	0%	0%
Commercial Paper	0%	14%	78%	0%	0%	8%
Supra-National Agency Bond/Note	100%	0%	0%	0%	0%	0%

2021:

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

Investment Type	AAA/Aaa	A-1+/P-1	A-1/P-1	AA+/Aaa	A-2/P-1	A-1/NR
U.S. Agency Collat. Mortgage Obligation	0%	0%	0%	100%	0%	0%
U.S. Agency Bond/Note	0%	0%	0%	100%	0%	0%
U.S. Mortgage-Backed Security	0%	0%	0%	100%	0%	0%
Commercial Paper	0%	14%	58%	0%	14%	14%
Supra-National Agency Bond/Note	100%	0%	0%	0%	0%	0%
Certificates of Deposit	0%	0%	100%	0%	0%	0%

Note 2. Deposits and Investments (Continued)

Due to the mix of corporate notes and municipal bond/notes, the ratings as of June 30, 2022 and 2021 for those are listing below:

2022:

S&P/Moody's	Percent of total fair value for Corporate Notes	Percent of total fair value for Municipal Bond/Notes
AAA/Aaa	0%	9%
AAA/Aa1	0%	22%
AA+/Aaa	1%	0%
AA+/NR	0%	19%
AA/Aa1	1%	0%
AA/Aa2	0%	22%
AA/Aa3	3%	5%
AA/A1	4%	0%
AA-/Aa2	1%	0%
AA-/Aa3	4%	0%
AA-/A1	2%	0%
AA-/A3	1%	0%
A+/Aa2	2%	0%
A+/Aa3	0%	4%
A+/A1	6%	0%
A+/A2	1%	0%
A+/A3	9%	0%
A/A1	3%	0%
A/A2	8%	0%
A-/A1	4%	0%
A-/A2	7%	0%
A-/A3	15%	0%
BBB+/A1	9%	0%
BBB+/A2	4%	0%
BBB+/A3	15%	0%
NR/Aa1	0%	14%
NR/NR	0%	5%

2021:

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College is considered to have a concentration of credit risk if its investment in any one single issuer is greater than 5% of the total fixed income investments. The College held no single investment that exceeded 5% of the total invested balance at June 30, 2022 and 2021.

Custodial Credit Risk. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2022 and 2021, the bank balance of the College's deposits with financial institutions were all fully collateralized and insured. There were no investments exposed to custodial credit risk.

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

Note 2. Deposits and Investments (Continued)

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

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

Investments measured at fair value on a recurring basis as of June 30, 2022 are summarized below:

		Fair Value Measurements Using		
Investment		Level 1	Level 2	Level 3
U.S. Treasury Bond/Note	$ 26,608,696	$ 26,608,696	$ -	$ -
U.S. Agency Collat. Mortgage Obligation	381,516	-	381,516	-
U.S. Agency Bond/Note	3,675,350	-	3,675,350	-
U.S. Mortgage-Backed Security	892,501	-	892,501	-
U.S. Commercial Mortgage-Backed Security	1,128,878	-	1,128,878	-
Commercial Paper	12,297,255	-	12,297,255	-
Supra-National Agency Bond/Note	14,528,083	-	14,528,083	-
Corporate Note	13,303,182	-	13,303,182	-
Municipal Bond/Note	2,073,759	-	2,073,759	-
Total	$ 74,889,220	$ 26,608,696	$ 48,280,524	$ -

Investments measured at fair value on a recurring basis as of June 30, 2021 are summarized below:

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

The College has cash equivalents and investments as of June 30, 2022 and 2021 measured at amortized cost or net asset value (NAV) based on amortized cost as follows:

	2022	2021
Illinois Trust IIIT Class	$ 34,519,065	$ 34,682,265
Participating certificates of deposit	992,000	2,763,655
Illinois TERM	895,000	-
	$ 36,406,065	$ 37,445,920

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Tangible capital assets not being depreciated:				
Construction in progress	$ 3,286,082	$ 17,083,725	$ 157,369	$ 20,212,438
Land	14,714,569	-	190,000	14,524,569
Capitalized collections	1,219,819	-	-	1,219,819
Total tangible capital assets not being depreciated	19,220,470	17,083,725	347,369	35,956,826
Tangible capital assets being depreciated:				
Land improvements	13,437,752	-	6,670	13,431,082
Buildings and improvements	235,767,723	2,164,636	-	237,932,359
Furniture and equipment	52,030,512	5,231,707	215,152	57,047,067
Total tangible capital assets being depreciated	301,235,987	7,396,343	221,822	308,410,508
Intangible capital assets being amortized				
Equipment	490,796	-	-	490,796
Building	-	502,805	-	502,805
Total intangible capital assets being amortized	490,796	502,805	-	993,601
Less accumulated depreciation:				
Land improvements	8,702,999	688,906	-	9,391,905
Buildings and improvements	87,563,638	8,026,375	-	95,590,013
Furniture and equipment	34,199,493	3,732,621	215,152	37,716,962
Total accumulated depreciation	130,466,130	12,447,902	215,152	142,698,880
Less accumulated amortization:				
Equipment	121,534	139,242	-	260,776
Building	-	50,281	-	50,281
Total accumulated amortization	121,534	189,523	-	311,057
Total capital assets being depreciated and amortized, net	171,139,119	(4,738,277)	6,670	166,394,172
Total capital assets, net	$ 190,359,589	$ 12,345,448	$ 354,039	$ 202,350,998

Note 3. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2021 was as follows (as restated for GASB 87, *Leases*):

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Tangible capital assets not being depreciated:				
Construction in progress	$ 2,361,455	$ 1,853,623	$ 928,996	$ 3,286,082
Land	12,487,877	2,226,692	-	14,714,569
Capitalized collections	1,219,819	-	-	1,219,819
Total tangible capital assets not being depreciated	16,069,151	4,080,315	928,996	19,220,470
Tangible capital assets being depreciated:				
Land improvements	13,366,438	71,314	-	13,437,752
Buildings and improvements	228,874,052	7,348,674	455,003	235,767,723
Furniture and equipment	45,844,536	6,244,021	58,045	52,030,512
Total capital assets being depreciated	288,085,026	13,664,009	513,048	301,235,987
Intangible capital assets being amortized				
Equipment	-	490,796	-	490,796
Total intangible capital assets being amortized	-	490,796	-	490,796
Less accumulated depreciation:				
Land improvements	8,019,405	683,594	-	8,702,999
Buildings and improvements	80,313,465	7,689,423	439,250	87,563,638
Furniture and equipment	30,446,023	3,811,515	58,045	34,199,493
Total accumulated depreciation	118,778,893	12,184,532	497,295	130,466,130
Less accumulated amortization:				
Equipment	-	121,534	-	121,534
Total accumulated amortization	-	121,534	-	121,534
Total capital assets being depreciated and amortized, net	169,306,133	1,848,739	15,753	171,139,119
Total capital assets, net	$ 185,375,284	$ 5,929,054	$ 944,749	$ 190,359,589

Note 4. Accrued Expenses

Accrued expenses consisted of the following at June 30:

	2022	2021
Accrued payroll and benefits	$ 3,330,587	$ 2,876,388
Accrued vacation	3,148,917	3,259,270
Accrued construction retainage	3,018,020	25,927
Accrued health insurance claims	658,392	554,960
Accrued workers' compensation claims	385,768	338,144
Accrued expenses - other	221,920	1,171,834
Total accrued expenses	$ 10,763,604	$ 8,226,523

Note 5. Long-Term Obligations

The College has the following outstanding bonds payable as of June 30, 2022 and 2021:

General Obligation Limited Tax Bonds, Series 2012 with a yield of 2.00% to 3.00% depending on the date of serial maturity through 2027. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $19,850,000. The College received a premium of $654,118 and paid issue costs of $62,865. The principal balance at June 30, 2022 and 2021 was $0 and $10,325,000, respectively.

General Obligation Limited Tax Bonds, Series 2013A with a yield of 2% to 4% depending on the date of serial maturity through 2024. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments. The original liability upon issuance was $31,690,000. The College received a premium of $2,076,140 and paid issue costs of $326,140. The principal balance at June 30, 2022 and 2021 was $6,335,000 and $10,735,000, respectively.

General Obligation Refunding Bonds, Series 2017 with a yield of 3.1% through 2034. The bonds are full faith and credit general obligations of the College payable both as to principal and interest from funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $22,325,000. The College received no premium, nor incurred any discount and paid issue costs of $121,275. The bonds were issued as an advanced refunding of the Series 2013B General Obligation Limited Tax Bonds. The principal balance at June 30, 2022 and 2021 was $21,775,000 and $21,895,000, respectively.

On November 30, 2020, the College authorized a Taxable Debt Certificate, Series 2020 with a principal amount of up to $10,000,000 and shall bear interest at a variable rate per annum. The variable interest rate is the lower of (i) 1.25% plus a calculated index of LIBOR (LIBO Rate Index) or (ii) 13.5% per annum. If the LIBO Rate Index shall be less than 0.50%, such rate shall be deemed to be 0.50%. For the year ended June 30, 2021, the variable interest rate was 1.75%. The College is also subject to a fee of 0.25% times the average daily difference between the maximum principal amount of $10,000,000 and the outstanding principal amount of the certificate at the end of each month to be payable quarterly. The College has the option to redeem the certificate prior to its maturity date of November 30, 2022 from any available funds, in whole or in part as determined by the College, on any date. The principal balance at June 30, 2022 and 2021 was $0 and $9,000,000, respectively.

Note 5. Long-Term Obligations (Continued)

General Obligation Bonds (Alternate Revenue), Series 2021A with a yield of 2% to 2.7% depending on the date of serial maturity through 2041. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments. The original liability upon issuance was $48,440,000. The College received a premium of $246,881 and paid issue costs of $972,855. The bonds were issued to pay a portion of an outstanding obligation of the College and to improve the sites of, build and equip additions to, and alter, repair and equip buildings and facilities of the College. The principal balance at June 30, 2022 was $48,440,000.

General Obligation Limited Tax Bonds, Series 2021B with a yield of 1.4% to 5% depending on the date of serial maturity through 2026. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $1,275,000. The College received a premium of $41,304 and paid issue costs of $12,547. The bonds were issued to pay a portion of an outstanding obligation of the College. The principal balance at June 30, 2022 was $1,275,000.

General Obligation Limited Tax Refunding Bonds, Series 2021C with a yield of 4% to 5% depending on the date of serial maturity through 2026. The certificates are general obligations of the College both as to principal and interest from the funds of the College lawfully available for payments, and ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. The original liability upon issuance was $7,865,000. The College received a premium of $963,612 and paid issue costs of $63,243. The bonds were issued as an advanced refunding of the Series 2012 General Obligation Limited Tax Bonds. The principal balance at June 30, 2022 was $7,865,000. As a result of the refunding, the College had an economic gain (difference between the present values of the debt service payments on the old and new debt) of $529,652.

Changes in long-term obligations during the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
General obligation bonds:					
Par	$ 42,955,000	$ 57,580,000	$ 14,845,000	$ 85,690,000	$ 6,245,000
Premium	187,499	1,251,797	516,126	923,170	-
Total general obligation bonds, net	43,142,499	58,831,797	15,361,126	86,613,170	6,245,000
Debt certificate	9,000,000	-	9,000,000	-	-
Postemployment benefits:					
College Plan	18,283,133	-	2,775,201	15,507,932	-
CIP plan	58,304,848	-	1,447,694	56,857,154	-
Total postemployment benefits	76,587,981	-	4,222,895	72,365,086	-
Lease obligations	369,262	456,204	127,752	697,714	278,835
	$ 129,099,742	$ 59,288,001	$ 28,711,773	$ 159,675,970	$ 6,523,835

Note 5. Long-Term Obligations (Continued)

Changes in long-term obligations during the year ended June 30, 2021 (as restated for GASB 87, *Leases*) were as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
General obligation bonds:					
Par	$ 48,815,000	$ -	$ 5,860,000	$ 42,955,000	$ 6,105,000
Premium	342,605	-	155,106	187,499	-
Total general obligation bonds, net	49,157,605	-	6,015,106	43,142,499	6,105,000
Debt certificate	-	9,000,000	-	9,000,000	-
Postemployment benefits:					
College Plan	18,466,521	-	183,388	18,283,133	-
CIP plan	60,520,140	-	2,215,292	58,304,848	-
Total postemployment benefits	78,986,661	-	2,398,680	76,587,981	-
Lease obligations	490,796	-	121,534	369,262	127,752
	$ 128,635,062	$ 9,000,000	$ 8,535,320	$ 129,099,742	$ 6,232,752

The following is a schedule of the future debt service payments for general obligation bonds as of June 30, 2022:

Year ending June 30:	Principal	Interest	Total
2023	$ 6,245,000	$ 2,434,438	$ 8,679,438
2024	6,605,000	2,165,938	8,770,938
2025	5,035,000	1,918,463	6,953,463
2026	5,240,000	1,745,665	6,985,665
2027	5,430,000	1,583,118	7,013,118
2028-2032	18,140,000	6,410,513	24,550,513
2033-2037	20,590,000	3,963,988	24,553,988
2038-2041	18,405,000	1,235,628	19,640,628
	$ 85,690,000	$ 21,457,751	$ 107,147,751

The following is a schedule of the future debt service payments for lease obligations as of June 30, 2022:

Year ending June 30:	Principal	Interest	Total
2023	$ 278,835	$ 28,439	$ 307,274
2024	259,164	14,385	273,549
2025	159,715	4,358	164,073
	$ 697,714	$ 47,182	$ 744,896

Note 6. Defined Benefit Pension Plans

General Information about the Pension Plan

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

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2021 can be found in SURS Annual Comprehensive Financial Report-Notes to the Financial Statements.

Contributions. The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2021 and 2022, respectively, was 12.70% and 12.32% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

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

Net Pension Liability
The net pension liability was measured as of June 30, 2021. At June 30, 2021, the collective net pension liability (NPL) was $28,528,477,079. At June 30, 2020, the collective NPL was $30,619,504,321.

Note 6. Defined Benefit Pension Plans (Continued)

Employer Proportionate Share of Net Pension Liability
The amount of the proportionate share of the collective NPL to be recognized for the College is $0. The proportionate share of the State's NPL associated with the College is $467,028,287 or 1.6371%. The College's proportionate share changed by (0.0041%) from 1.6412% since the last measurement date on June 30, 2020. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2021, was determined based on the June 30, 2020 actuarial valuation, rolled forward to the measurement date. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2021.

Defined Benefit Pension Expense
At June 30, 2021, collective net pension expense was $2,342,460,058. At June 30, 2020, collective net pension expense was $3,364,411,021.

Employer Proportionate Share of Defined Benefit Expense
The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021. As a result, the College recognized revenue and defined benefit pension expense of $38,347,477 from this special funding situation during the year ended June 30, 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position that is applicable to future reporting periods.

Collective Deferred Outflows and Deferred Inflows of Resources Sources

As of June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$113,467,689	$0
Changes in assumptions	776,968,084	0
Net difference between projected and actual earnings on pension plan investments	0	2,283,514,660
Total	$890,435,773	$2,283,514,660

As of June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$170,987,483	$0
Changes in assumptions	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
Total	$1,118,666,290	$0

Note 6. Defined Benefit Pension Plans (Continued)

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

Year Ending June 30,	Net Deferred Outflows of Resources
2022	$34,095,451
2023	(197,005,703)
2024	(538,343,058)
2025	(691,825,577)
2026	-
Thereafter	-
Total	($1,393,078,887)

Deferral of Fiscal Year Contributions
The College paid $106,871 and $140,958 in federal, trust or grant contributions during the years ended June 30, 2022 and 2021, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2021 and 2020, and are recognized as deferred outflows of resources as of June 30, 2022 and 2021.

Assumptions and Other Inputs

Actuarial Assumptions. The actuarial assumptions used in the June 30, 2021 and June 30, 2020 valuations were based on the results of an actuarial experience study for the period June 30, 2014 through June 30, 2017. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.25%
Salary increases	3.25% to 12.75%, including inflation
Investment rate of return	6.50% beginning with the actuarial valuation as of June 30, 2021

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

As of June 30, 2021, mortality rates were based on the PUB-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants. As of June 30, 2020, mortality rates were based on the RP2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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

Note 6. Defined Benefit Pension Plans (Continued)

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	41.0%	6.30%
Stabilized Growth		
Credit Fixed Income	14.0%	1.82%
Core Real Assets	5.0%	3.92%
Options Strategies	6.0%	4.20%
Non-Traditional Growth		
Private Equity	7.5%	10.45%
Non-Core Real Assets	2.5%	8.83%
Inflation Sensitive		
U.S. TIPS	6.0%	-0.22%
Principal Protection		
Core Fixed Income	8.0%	-0.81%
Crisis Risk Offset		
Systematic Trend Following	3.5%	3.45%
Alternative Risk Premia	3.0%	2.30%
Long Duration	3.5%	0.91%
Total	100.0%	4.43%
Inflation		2.25%
Expected arithmetic returns		**6.68%**

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

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

Note 6. Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.12% and 6.49% was used to measure the total pension liability as of June 30, 2021 and 2020, respectively. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and 6.75% as of June 30, 2021 and 2020, respectively, and a municipal bond rate of 1.92% and 2.45% as of June 30, 2021 and 2020, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS' funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Note 7. Defined Contribution Pension Plan

Plan Description: The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees.

SURS is governed by Chapter 40, Act 5, Article 15 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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided: A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2021, can be found in the SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

Contributions: All employees who have elected to participate in the RSP are required to contribute 8.0 percent of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6 percent of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6 percent contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Note 7. Defined Contribution Pension Plan (Continued)

Forfeitures: Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense: For the year ended June 30, 2021, the State's contributions to the RSP on behalf of individual employers totaled $76,280,832. Of this amount, $70,403,460 was funded via an appropriation from the State and $5,877,372 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense: The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 1.1613 percent. As a result, the College recognized revenue and defined contribution pension expense of $885,820 from this special funding situation during the year ended June 30, 2022, of which $68,252 constituted forfeitures.

Note 8. Postemployment Benefits Other Than Pensions

The College participates in two OPEB plans, the State of Illinois' Community College Health Insurance Program (CIP) and an OPEB plan provided by the College. OPEB amounts for these plans are as follows for the years ended June 30:

	2022	2021
Net OPEB liability	$ 72,365,086	$ 76,587,981
Deferred Inflows related to OPEB	4,884,593	4,567,101
Deferred Outflows related to OPEB	17,981,963	13,578,919
OPEB expense	328,123	3,625,040

	2022	2021
CIP OPEB plan expense	$ 812,202	$ 2,016,785
less: deferred outflows	(315,501)	(304,605)
CIP OPEB on-behalf plan (benefit) expense	(469,409)	1,036,966
College OPEB plan expense	300,831	875,894
Total OPEB plans' expense	$ 328,123	$ 3,625,040

Note 8. Postemployment Benefits Other Than Pensions (Continued)

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

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

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

Benefits Provided: CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating community colleges. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced 5% for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits.

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

Contributions: The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the state to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The employer contributions to the Plan for the years ended June 30, 2022, 2021, and 2020 were $315,501, $304,605, and $294,176, respectively. The College contributions were equal to the required contributions for each year.

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2022 and 2021, the College reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided for the College. The State's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

	2022	2021
College's proportionate share of the collective net OPEB liability	$ 56,857,154	$ 58,304,848
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the College	56,857,200	58,304,936
Total CIP net collective OPEB liability associated with the College	$ 113,714,354	$ 116,609,784

Note 8. Postemployment Benefits Other Than Pensions (Continued)

The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to June 30, 2021. The prior fiscal year's collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to June 30, 2020. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2021, 2020, and 2019 the College's proportions were 3.276063%, 3.198706%, and 3.204598%, respectively.

For the years ended June 30, 2022 and 2021, the College recognized (expense) revenue of ($469,409) and $1,036,966, respectively, and OPEB expense of $342,793 and $3,053,751, respectively, for support provided by the State. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 359,813	$ 4,155,585
Changes in proportion and differences between the College's contributions and proportionate share of contributions	3,334,649	546,978
Net difference between projected and actual investment earnings	-	1,638
Changes of assumptions	-	10,861,515
Total deferred amounts to be recognized in expense in future periods	3,694,462	15,565,716
College's contributions subsequent to the measurement date	315,501	-
	$ 4,009,963	$ 15,565,716

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

Note 8. Postemployment Benefits Other Than Pensions (Continued)

The College reported $315,501 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability for the year ended June 30, 2022. The College previously reported $304,605 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date and was recognized as a reduction of the total OPEB liability for the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2023	$ (2,747,468)
2024	(2,747,315)
2025	(2,190,128)
2026	(1,397,812)
2027	(833,240)
	$ (9,915,963)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 the measurement date, and as of June 30, 2019, rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

	2021	2020
Inflation	2.25%	2.25%
Salary rate increases	3.25% to 12.25%	3.25% to 12.25%
Investment rate of return	0.00%	0.00%
Healthcare cost trend rates	8.00% trending to 4.25%	8.25% trending to 4.25%
Asset valuation method	Market Value	Market Value

For the actuarial valuations as of June 30, 2020 and 2019, mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2020 valuation was based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017. The actuarial assumptions used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

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

- The discount rate was changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year-end June 30, 2021, premium changes through plan year-end 2021, and expectation of future trend increases after June 30, 2021;
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed;
- Per capita claim costs for plan year ended June 30, 2021 were updated based on projected claims and enrollment experience through June 30, 2021, and updated premium rates through plan year 2022; and
- Healthcare plan participation rates by plan were updated based on observed experience.

Note 8. Postemployment Benefits Other Than Pensions (Continued)

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

Discount Rate: Since CIP is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2021 was 1.92%, which was a decrease from the June 30, 2020 rate of 2.45%. The discount rate as of June 30, 2020 was 2.45%, which was a decrease from the June 30, 2019 rate of 3.13%. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, CIP's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Single Discount Rate: The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 1.92% and 2.45%, respectively, as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate:

	1% Decrease	Current Discount Rate	1% Increase
College's proportionate share of the collective net OPEB liability 2022	$ 64,776,999	$ 56,857,154	$ 50,017,635
College's proportionate share of the collective net OPEB liability 2021	$ 66,434,064	$ 58,304,848	$ 51,294,674

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key current claims trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2038. The key prior claims trend rates were 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
College's proportionate share of the collective net OPEB liability 2022	$ 46,849,389	$ 56,857,154	$ 70,260,503
College's proportionate share of the collective net OPEB liability 2021	$ 48,311,402	$ 58,304,848	$ 71,560,681

(a) For 2022, one percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038. For 2021, one percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

(b) For 2022, one percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038. For 2021, one percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Note 8. Postemployment Benefits Other Than Pensions (Continued)

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

Payable to the OPEB Plan: The College had no outstanding contributions payable to the CIP plan for the years ended June 30, 2022 and 2021.

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

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

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

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

Employees Covered by Benefit Terms: As of June 30, 2022 and 2021, the following employees were covered by the benefit terms:

	2022	2021
Active employees	301	352
Inactive employees entitled to but not yet receiving benefits	-	-
Inactive employees currently receiving benefits	394	388
Total	695	740

Funding Policy: The College is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement. During the year ended June 30, 2022 and 2021, the College contributed $934,875 and $875,894, respectively, to the Plan.

Total OPEB Liability: The College's total OPEB liability of $15,507,932 and $18,283,133 was measured as of June 30, 2022 and 2021, respectively, and was determined by a rollforward from an actuarial valuation as of July 1, 2020 and July 1, 2017, respectively, the most recent actuarial valuation date.

Note 8. Postemployment Benefits Other Than Pensions (Continued)

Actuarial Assumptions: The total OPEB liability for June 30, 2022 was determined using the following actuarial assumptions and other inputs:

Inflation	2.25%
Salary rate increase	3.25%
Discount rate	3.54%
Healthcare cost trend rates	2.50-15.30% for 2022 decreasing to an ultimate rate of 5.00% for 2030 and later years. Medicare Part B Premium of 3.8% per year.
Retirees' share of benefit-related costs	Same as healthcare trend

The total OPEB liability for June 30, 2021 was determined using the following actuarial assumptions and other inputs:

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

Since the College Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was a 20-year general obligation bond index rate. The discount rate was based on the Bond Buyer 20-Bond GO Index. The rate at June 30, 2022, 2021 and 2020 was 3.54%, 2.16%, and 2.21%, respectively.

For June 30, 2022, mortality rates were based on PubT-2010 Improved Generationally using MP-2020, weighted per SURS Experience Study Report dated June 1, 2021. As of June 30, 2021, mortality rates were based on the RP-2014 with White Collar Adjustment and MP-2017 Improvement Tables, weighted per SURS Experience Study Report dated February 26, 2018.

Note 8. Postemployment Benefits Other Than Pensions (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	$ 18,466,521
Changes for the year:	
Service cost	227,347
Interest	398,034
Changes of benefit terms	-
Differences by expected and actual experience	-
Changes in assumptions or other inputs	103,052
Benefit payments	(911,821)
Other changes	-
Net changes	(183,388)
Balance as of June 30, 2021	$ 18,283,133
Changes for the year:	
Service cost	234,970
Interest	384,819
Changes of benefit terms	-
Differences by expected and actual experience	523,526
Changes in assumptions or other inputs	(2,983,641)
Benefit payments	(934,875)
Other changes	-
Net changes	(2,775,201)
Balance as of June 30, 2022	$ 15,507,932

Changes in assumptions reflect that the discount rate was changed to comply with the GASB Statement No. 75 standard. These changes also reflect that rates of retirement, withdrawal, and disability were changed to those in the State Universities Retirement System of Illinois Experience Study Report as of June 1, 2021.

Sensitivity of the total OPEB liability to changes in the discount rate. The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated as of June 30, 2022 and 2021 using the discount rate of 3.54% and 2.16%, respectively, as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability 2022	$ 17,205,217	$ 15,507,932	$ 14,108,147
Total OPEB liability 2021	$ 20,611,302	$ 18,283,133	$ 16,412,733

Note 8. Postemployment Benefits Other Than Pensions (Continued)

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates for non-Medicare coverage are 3.60% in 2022 increasing to an ultimate trend rate of 5.00% in 2025 for PPO Plans and 15.30% in 2022 decreasing to an ultimate trend rate of 5.00% in 2030 for CIP Plans. The key trend rates for Medicare coverage are 4.81% in 2022 decreasing to an ultimate trend rate of 3.80% for Medicare Part A and 6.72% decreasing to an ultimate trend rate of 3.80% for Medicare Part B.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Total OPEB liability 2022	$ 14,765,071	$ 15,507,932	$ 16,365,473
Total OPEB liability 2021	$ 17,266,246	$ 18,283,133	$ 19,480,573

(a) For 2022, one percentage point decrease in healthcare trend rates for non-Medicare coverage are 2.60% in 2022 increasing to an ultimate trend rate of 4.00% in 2025 for PPO Plans and 14.30% decreasing to an ultimate trend rate of 4.00% in 2030 for CIP Plans.

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

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

For 2022, one percentage point increase in healthcare trend rates for non-Medicare coverage are 4.60% in 2022 increasing to an ultimate trend rate of 6.00% in 2025 for PPO Plans and 16.30% decreasing to an ultimate trend rate of 6.00% in 2030 for CIP Plans.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the years ended June 30, 2022 and 2021, the College recognized OPEB expense of $300,831 and $875,894, respectively. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 402,339	$ 118,400
Changes of assumptions	472,291	2,297,847
Total deferred amounts to be recognized in expense in future periods	$ 874,630	$ 2,416,247

Note 8. Postemployment Benefits Other Than Pensions (Continued)

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

Fiscal Year Ending June 30:	
2023	$ (313,327)
2024	(486,168)
2025	(559,891)
2026	(182,231)
2027	-
	$ (1,541,617)

Note 9. Risk Management

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

The College maintains a self-insured plan to cover health and dental benefits and workers' compensation for its employees through third-party administrators. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported, net of the stop loss that is specific to each type of coverage. This liability is the College's best estimate based on available information and is expected to be paid within the next fiscal year. Changes in the College's liability for employee health and workers' compensation claims for the years ended June 30, 2022, 2021, and 2020, are as follows:

	2022	2021	2020
Claims payable – beginning of year	$ 893,104	$ 1,006,824	$ 622,566
Claims and other expenses incurred	11,854,531	13,771,388	12,538,198
Claims paid	(11,703,475)	(13,885,108)	(12,153,940)
Claims payable – end of year	$ 1,044,160	$ 893,104	$ 1,006,824

Note 10. Contingent Liabilities

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

Note 11. Commitments

In conjunction with the Illinois Capital Development Board, a State of Illinois agency, the College is in the process of expanding the Lakeshore campus including a new Student Center, replacing the Performing Arts Building roofing system and replacing a parking lot on the Grayslake campus. Total estimated costs are $47,900,000, $2,160,000 and $1,150,000, respectively. The College's total share of the projects are $11,975,600, $1,035,000, and $287,500, respectively. Total funds expended on the Lakeshore Campus project as of June 30, 2022 were $1,986,739. No funds were expended on the other projects as of June 30, 2022.

Note 12. Expenses by Natural Classification

Expenses are reported in the statements of revenues, expenses, and changes in net position by functional classification. The College's operating expenses by natural classification for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Natural classification of total expenses:		
Salaries	$ 79,428,127	$ 77,503,461
Benefits	52,234,128	71,646,423
Contractual services	11,287,673	8,113,157
Materials and supplies	7,276,947	7,764,402
Travel and meetings	654,720	368,708
Fixed charges	2,288,862	2,134,987
Utilities	3,228,742	3,082,287
Interest	1,690,609	1,610,243
Depreciation	12,637,425	12,306,066
Other	30,717,690	18,550,594
Total expenses	$ 201,444,923	$ 203,080,328

The totals above differ from the statements of revenues, expenses, and changes in net position operating expenses amount by the amount of interest expense which is classified as nonoperating.

Note 13. Leases

Lessor Activity

The College entered a five year lease for the entire first floor of a Waukegan property and 33 related parking spaces. The lease has been renewed to June 30, 2024. The total amount of inflows (revenue) during the fiscal year ending June 30, 2022 is $221,397 for the property and $38,733 for the parking spaces. The total amount of inflows (revenue) during the fiscal year ending June 30, 2021 is $173,124 for the property and $28,274 for the parking spaces. The interest rate for this lease is 5.00%.

Note 13. Leases (Continued)

Lessee Activity

The College entered into a three-year lease for office and classroom space with related furniture and equipment for its Workforce and Professional Development program beginning May 1, 2022. The College has the option to renew in one year increments. The total outflows (expense) recognized during the fiscal year ended June 30, 2022 is $58,370. The annual interest rate charged on this lease is 5.0%.

The College entered into a five-year lease for mailing equipment beginning July 1, 2019. The lease automatically renews unless terminated in writing at least 90 days before the end of the lease. The total outflows (expense) recognized during the fiscal years ended June 30, 2022 and 2021 are $29,960 and $27,472, respectively. The annual interest rate charged on this lease is 5.0%.

The College entered into a six-year lease for copier equipment beginning January 1, 2019. The lease automatically renews unless either party provides notice of termination. The total outflows (expense) recognized during the fiscal years ended June 30, 2022 and 2021 are $108,864 and $101,175, respectively. The annual interest rate charged on this lease is 5.0%.

The College entered into a four-year lease for copier equipment beginning June 27, 2020. The lease automatically renews unless either party provides notice of termination. The total outflows (expense) recognized during the fiscal years ended June 30, 2022 and 2021 are $15,866 and $14,553, respectively. The annual interest rate charged on this lease is 5.0%.

Future annual lease payments are as follows:

Year ending June 30:	Principal	Interest	Total
2023	$ 278,835	$ 28,439	$ 307,274
2024	259,164	14,385	273,549
2025	159,715	4,358	164,073
	$ 697,714	$ 47,182	$ 744,896

Other lease arrangements

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, 2022 and 2021 was $20,000. Unearned revenue related to the lease was $640,000 and $660,000 at June 30, 2022 and 2021, respectively.

The College entered into a 40-year lease with the Lake County Forest Preserve District property for its culinary arts program beginning January 1, 2021. The lease calls for annual lease payments of $1 plus 10% of gross receipts. The lease automatically renews for one year unless either party provides notice of termination. No rents have been paid under this lease for the fiscal years ended June 30, 2022 and June 30, 2021.

Note 14. Component Unit

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

Nature of Activities and Significant Accounting Policies

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

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

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

For external reporting purposes, however, the Foundation's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions**: Net assets that are not subject to donor-imposed restrictions.
>
> **Net assets with donor restrictions**: Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the Foundation or the passage of time. These items include pledges for which restrictions have not been met such as time restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity (primarily, gifts for endowment) and only the income be made available for program purposes (i.e., scholarships) or general operations of the College.

Support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Expiration of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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

Note 14. Component Unit (Continued)

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

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

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

Investment income, gains and losses, and any investment-related expenses are recorded as changes in assets without donor restrictions in the statement of activities unless their use is restricted by explicit donor stipulations or law. In the absence of donor stipulations or law to the contrary, losses on the investments of donor-restricted endowment funds are recognized as reductions of assets with donor restrictions.

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

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

The Foundation receives donated services consisting of audit and accounting services, Foundation personnel time and other operating support from the College without charge. These services are recorded for the approximate amount of the direct and indirect costs incurred in providing the services to the Foundation. These amounts are included in unrestricted contributions and expenses in the statements of activities.

Contributions: Contributions, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. An allowance for uncollectible pledges is recognized based on historical experience, as necessary.

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

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

Note 14. Component Unit (Continued)

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

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

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

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

Recent accounting pronouncements: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Foundation’s year ending June 30, 2023. The Foundation is currently evaluating the impact of the adoption of this standard on its financial statements.

Subsequent events: Management has evaluated subsequent events through November 9, 2022, the date the financial statements were available to be issued.

Availability and Liquidity

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

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

Note 14. Component Unit (Continued)

Cash and other financial assets available within one year at June 30, 2022 and 2021 are as follows:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	$ 5,691,296	$ 1,404,887
Pledges receivable	280,352	1,119,492
Investments	5,773,184	5,994,439
Financial assets at year-end	11,744,832	8,518,818
Less amounts not available to be used within one year:		
Investments not available for general expenditures	5,030,614	4,651,881
Pledges receivable due after one year	91,666	66,000
	5,122,280	4,717,881
Financial assets available to meet general expenditures within one year	$ 6,622,552	$ 3,800,937

Fair Value Measurements

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

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

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

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

Level 3: Unobservable inputs where the valuations are derived from other methodologies. There were no Level 3 investments as of June 30, 2022 or June 30, 2021.

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

Note 14. Component Unit (Continued)

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

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets at June 30, 2022:				
Multi-managed domestic equity	$ -	$ 1,449,982	$ -	$ 1,449,982
Multi-managed international equity	-	646,902	-	646,902
Multi-managed fixed income	-	3,174,250	-	3,174,250
Publicly traded domestic equity	417,877	-	-	417,877
Publicly traded fixed income	84,173	-	-	84,173
	$ 502,050	$ 5,271,134	$ -	$ 5,773,184
Assets at June 30, 2021:				
Multi-managed domestic equity	$ -	$ 1,942,786	$ -	$ 1,942,786
Multi-managed international equity	-	1,058,919	-	1,058,919
Multi-managed fixed income	-	2,639,817	-	2,639,817
Publicly traded domestic equity	352,917	-	-	352,917
	$ 352,917	$ 5,641,522	$ -	$ 5,994,439

Investments

The cost and fair value of the Foundation's investments at June 30, 2022 and 2021 are as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Temporarily uninvested cash	$ -	$ -	$ 13,990	$ 13,990
Multi-managed international equity	677,513	646,902	800,882	1,058,919
Publicly traded domestic fixed income	100,337	84,173	-	-
Multi-managed fixed income	3,671,300	3,174,250	2,639,013	2,639,817
Publicly traded domestic equity	426,264	417,877	321,282	338,927
Multi-managed domestic equity	1,561,305	1,449,982	1,483,657	1,942,786
	$ 6,436,719	$ 5,773,184	$ 5,258,824	$ 5,994,439

Investment return for the years ended June 30, 2022 and 2021, was as follows:

	2022	2021
(Loss) return on investments:		
Interest and dividends	$ 125,861	$ 90,487
Realized gain on sale of investments	366,160	395,476
Investment income	492,021	485,963
Unrealized (loss) gain on investments	(1,399,149)	516,068
Total (loss) return on investments	$ (907,128)	$ 1,002,031

Note 14. Component Unit (Continued)

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

Pledges Receivable

Pledges receivable consisted of the following at June 30, 2022 and 2021:

	2022	2021
Due in one year or less	$ 193,686	$ 1,059,492
Due between one and five years	91,666	66,000
Unconditional promises to give	285,352	1,125,492
Less: Allowance for uncollectibles	(5,000)	(6,000)
Total pledges receivable - net	$ 280,352	$ 1,119,492

Approximately 63% of pledges receivable were attributable to three donors at June 30, 2022. Collectability of the pledges is considered to be reasonably assured and there is no present value discount recorded as of June 30, 2022 or 2021. An allowance for uncollectible pledges of $5,000 and $6,000 was recognized for the years ended June 30, 2022 or 2021, respectively.

Restrictions on Net Assets

The Foundation reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, assets with donor restrictions are reclassified to assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

During fiscal years 2022 and 2021, $2,055,164 and $933,181, respectively, were released from net assets with donor restrictions and used for the following purposes:

	2022	2021
Scholarships for students of the College	$ 667,273	$ 537,563
Grants benefiting the College	1,387,891	328,692
Grants benefiting other organizations	-	66,926
	$ 2,055,164	$ 933,181

Note 14. Component Unit (Continued)

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

	2022	2021
Purpose restrictions:		
Scholarships for students of the College	$ 3,337,187	$ 3,393,060
Grants benefitting the College	4,971,375	2,093,464
	8,308,562	5,486,524
Perpetual in nature:		
Scholarships for students of the College	2,058,722	1,544,524
Grants benefitting the College	306,763	235,958
	2,365,485	1,780,482
Total assets with donor restrictions	$ 10,674,047	$ 7,267,006

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. There were no funds designated by the Board of Directors to function as endowments as of June 30, 2022 and 2021.

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

Interpretation of Relevant Law: The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Note 14. Component Unit (Continued)

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

	2022	2021
Net assets, beginning of year	$ 2,661,590	$ 2,160,701
Investment return:		
Interest income, net of fees	(276,131)	413,402
New gifts	580,836	145,426
Change in classification of donor restrictions	(4,042)	8,411
Appropriation for expenditure	(94,218)	(66,350)
Net assets, end of year	$ 2,868,035	$ 2,661,590

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

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

Donor-Restricted Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in eight donor-restricted endowment funds, which together have an original gift value of $384,794, a current fair value of $365,622 and a deficiency of $19,172 as of June 30, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds, and, if applicable, continued appropriation for certain programs that was deemed prudent by the Board of Directors. None of the Foundation’s endowment funds were underwater as of June 30, 2021.

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

Note 14. Component Unit (Continued)

Donated Goods and Services

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

i) Donated Services

As described in the *Nature of activities and significant accounting policies* section, the Foundation receives donated services and other operating support from the College. For the years ended June 30, 2022 and 2021, donated service revenue and related expenses with the College were approximately $646,472 and $777,667, respectively.

ii) Donated Securities

The Foundation received stock donations of $100,309 and $11,817 for the years ended June 30, 2022 and 2021, respectively.

iii) Other Noncash Donations

The Foundation receives various noncash donations, mostly equipment and supplies, from outside sources. These materials are then distributed to the College for use in its various programs. For the years ended June 30, 2022 and 2021, noncash donation revenue and related expenses were approximately $26,838 and $40,585, respectively. In 2021, the Foundation also received and distributed a noncash donation of approximately $66,926 that was restricted for use by an unrelated organization that has similar goals as the College.

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statement of activities included:

	2022	2021
Donations received and distributed per donor-imposed restrictions to the College:		
Vehicles	$ 20,838	$ 19,857
Equipment/supplies	6,000	20,728
Subtotal	26,838	40,585
Donations received and distributed per donor-imposed restrictions to an unrelated organization with similar goals as the College:		
Equipment	-	66,926
Total contributed nonfinancial assets	$ 26,838	$ 107,511

The Foundation recognized the above contributed nonfinancial assets within revenue and program expense. Contributed nonfinancial assets received had donor-imposed restrictions as noted above.

Vehicles are used in the College of Lake County's automotive repair program. The estimated fair value of the vehicles are valued by the donor using an online valuing tool for vehicle sales in the Chicago metropolitan area.

Equipment and supplies are used in the receiving organization's related programs. The estimated fair value of equipment and supplies are valued by the donor based on the estimates of values that would be received for selling similar products in the Chicago metropolitan area.

Required Supplementary Information

College of Lake County
Community College District No. 532

Required Supplementary Information

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

For the fiscal year ending*	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
College's proportionate amount of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate amount of the net pension liability associated with the College	467,028,287	502,516,432	474,426,856	435,486,283	409,201,081	396,192,850	358,337,760	345,012,299
Total	$ 467,028,287	$ 502,516,432	$474,426,856	$435,486,283	$ 409,201,081	$ 396,192,850	$ 358,337,760	$ 345,012,299
College's covered payroll	$ 62,476,394	$ 60,865,637	$ 59,713,364	$ 56,607,275	$ 56,720,116	$ 55,108,575	$ 54,907,365	$ 57,471,457
College's proportionate share of the net pension liability as a percentage of its covered payroll	747.53%	825.62%	794.51%	769.31%	721.44%	718.93%	652.62%	600.32%
Plan fiduciary net position as a percentage of the total pension liability	45.45%	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%

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

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

College of Lake County
Community College District No. 532

Required Supplementary Information

Schedule of College Contributions - SURS Pension Plan - GASB 68

For the fiscal year ending	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 106,871	$ 140,958	$ 135,983	$ 123,611	$ 121,959	$ 121,581	$ 144,948	$ 225,318	$ 204,318	$ 217,455
Contributions in relation to the contractually required contribution	(106,871)	(140,958)	(135,983)	(123,611)	(121,959)	(121,581)	(144,948)	(225,318)	(204,318)	(217,455)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 63,116,457	$ 62,476,394	$ 60,865,637	$ 59,713,364	$ 56,607,275	$ 56,720,116	$ 55,108,575	$ 54,907,365	$ 57,471,457	$ 57,415,228
Contributions as a percentage of covered payroll	0.17%	0.23%	0.22%	0.21%	0.22%	0.21%	0.26%	0.41%	0.36%	0.38%

College of Lake County
Community College District No. 532

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

For the fiscal year ending	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB liability					
Service cost	$ 234,970	$ 227,347	$ 130,195	$ 116,499	$ 124,271
Interest on total OPEB liability	384,819	398,034	612,131	670,353	638,090
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	523,526	-	(369,557)	-	-
Changes of assumptions or other inputs	(2,983,641)	103,052	917,286	576,324	(57,339)
Benefit payments	(934,875)	(911,821)	(911,821)	(1,197,673)	(1,201,999)
Net change in total OPEB liability	(2,775,201)	(183,388)	378,234	165,503	(496,977)
Total OPEB liability - beginning	18,283,133	18,466,521	18,088,287	17,922,784	18,419,761
Total OPEB liability - ending	$ 15,507,932	$ 18,283,133	$ 18,466,521	$ 18,088,287	$ 17,922,784
Covered-employee payroll	$ 29,114,271	$ 32,849,553	$ 32,048,345	$ 32,734,614	$ 33,547,455
Total OPEB liability as a percentage of covered-employee payroll	53.27%	55.66%	57.62%	55.26%	53.43%

Notes to Schedules

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

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

College of Lake County
Community College District No. 532

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

For the fiscal year ending*	2022	2021	2020	2019	2018	2017
Employer's proportion of the collective net OPEB liability	3.276063%	3.198706%	3.204598%	3.062167%	3.116623%	2.961604%
Employer's proportionate share of the collective net OPEB liability	$ 58,857,154	$ 58,304,848	$ 60,520,140	$ 57,729,548	$ 56,835,882	$ 53,899,845
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer	56,857,200	58,304,936	60,520,118	57,729,509	56,087,349	56,158,988
Total	$ 115,714,354	$ 116,609,784	$ 121,040,258	$ 115,459,057	$ 112,923,231	$ 110,058,833
Employee covered payroll	$ 60,883,808	$ 58,803,521	$ 57,714,148	$ 53,482,032	$ 54,077,972	$ 53,683,264
Collective net OPEB liability as a percentage of the employee covered payroll	96.7%	99.2%	104.9%	107.9%	105.1%	100.4%
Plan fiduciary net position as a percentage of the total pension liability	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%	n/a

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

Note to Schedule

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

College of Lake County
Community College District No. 532

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

For the fiscal year ending	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily-required contribution	$ 315,501	$ 304,605	$ 294,176	$ 287,661	$ 267,410	$ 270,390	$ 268,416	$ 263,511	$ 268,863	$ 263,828
Contributions in relation to the statutorily-required contribution	(315,501)	(304,605)	(294,176)	(287,661)	(267,410)	(270,390)	(268,416)	(263,511)	(268,863)	(263,828)
Contribution (excess) deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's employee covered payroll	$ 63,116,457	$ 60,883,808	$ 58,803,521	$ 57,714,148	$ 53,482,032	$ 54,077,972	$ 53,683,264	$ 52,702,160	$ 53,772,584	$ 52,765,600
Contributions as a percentage of employee covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Note 1. SURS Pension Plan

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

Changes of assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in February 2021, resulting in the adoption of the following new assumptions as of June 30, 2021:

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, with underlying wage inflation of 2.25%.
- Investment return. Decrease the investment return assumptions to 6.50%. This reflects maintaining an assumed real rate of return of 4.25% and decreasing the underlying assumed price inflation to 2.25%.
- Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50%.
- Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover rates. Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality rates. Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- Disability rates. Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan election. Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement Savings Plan (RSP) for academic members.

Note 2. Community College Health Insurance Plan

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Sponsor's Fiscal Year End	June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2021, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.25%
Salary Increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase incudes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018 actuarial valuation of SURS.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, and gradually decreases to and ultimate trend of 4.25%. There is no additional trend rate due to the repeal of the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Statistical Section Summary

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

Contents	**Tables**
Financial Trends These tables contain information to help the reader understand and assess how the College's financial position and operations have changed over time.	1 - 2
Revenue Capacity These tables contain information to help the reader understand and assess the College's most significant local revenue source, property taxes.	3 - 6
Debt Capacity These tables present information to help the reader understand and assess the College's debt burden and its ability to issue additional debt.	7 - 9
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	10 - 12
Operating Information These tables provide information about the College's operations and resources to assist the reader with understanding the College's economic condition.	13 - 15

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

Table 1

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Net Position by Component (Unaudited)

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	$ 140,151,562	$ 138,671,398	$ 137,105,005	$ 137,765,063	$ 133,659,285	$ 110,606,958	$ 93,242,840	$ 96,082,639	$ 94,812,636	$ 90,264,397
Restricted for:										
Debt service	1,807,787	1,825,264	1,798,466	1,766,833	1,742,884	1,699,027	1,663,859	1,639,557	1,477,210	1,357,332
Capital projects	11,411,449	11,475,632	10,989,529	401,660	218,533	198,883	1,469,753	12,548,437	7,493,234	1,631,704
Other	5,857,515	5,241,906	5,024,429	1,069,392	972,947	981,553	856,651	617,430	790,910	904,521
Unrestricted	7,305,406	7,272,318	11,698,622	19,576,504	21,285,812	92,318,940	98,938,193	79,048,204	72,184,158	73,118,295
Total net position	$ 166,533,719	$ 164,486,518	$ 166,616,051	$ 160,579,452	$ 157,879,461	$ 205,805,361	$ 196,171,296	$ 189,936,267	$ 176,758,148	$ 167,276,249

Source: College's Annual Financial Statements.

Table 2

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues:										
Student tuition and fees	$ 33,684,370	$ 34,479,843	$ 34,670,241	$ 32,575,340	$ 33,337,717	$ 33,337,854	$ 31,874,294	$ 31,146,347	$ 31,049,548	$ 32,039,591
Less scholarship allowances	(11,185,019)	(8,560,494)	(8,066,845)	(8,473,503)	(9,582,422)	(6,324,730)	(7,171,782)	(7,117,501)	(7,092,007)	(7,735,180)
Net student tuition and fees	22,499,351	25,919,349	26,603,396	24,101,837	23,755,295	27,013,124	24,702,512	24,028,846	23,957,541	24,304,411
Auxiliary enterprises	5,908,015	5,782,375	5,772,169	7,807,720	7,792,791	8,381,236	9,459,100	10,071,648	10,061,743	10,409,564
Other operations	740,966	764,708	1,393,709	790,868	1,106,003	1,531,002	1,051,736	1,087,468	1,472,404	1,482,587
Total operating revenues	29,148,332	32,466,432	33,769,274	32,700,425	32,654,089	36,925,362	35,213,348	35,187,962	35,491,688	36,196,562
Operating expenses:										
Education and general:										
Instruction	72,050,845	84,360,795	81,887,559	76,045,064	75,018,758	68,660,469	62,300,046	57,017,699	57,226,921	56,918,482
Academic support	5,740,326	6,125,172	6,532,572	6,489,262	6,769,502	6,294,811	6,235,402	5,732,988	5,051,720	5,377,091
Student services	13,582,986	18,157,529	16,516,333	14,231,942	13,532,836	12,132,575	10,710,983	10,615,904	10,302,808	9,977,245
Public service	13,722,734	11,426,304	9,490,378	7,077,855	7,662,649	6,803,924	8,774,300	10,657,857	12,527,397	13,578,437
Institutional support	35,802,514	34,163,698	34,314,871	30,299,698	31,349,783	26,829,298	28,289,814	27,282,833	26,795,577	25,889,885
Operations and maintenance of plant	15,244,438	15,552,767	14,470,925	15,525,058	12,445,257	10,918,085	10,755,620	10,981,649	10,849,289	10,175,688
Financial aid	24,408,627	12,944,144	9,339,131	6,038,694	5,969,760	5,003,653	4,856,633	5,741,816	7,246,038	6,325,221
Amortization	189,523	121,534	-	-	-	-	-	-	-	-
Depreciation	12,447,902	12,184,532	11,671,615	11,089,342	9,586,974	7,503,136	5,338,718	5,096,492	4,830,835	4,441,546
Loss on disposition of assets	-	-	-	-	-	423,435	-	-	-	-
Auxiliary enterprises	6,564,419	6,433,610	6,916,037	7,354,175	7,657,860	7,719,970	9,009,866	10,059,357	11,015,661	11,400,549
Total operating expenses	199,754,314	201,470,085	191,139,421	174,151,090	169,993,379	152,289,356	146,271,382	143,186,595	145,846,246	144,084,144
Operating loss	(170,605,982)	(169,003,653)	(157,370,147)	(141,450,665)	(137,339,290)	(115,363,994)	(111,058,034)	(107,998,633)	(110,354,558)	(107,887,582)
Nonoperating revenues (expenses):										
Local property taxes	75,709,663	73,718,780	72,033,390	70,188,736	68,268,042	66,976,264	66,153,206	64,961,915	63,591,948	62,139,690
Personal property replacement tax	3,822,023	1,767,670	1,268,697	1,173,320	1,054,387	1,280,857	1,159,689	1,266,744	1,177,861	1,164,330
State appropriations	53,349,286	70,820,292	67,561,737	56,831,307	61,287,667	44,951,735	34,646,252	37,894,602	34,341,721	34,600,754
Federal grants and contracts	39,186,877	19,122,053	18,536,382	12,425,833	13,006,462	11,361,992	13,867,176	16,509,843	19,782,912	20,173,020
Local grants and contracts	2,553,159	1,880,590	1,481,612	1,728,169	1,365,480	1,167,546	1,255,820	845,458	916,302	865,085
Investment income	(1,041,341)	374,978	2,933,132	3,349,198	866,590	534,166	407,757	326,129	238,692	126,529
Interest expense	(1,690,609)	(1,610,243)	(1,649,000)	(1,600,623)	(1,438,766)	(1,274,501)	(196,847)	(627,939)	(212,979)	(637,083)
Net nonoperating revenues	171,889,058	166,074,120	162,165,950	144,095,940	144,409,862	124,998,059	117,293,053	121,176,752	119,836,457	118,432,325
(Decrease) increase before capital contributions	1,283,076	(2,929,533)	4,795,803	2,645,275	7,070,572	9,634,065	6,235,019	13,178,119	9,481,899	10,544,743
State capital appropriations	-	800,000	-	-	-	-	-	-	-	-
Capital appropriations	764,125	-	362,295	54,716	13,592,627	-	-	-	-	685,416
(Decrease) increase in net position	$ 2,047,201	$ (2,129,533)	$ 5,158,098	$ 2,699,991	$ 20,663,199	$ 9,634,065	$ 6,235,019	$ 13,178,119	$ 9,481,899	$ 11,230,159

*GASB Statement No. 75 was implemented in 2018

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

Source: College's Annual Financial Statements.

Table 3

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

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

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Levy Year	Residential Property	Commercial Property	Industrial Property	Farm & Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2022	2021	$ 20,865,509,181	$ 4,087,915,767	$ 1,087,328,671	$ 181,624,291	$ 26,222,377,910	0.293	$ 78,667,133,730	33.33 %
2021	2020	20,581,699,143	4,090,385,245	1,040,264,295	177,196,556	25,889,545,239	0.290	77,668,635,717	33.33
2020	2019	20,587,233,421	4,127,785,289	1,038,989,785	173,381,722	25,927,390,217	0.282	77,782,170,651	33.33
2019	2018	20,165,580,283	3,914,091,856	1,015,593,123	178,673,420	25,273,938,682	0.282	75,821,816,046	33.33
2018	2017	19,732,823,101	3,816,875,479	990,872,787	170,685,275	24,711,256,642	0.281	74,133,769,926	33.33
2017	2016	18,858,676,470	3,660,173,211	962,532,649	165,258,554	23,646,640,884	0.285	70,939,922,652	33.33
2016	2015	17,691,329,830	3,474,770,039	920,970,005	154,174,058	22,241,243,932	0.299	66,723,731,796	33.33
2015	2014	16,965,816,311	3,447,636,200	918,230,490	149,873,143	21,481,556,144	0.306	64,444,668,432	33.33
2014	2013	17,214,391,095	3,481,459,284	938,486,166	146,943,115	21,781,279,660	0.296	65,343,838,980	33.33
2013	2012	18,472,931,866	3,625,601,381	974,610,494	145,725,403	23,218,869,144	0.272	69,656,607,432	33.33

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
College direct rates										
Bonds	$ 0.007	$ 0.007	$ 0.007	$ 0.007	$ 0.007	$ 0.007	$ 0.007	$ 0.008	$ 0.008	$ 0.008
Educational	0.223	0.222	0.215	0.216	0.214	0.218	0.229	0.234	0.226	0.207
Operation & maintenance	0.059	0.059	0.057	0.057	0.057	0.058	0.061	0.062	0.060	0.055
Tort judgement & liability insurance	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Total direct rate	$ 0.292	$ 0.290	$ 0.282	$ 0.282	$ 0.281	$ 0.285	$ 0.299	$ 0.306	$ 0.296	$ 0.272
Lake County rate	0.598	0.060	0.597	0.612	0.622	0.632	0.663	0.682	0.663	0.608
Lake County Forest Preserves rate	0.179	0.182	0.180	0.182	0.187	0.193	0.208	0.210	0.218	0.212
Elementary School rates	1.606 - 7.019	1.551 - 7.219	1.472 - 4.577	1.391 - 7.728	1.355 - 8.702	1.367 - 9.150	1.429 - 9.829	1.453 - 9.799	1.424 - 8.762	1.322-7.302
Unit School rates	4.685 - 7.012	4.544 - 7.013	4.396 - 7.058	4.395 - 8.790	4.372 - 9.08	4.437 - 9.598	4.468 - 10.430	4.697 - 10.380	4.607 - 9.418	4.292-10.136
High School rates	1.494 - 3.852	1.445 - 4.327	1.375 - 4.291	1.336 - 4.420	1.314 - 4.876	1.329 - 5.060	11.409 - 5.396	1.448 - 5.539	1.420 - 5.228	1.322-4.556
Township rates	0.037 - 0.301	0.094 - 4.490	0.015 - 4.587	0.035 - 0.808	0.034 - 0.421	0.034 - 0.465	0.037 - 0.508	0.039 - 0.533	0.027 - 0.490	0.025-0.434
Sanitary District rates	0.000 - 0.158	0.003 - 2.984	0.050 - 0.217	0.050 - 0.222	0.050 - 0.232	0.000 - 0.856	0.000 - 0.250	0.000 - 0.250	0.000 - 0.250	0.000-0.250
Park District rates	0.000 - 1.002	0.030 - 1.045	0.029 - 1.057	0.411 - 1.090	0.416 - 1.119	0.029 - 1.186	0.031 - 1.322	0.000 - 1.298	0.000 - 1.260	0.000-1.101
Library District rates	0.240 - 0.537	0.232 - 0.553	0.223 - 0.574	0.218 - 0.623	0.217 - 0.642	0.220 - 0.680	0.225 - 0.709	0.231 - 0.719	0.228 - 0.656	0.213-0.581
Fire District rates	0.150 - 0.976	0.144 - 1.039	0.140 - 1.057	0.144 - 1.111	0.093 - 1.475	0.116 - 1.207	0.123 - 1.296	0.128 - 1.294	0.126 - 1.093	0.071-0.988
City & Village rates	0.000 - 4.509	0.094 - 4.490	0.015 - 4.587	0.015 - 5.617	0.015 - 5.735	0.016 - 6.170	0.170 - 6.515	0.000 - 5.535	0.000 - 4.963	0.000-3.854
Special Service Area rates	0.000 - 10.158	0.129 - 1.806	0.158 - 6.210	0.057 - 10.526	0.012 - 2.487	0.102 - 7.384	0.104 - 8.276	0.032 - 8.080	0.015 - 8.235	0.033-7.933

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 Nine Years Ago

	Levy Year 2021			Levy Year 2012		
Taxpayer	**Taxable Assessed Value [a] [b]**	**Rank**	**Percentage of Total District Taxable Assessed Value [a]**	**Taxable Assessed Value [a] [b]**	**Rank**	**Percentage of Total District Taxable Assessed Value [a]**
Abbott Manufacturing, Inc.	$ 165,667,295	1	0.63 %	$ 171,321,515	1	0.74 %
Chicago Title Land Trust Co	105,404,174	2	0.40			-
Abbvie Inc	52,140,384	3	0.20			-
Gurnee Mills (The Mills Corp)	46,145,838	4	0.18	53,124,031	2	0.23
Chicago Title Land Trust Co.	41,192,315	5	0.16			-
Medline Industries, LP	33,637,051	6	0.13			-
TR Deerfield Office LLC	33,551,712	7	0.13			-
Discover Pr Property	30,169,893	8	0.12	44,227,614	3	0.19
Slk Global Solutions America	29,693,634	9	0.11			-
Horizon Properties Holding LLC	29,576,760	10	0.11			-
Walmart Stores Inc.	-		-	40,340,839	4	0.17
Midwest Family Housing LLC	-		-	38,782,222	5	0.17
Arden Realty Inc.	-		-	37,312,352	6	0.16
Van Vlissingen & Co.	-		-	34,969,708	7	0.15
Scott Dessing, Sr Mgr Taxation	-		-	32,552,216	8	0.14
JBC Funds Parkway North LLC	-		-	31,279,964	9	0.13
Baxter Healthcare Corp	-		-	29,577,543	10	0.13
	$ 567,179,056		2.16 %	$ 513,488,004		2.21 %

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

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

Source: Lake County Clerk's Office

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Levy Year	Taxes Levied for the Fiscal Year	Collected within the calendar year of the levy		Collections in Subsequent Years[a]	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2022	2021	$ 76,954,550	$ 35,561,919	46.21 %	$ -	$ 35,561,919	46.21 %
2021	2020	74,994,505	37,093,830	49.46	34,829,665	71,923,495	95.91
2020	2019	72,991,048	31,042,418	42.53	40,881,077	71,923,495	98.54
2019	2018	71,235,607	35,293,993	49.55	35,514,249	70,808,242	99.40
2018	2017	69,349,671	39,041,580	56.30	30,095,695	69,137,275	99.69
2017	2016	67,483,966	34,447,030	51.04	32,756,824	67,203,854	99.58
2016	2015	66,587,615	33,717,350	50.64	32,702,485	66,419,835	99.75
2015	2014	65,748,169	33,275,974	50.61	32,252,571	65,528,545	99.67
2014	2013	64,472,588	32,508,420	50.42	31,729,184	64,237,603	99.64
2013	2012	63,155,324	31,623,830	50.07	31,216,239	62,840,069	99.50

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

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

Source: Lake County Treasurer's Office

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years

Fiscal Year	General Obligation Limited Tax Funding Bonds	General Obligation Limited Tax Debt Certificates	Capital Appreciation Limited Tax Bonds	General Obligation Bonds - Alternate Revenue Source	Unamortized Premium	Discount on Capital Appreciation Bonds	Total Outstanding Debt	Percentage of Taxable Assessed Value of Property[a]	Per FTE Student Count[b]
2022	$ 85,690,000	$ -	$ -	$ -	$ 923,170	$ -	$ 86,613,170	0.293%	7,054
2021	42,955,000	9,000,000	-	-	187,499	-	52,142,499	0.290%	6,975
2020	48,815,000	-	-	-	342,605	-	49,157,605	0.282%	9,975
2019	54,445,000	-	-	-	549,072	-	54,994,072	0.282%	8,019
2018	59,860,000	-	-	-	804,874	-	60,664,874	0.281%	8,163
2017	63,765,000	305,000	-	-	1,341,415	-	65,411,415	0.285%	8,208
2016	68,660,000	605,000	-	-	1,725,715	-	70,990,715	0.299%	8,365
2015	73,420,000	900,000	-	-	2,148,846	-	76,468,846	0.306%	8,422
2014	77,990,000	1,185,000	-	-	2,544,400	-	81,719,400	0.296%	9,463
2013	20,535,000	1,470,000	-	-	593,202	-	22,598,202	0.272%	9,551

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

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

[b] See Table 10 for FTE Student Count.

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years

Fiscal year		Total Outstanding Debt		Less: Amounts Available in Debt Service Fund		Net General Bonded Debt		Population	Percentage of Taxable Assessed Value of Property[a]		Net Bonded Debt Per Capita
2022	$	86,613,170	$	1,807,787	$	84,811,235	*	711,239	0.293%	$	119.24
2021		52,142,499		1,825,264		50,317,235		714,342	0.290%		70.44
2020		49,157,605		1,798,466		47,359,139		696,535	0.282%		67.99
2019		54,994,072		1,766,833		53,227,239		705,456	0.282%		75.95
2018		60,664,874		1,742,886		58,921,988		703,520	0.281%		83.75
2017		65,411,415		1,699,029		63,712,386		703,047	0.285%		90.62
2016		70,990,715		1,663,861		69,326,854		703,910	0.299%		98.49
2015		76,468,846		1,639,556		74,829,290		705,186	0.306%		106.11
2014		81,719,400		1,477,210		80,242,190		703,019	0.296%		114.14
2013		22,598,202		1,357,333		21,240,869		702,120	0.272%		30.25

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

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

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Levy Year	Assessed Valuation	Bond Debt Limit*	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2022	2021	$ 26,222,377,910	$ 753,893,365	$ 86,613,170	$ 667,280,195	11.49%
2021	2020	25,889,545,239	744,324,426	52,142,499	692,181,927	7.01%
2020	2019	25,927,390,217	745,412,469	49,157,605	696,254,864	6.59%
2019	2018	25,273,938,682	726,625,737	54,994,072	671,631,665	7.57%
2018	2017	24,711,256,642	710,448,628	60,664,874	649,783,754	8.54%
2017	2016	23,646,640,884	679,840,925	65,411,415	614,429,510	9.62%
2016	2015	22,241,243,932	639,435,763	70,990,715	568,445,048	11.10%
2015	2014	21,481,556,144	617,594,739	76,468,846	541,125,893	12.38%
2014	2013	21,781,279,660	626,211,790	81,719,400	544,492,390	13.05%
2013	2012	23,218,869,144	667,542,488	22,598,202	644,944,286	3.39%

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

Table 10

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Student Enrollment Demographic Statistics (Unaudited)

Last Ten Fiscal Years

	Enrollment		Gender		Attendance		Enrollment Status				
Fall Term	**Headcount**	**FTE**	**Male**	**Female**	**Full-time**	**Part-time**	**New**	**Continuing**	**Returning**	**In-District Residency**	**Average Age**
2021	12,117	7,054	5,056	7,061	3,800	8,317	2,712	5,942	2,017	94%	27.0
2020	11,854	6,975	5,030	6,824	3,966	7,888	2,700	6,574	2,580	96%	26.1
2019	13,743	9,975	6,205	7,538	4,140	9,603	3,487	7,177	3,079	95%	27.5
2018	14,193	8,019	6,401	7,792	4,164	10,029	3,471	7,424	3,298	95%	27.7
2017	14,590	8,163	6,619	7,971	4,222	10,368	3,058	7,438	4,094	95%	27.6
2016	14,768	8,208	6,683	8,085	4,324	10,444	3,677	7,670	3,421	99%	27.5
2015	14,964	8,365	6,837	8,127	4,292	10,672	3,572	7,937	3,455	94%	27.5
2014	15,410	8,422	6,972	8,438	4,303	11,107	3,539	8,121	3,012	94%	27.8
2013	17,685	9,463	7,934	9,751	4,764	12,921	4,862	8,966	3,667	94%	28.7
2012	17,577	9,551	7,870	9,707	4,945	12,632	4,341	9,199	3,854	95%	28.7

Amounts are based on enrollment.

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Reimbursable Claimed Hours (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business	Technical	Health	Remedial	Adult Basic Secondary Education	Total
2022	142,673	8,014	18,031	12,772	6,980	13,550	202,020
2021	157,713	7,861	15,151	11,801	8,214	12,680	213,420
2020	157,377	8,878	19,981	14,002	12,697	20,562	233,495
2019	152,718	7,962	18,316	13,543	19,072	20,578	232,189
2018	153,874	8,406	19,903	13,951	21,309	23,627	241,070
2017	154,732	8,842	20,946	14,048	22,189	23,578	244,335
2016	155,020	9,321	21,730	14,870	23,108	23,410	247,458
2015	158,496	10,116	23,135	14,704	25,700	21,454	253,603
2014	165,651	12,265	25,892	15,790	26,523	22,480	268,600
2013	172,530	14,357	26,764	17,988	26,434	34,650	292,723

Amounts are based on midterm enrollment.

Table 12

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Principal Employers (Unaudited)

Current Year and Nine Years Ago

	2022			2013		
Employer	**Employees[(a)]**	**Rank**	**Percentage of Total County Employees[(a)]**	**Employees[(a)]**	**Rank**	**Percentage of Total County Employees[(a)]**
Abbvie Inc	15,000	1	3.97%	12,284	2	3.39%
Abbott Laboratories	6,000	2	1.59%			
Alight/Aon Hewitt Associates	4,000	3	1.06%			
Walgreens Boots Alliance Inc	3,000	4	0.79%			
Discover Financial Services	2,976	5	0.79%	3,500	5	0.97%
W.W. Grainger	2,549	6	0.68%			
Advocate Health Care	2,333	7	0.62%			
Visual Pak	2,000	8	0.53%			
Baxter International	1,900	9	0.50%			
CDW Corp	1,800	10	0.48%			
Solo Cup Company	-		-	14,400	1	3.97%
Kemper Insurance	-		-	5,300	3	1.46%
Mosaic Global Operations, Inc.	-		-	5,017	4	1.38%
Phosphate Resouce Partners Limited	-		-	2,972	6	0.82%
Dayton Electric Mfg Co	-		-	2,337	7	0.64%
Mondelez International, Inc.	-		-	2,000	8	0.55%
Rexam CP Inc.	-		-	2,000	9	0.55%
Baxter Healthcare Corp	-		-	1,500	10	0.41%
	41,558		11.01%	51,310		14.16%

(a) Civilian only.

Source: Lake County Partners

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Operating Information and Employees (Unaudited)

Last Ten Fiscal Years

Year founded:	1969
Accreditation:	
Higher Learning Commission (HLC)	1974, 1979, 1985, 1986, 1996 (every 10 years)
HLC-Academic Quality Improvement Program	2017 Reaffirmation of Accreditation
Population in District 2019 estimate (note 1):	696,535
Percentage change from 2017 census estimate	0.61%
Employment in District (note 2):	
Labor force, civilian (June 2019)	362,760
Unemployment rate (June 2019)	9.2%

Communities in District (note 3):

Antioch	Fox River Grove	Island Lake	Lincolnshire	Port Barrington	Volo
Bannockburn	Grayslake	Kildeer	Lindenhurst	Riverwoods	Wadsworth
Barrington	Green Oaks	Lake Barrington	Long Grove	Round Lake	Wauconda
Barrington Hills	Gurnee	Lake Bluff	Mettawa	Round Lake Beach	Waukegan
Beach Park	Hainesville	Lake Forest	Mundelein	Round Lake Heights	Wheeling
Buffalo Grove	Hawthorn Woods	Lake Villa	North Barrington	Round Lake Park	Winthrop Harb
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	

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Enrollment (Fall Semester, based on 10th day enrollment) (note 4):										
Total headcount	12,117	11,854	13,743	14,194	14,590	14,768	14,964	15,410	17,685	17,577
Percent change	2.20%	-13.75%	-3.18%	-2.71%	-1.21%	-1.31%	-2.89%	-12.86%	0.61%	1.08%
Total student semester hours	105,840	104,682	117,740	120,288	122,477	123,131	125,468	126,344	141,940	143,283
Total FTE semester hours	7,056	6,979	7,849	8,019	8,165	8,209	8,365	8,423	9,463	9,552
Percent change	1.10%	-11.08%	-2.12%	-1.79%	-0.54%	-1.86%	-0.69%	-10.99%	-0.93%	0.57%
Total seats taken	32,264	31,398	34,988	35,389	36,071	36,178	38,874	37,064	44,709	45,014
Percent change	2.80%	-10.26%	-1.13%	-1.89%	-0.30%	-6.94%	4.88%	-17.10%	-0.68%	0.66%
Degrees and certificates awarded (note 5):										
A.A., A.S., and A.E.S.	1,190	969	1045	1030	1084	1105	1042	975	995	1,254
A.A.S.	394	279	370	380	380	350	433	408	391	533
A.F.A./A.P.	3	2	1	5	0	4	1	4	4	6
Certificates	1,663	1773	1727	1605	1721	1561	1900	2337	2,210	4,467
Total, degrees/certificates	3,250	3023	3143	3020	3185	3020	3376	3724	3,600	6,260
College Workforce (Fall semester) (note 6):										
Faculty/academic support	886	828	927	878	872	841	866	807	951	1,014
Administrators	65	65	61	59	56	51	58	60	60	67
Prof./Tech.	298	295	279	250	241	244	238	251	247	260
Clerical	125	124	128	99	135	145	144	138	150	174
Maintenance and others	87	106	111	119	114	115	118	124	127	131
% Women*	75%	59%	60%	60%	60%	61%	60%	61%	61%	63%
% Minorities*	21%	36%	33%	31%	31%	29%	29%	30%	28%	32%

* Excludes part-time faculty

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

Notes:
1. From Lake County Quick Facts, US Census Bureau 2021 estimate.
2. From Local Area Unemployment Statistics (Lake County, IL), IDES, Not Seasonally Adjusted.
3. From Lake County Planning, Building and Development website.
4. From College of Lake County Institutional Effectiveness, Research and Planning, Fact Files.
5. From College of Lake County Office of Institutional Effectiveness, Research and Planning, Graduate Extract Files. In FY13, auto-awarding was started; the number of graduates for FY13 will be much higher than prior years as a result.
6. From Illinois Community College Board CI (Faculty, Staff, and Salary) Datafile.

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Capital Asset Statistics by Facility (Unaudited)

Last Ten Fiscal Years

	Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Grayslake Campus-purchased 1968										
Size of campus (acres)[(a)]	270.7	270.7	270.7	270.7	270.7	270.7	270.7	270.7	270.0	223.4
Gross square footage[(b)]	854,432	854,432	854,432	854,432	854,432	812,432	790,702	789,082	789,082	789,082
Square footage rented [(c)]	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	20,000	20,000
Number of classrooms [(h)]	100	100	100	100	100	100	100	100	97	97
Number of laboratories [(h)]	107	107	107	107	107	99	99	99	94	94
Lakeshore Campus-purchased 1979/1995										
Size of campus (acres)[(f)]	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	1.7	1.4
Gross square footage[(g)]	76,153	76,153	76,153	76,153	76,153	71,599	71,599	71,599	71,599	71,599
Number of classrooms [(h)]	13	13	13	13	13	13	13	13	14	14
Number of laboratories [(h)]	18	18	18	18	18	18	18	18	7	7
Southlake Center-purchased 1997										
Size of campus (acres)[(d)]	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Gross square footage[(i)]	68,803	68,803	68,803	68,803	68,803	68,803	66,269	66,269	66,269	66,269
Number of classrooms [(h)]	16	16	16	16	16	16	16	16	20	20
Number of laboratories [(h)]	13	13	13	13	13	13	12	12	8	8
1 North Genesse-purchased 2002[(e)]										
Size of campus (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gross square footage	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660	38,660
Square footage rented [(c)]	19,330	19,330	19,330	19,330	19,330	19,330	19,330	19,330	19,330	19,330
Number of classrooms available	11	11	11	11	11	11	11	11	11	11
Number of laboratories available	1	1	1	1	1	1	1	1	1	1
Advanced Technology Center -purchased 2020										
Size of campus (acres)[(j)]	14.31	14.31								
Gross square footage	142,000	142,000								
Square footage rented	-	-								
Number of classrooms available	-	-								
Number of laboratories available	-	-								

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

Source: College of Lake County Facilities Department

Table 15

College of Lake County
Community College District No. 532

Certification of Chargeback Reimbursement
Fiscal Year 2022
Year Ended June 30, 2022

All fiscal year 2022 noncapital audited operating expenditures from the following funds:

1.	Education Fund	$ 89,913,782
2.	Operations and Maintenance Fund	10,789,119
3.	Operations and Maintenance Fund (Restricted)	19,849,910
4.	Bond and Interest Fund	12,075,840
5.	Public Building Commission Rental Fund	
6.	Restricted Purposes Fund	47,190,874
7.	Audit Fund	173,307
8.	Liability, Protection, and Settlement Fund	488,348
9.	Auxiliary Enterprise Fund (Subsidy Only)	7,404,659
10.	Total noncapital audited expenditures	187,885,840
11.	Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds	10,994,529
12.	Total costs included	198,880,369
13.	Total certified semester credit hours for FY 2022	202,020
14.	Per capita cost	984
15.	All FY 2020 state and federal operating grants for noncapital expenditures, except ICCB grants	47,662,401
16.	98 state and federal grants per semester credit hour	236
17.	Less each district's average ICCB grant rate for fiscal year 2020	36
18.	Less each district's student tuition per semester credit hour for fiscal year 2022	144
19.	Equals charge-back reimbursement per semester credit hour	$ 569

Approved: Kevin Appleton 2/9/23
Vice President of Business Services and Finance/CFO Date

Approved: Lori Suddick 2·9·23
President Date

College of Lake County
Community College District No. 532

All Funds Summary
Uniform Financial Statement Number 1
Year Ended June 30, 2022

	Education Fund	O & M Fund	O & M Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Agency Fund	Audit Fund	Liability Protection and Settlement Funds	Insurance Reserve Fund	Total
Fund balance (deficit)												
at June 30, 2021	$ 35,908,207	$ 5,417,144	$ 44,865,800	$ 1,825,264	$ 864,901	$ 3,081,851	$ 17,568,215	$ 1,131,512	$ 24,995	$ 3,791	$ 1,242,281	$ 111,933,961
Revenues:												
Local tax revenue	57,944,809	15,354,052	-	1,907,595	-	-	-	-	-	503,208	-	75,709,664
All other local revenue	3,822,023	-	-	-	-	453,149	(487,066)	-	-	-	-	3,788,106
ICCB grants	9,357,516	-	-	-	-	2,310,447	-	-	-	-	-	11,667,963
All other state revenue	-	-	-	-	-	3,798,260	-	-	-	-	-	3,798,260
Federal revenue	-	-	-	-	-	39,186,877	-	-	-	-	-	39,186,877
Student tuition and fees	29,929,368	-	2,614,369	-	-	1,709,540	-	736,869	-	-	-	34,990,146
All other revenue	(21,073)	279,265	1,707,171	-	7,575,424	1,979,836	-	-	-	-	(33,558)	11,487,065
Total revenues	101,032,643	15,633,317	4,321,540	1,907,595	7,575,424	49,438,109	(487,066)	736,869	-	503,208	(33,558)	180,628,081
Expenditures:												
Instruction	43,445,665	-	-	-	-	-	-	-	-	-	-	43,445,665
Academic support	3,667,146	-	-	-	-	123,644	-	-	-	-	-	3,790,790
Student services	9,268,764	-	-	-	-	-	-	721,555	-	-	-	9,990,319
Public service	1,488,936	-	-	-	2,933,729	12,512,719	-	-	-	-	-	16,935,384
Auxiliary services	-	-	-	-	4,697,846	-	-	-	-	-	-	4,697,846
Operations and maintenance	2,353,983	8,271,340	-	-	-	-	-	-	-	-	-	10,625,323
Institutional support	29,873,475	2,849,812	43,232,581	12,075,840	-	-	-	-	173,307	488,348	-	88,693,363
Scholarships and student grants	330,560	-	4,000	-	156,518	36,041,223	-	-	-	-	-	36,532,301
Total expenditures	90,428,529	11,121,152	43,236,581	12,075,840	7,788,093	48,677,586	-	721,555	173,307	488,348	-	214,710,991
Other financing sources (uses):												
Debt proceeds	-	-	48,686,881	10,144,916	-	-	-	-	-	-	-	58,831,797
Net transfers	(7,790,357)	(4,792,151)	12,201,182	-	-	-	-	-	180,000	201,326	-	-
Total other financing sources (uses)	(7,790,357)	(4,792,151)	60,888,063	10,144,916	-	-	-	-	180,000	201,326	-	58,831,797
Fund balance (deficit)												
at June 30, 2022	$ 38,721,964	$ 5,137,158	$ 66,838,822	$ 1,801,935	$ 652,232	$ 3,842,374	$ 17,081,149	$ 1,146,826	$ 31,688	$ 219,977	$ 1,208,723	$ 136,682,848

College of Lake County
Community College District No. 532
Reconciliation of the Uniform Financial Statement Number 1
to the Statement of Net Position
June 30, 2022

Total fund balances - Uniform Financial Statement Number 1	$ 136,682,848
Amounts reported in the basic financial statements for net position are different because:	
Capital assets used in College activities are not current financial resources and therefore are not reported in the uniform financial statements.	202,350,998
Leased asset receivables less related deferred inflows are not current financial resources and therefore are not reported in the uniform financial statements	46,527
Pension contributions made after the actuarial measurement date are considered expenditures in the uniform financial statements but are deferred outflows of resources in the basic financial statements.	106,871
OPEB contributions made after the actuarial measurement date are considered expenditures in the uniform financial statements but are deferred outflows of resources in the basic financial statements.	315,501
Unamortized refunding cost is considered a deferred outflow of resources in the basic financial statements; however, they are not recorded in the uniform financial statements.	759,814
Changes in assumptions, experiences and other calculations are reported as deferred outflows/inflows in the basic financial statements; however, they are not recorded in the uniform financial statements.	(13,412,871)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in uniform financial statements:	
These liabilities consist of:	
General obligation bonds	(86,613,170)
Post-employment benefits	(72,365,085)
Lease obligations	(697,714)
Unearned rent	(640,000)
Net position - Statement of Net Position	$ 166,533,719

College of Lake County
Community College District No. 532
Reconciliation of the Uniform Financial Statement Number 1
to the Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Net change in fund balances—Uniform Financial Statement Number 1		$ 24,748,887
Amounts reported for the general purpose Statement of Revenues, Expenses, and Changes in Net Position are different because:		
The uniform financial statements report capital outlays as expenditures paid while the basic financial statements report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	24,322,699	
Depreciation expense	(12,447,902)	
		11,874,797
Net book value of disposal of capital assets are not reported in the uniform financial statements.		(196,670)
Contributions to pension funds are recognized as expenditures when paid to the pension fund on the uniform financial statements. These expenditures are recorded on the basic financial statements based on the annual service cost, corresponding with the most recent actuarial valuation year. This is the difference between these amounts.		(34,087)
Contributions to the OPEB plan are recognized as expenditures when paid to the plan on the uniform financial statements. These expenditures are recorded on the basic financial statements based on the annual service cost, corresponding with the most recent actuarial valuation year. This is the difference between these amounts.		10,896
Amounts recorded as adjustments to revenue and expense related to lessor transactions are not reported in the uniform financial statements		46,527
Amounts recorded as adjustments to revenue and expense related to lessee transactions are not reported in the uniform financial statements		(15,168)
Some revenue and expenses reported in the uniform financial statements are the use of current financial resources to reduce long term liabilities reported on the basic financial statements. These activities consist of:		
Bonds payable, including amortization of bond premiums		24,361,125
Proceeds from general obligation bonds, including premiums received		(58,831,797)
Amortization of loss of refunding		(63,756)
Post-employment benefits		126,447
Unearned rent		20,000
Increase in net position - Statement of Revenues, Expenses, and Changes in Net Position		$ 2,047,201

College of Lake County
Community College District No. 532

Summary of Capital Assets and Debt
Uniform Financial Statement Number 2
Year Ended June 30, 2022

	Capital Asset/ Debt Account Groups June 30, 2021	Additions	Deletions	Capital Asset/ Debt Account Groups June 30, 2022
Fixed assets:				
Sites and improvements	$ 28,152,321	$ -	$ (196,671)	$ 27,955,650
Buildings, additions, and improvements	235,767,723	2,164,636	-	237,932,359
Leased assets	490,797	502,805	-	993,602
Capitalized collections	1,219,819	-	-	1,219,819
Construction work in progress	3,286,082	17,083,725	(157,369)	20,212,438
Equipment, furniture, and machinery	52,030,512	5,231,707	(215,152)	57,047,067
Fixed assets	320,947,254	24,982,873	(569,192)	345,360,935
Accumulated depreciation	(130,587,664)	(12,637,425)	215,152	(143,009,937)
Net fixed assets	$ 190,359,590	$ 12,345,448	$ (354,040)	$ 202,350,998
Fixed debt:				
Bonds payable	$ 42,955,000	$ 57,580,000	$ (14,845,000)	$ 85,690,000
Debt certificates	9,000,000	-	(9,000,000)	-
Total fixed liabilities	$ 51,955,000	$ 57,580,000	$ (23,845,000)	$ 85,690,000

The College has no tax anticipation warrants or notes outstanding at June 30, 2022.

Schedule 3

College of Lake County
Community College District No. 532

Operating Funds Revenues and Expenditures
Uniform Financial Statement Number 3
Year Ended June 30, 2022

	Education Fund	O&M Fund	Total Operating
Operating revenues by source:			
Local government:			
Current taxes	$ 57,944,809	$ 15,354,052	$ 73,298,861
CPPRT	3,822,023	-	3,822,023
Total local government	61,766,832	15,354,052	77,120,884
State government:			
ICCB credit hour grants	8,781,945	-	8,781,945
Vocational education and other	575,571	-	575,571
Total state government	9,357,516	-	9,357,516
Student tuition and fees:			
Tuition and fees	29,929,368	-	29,929,368
Total student tuition and fees	29,929,368	-	29,929,368
Other sources:			
Investment revenue	(165,188)	-	(165,188)
Other	144,115	279,265	423,380
Transfers	-	-	-
Total other sources	(21,073)	279,265	258,192
Total revenue	101,032,643	15,633,317	116,665,960
Less nonoperating items*:			
Tuition charge-back revenue	-	-	-
Transfers from nonoperating funds	-	-	-
Adjusted revenue	$ 101,032,643	$ 15,633,317	$ 116,665,960

College of Lake County
Community College District No. 532

Operating Funds Revenues and Expenditures
Uniform Financial Statement Number 3 (Continued)
Year Ended June 30, 2022

	Education Fund	O&M Fund	Total Operating
Operating expenditures:			
Instruction	$ 43,445,665	$ -	$ 43,445,665
Academic support	3,667,146	-	3,667,146
Student services	9,268,764	-	9,268,764
Public service	1,488,936	-	1,488,936
Operations and maintenance	2,353,983	8,271,340	10,625,323
Institutional support	29,873,475	2,849,812	32,723,287
Scholarships and student grants	330,560	-	330,560
Transfers	7,790,357	4,792,151	12,582,508
Total operating expenditures by program	98,218,886	15,913,303	114,132,189
Less nonoperating items*:			
Tuition charge-back	-	-	-
Transfers to nonoperating funds	7,790,357	4,792,151	12,582,508
Adjusted expenditures	$ 90,428,529	$ 11,121,152	$ 101,549,681
By object:			
Salaries	$ 66,259,376	$ 4,025,639	$ 70,285,015
Employee benefits	11,787,593	1,346,485	13,134,078
Contractual services	5,095,167	1,029,832	6,124,999
General materials and supplies	2,717,982	358,748	3,076,730
Conference and meetings	501,785	8,754	510,539
Fixed charges	1,232,935	1,011,254	2,244,189
Utilities	51,456	3,019,114	3,070,570
Capital outlay	514,747	359,100	873,847
Other	2,267,488	(37,774)	2,229,714
Transfers	7,790,357	4,792,151	12,582,508
Total operating expenditures by object	98,218,886	15,913,303	114,132,189
Less nonoperating items*:			
Transfers to nonoperating funds	7,790,357	4,792,151	12,582,508
Adjusted expenditures	$ 90,428,529	$ 11,121,152	$ 101,549,681

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

Schedule 4

College of Lake County
Community College District No. 532

Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement Number 4
Year Ended June 30, 2022

	Restricted Purposes Fund
Revenue by source:	
Local government:	
Other local government	$ 453,149
Total local government	453,149
State government:	
ICCB – State Adult Education Grant	467,069
ICCB – State Basic and Performance Revenue Grant	903,837
ICCB – Preschool for All	939,541
Other	3,798,260
Total state government	6,108,707
Federal government:	
U.S. Department of Education	38,698,691
Other	488,186
Total federal government	39,186,877
Student tuition and fees:	
Tuition and fees	1,709,540
Other sources:	
Other	1,979,836
Total other sources	1,979,836
Total restricted purposes fund revenues	$ 49,438,109

College of Lake County
Community College District No. 532

Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement Number 4 (Continued)
Year Ended June 30, 2022

	Restricted Purposes Fund
Restricted purposes fund expenditures, by program:	
Public services	$ 12,512,719
Academic support	123,644
Scholarships and student grants	36,041,223
Total restricted purposes fund expenditures, by program	$ 48,677,586
Restricted purposes fund expenditures, by object:	
Salaries	$ 6,155,887
Employee benefits	439,971
Contractual services	1,036,764
General materials and supplies	1,049,361
Travel and conference/meetings	38,267
Fixed charges	116
Utilities	158,172
Capital outlay	1,486,712
Other	38,312,336
Total restricted purposes fund expenditures, by object	$ 48,677,586

College of Lake County
Community College District No. 532

Current Funds* – Expenditures by Activity
Uniform Financial Statement Number 5
Year Ended June 30, 2022

Instruction:	
Instructional programs	$ 43,445,665
Academic support:	
Library center	1,921,327
Academic computing support	30,711
Other	1,838,752
Total academic support	3,790,790
Student services:	
Admission and records	824,264
Counseling and career services	3,091,659
Financial aid administration	883,838
Other	4,469,003
Total student services	9,268,764
Public service:	
Community education	13,669,526
Customized training (instructional)	1,957,385
Community services	530,453
Other	778,020
Total public services	16,935,384
Auxiliary services	4,697,846
Operations and maintenance:	
Maintenance	1,714,094
Custodial services	2,209,878
Grounds	650,143
Campus security	2,082,035
Transportation	80,992
Utilities	2,822,317
Administration	904,690
Other	161,174
Total operations and maintenance	$ 10,625,323

Schedule 5

College of Lake County
Community College District No. 532

Current Funds* – Expenditures by Activity
Uniform Financial Statement Number 5 (Continued)
Year Ended June 30, 2022

Institutional support:	
Executive management	$ 1,461,460
Fiscal operations	1,122,611
Community relations	2,516,749
Administrative support	2,384,027
Board of trustees	328,090
General institutional	17,971,513
Institutional research	675,727
Administrative data processing	6,924,765
Total institutional support	33,384,942
Scholarships, student grants, and waivers	36,528,301
Total current funds expenditures	$ 158,677,015

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

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

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

Opinions
We have audited the accompanying financial statements of the State Adult Education Grants (State Basic and State Performance) (the Grant Programs) of the College of Lake County, Community College District No. 532 (the College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Grant Programs, as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibilities under those standards and guidelines are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter
As discussed in Note 1, the grant program financial statements present only the Grant Programs referred to above and do not purport to, and do not, present fairly the financial position of the College as of June 30, 2022, or the changes in financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the guidelines of the Illinois Community College Board’s *Fiscal Management Manual* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the guidelines of the Illinois Community College Board’s *Fiscal Management Manual,* we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the grant program financial statements of the College. The ICCB Compliance Statement on page 103 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. Such information has been subjected to the auditing procedures applied in the audit of the grant program financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant program financial statements or to the grant program financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement is fairly stated, in all material respects, in relation to the grant program financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
February 9, 2023

RSM US LLP

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

Independent Auditor's Report

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

We have audited, in accordance with the 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*, the financial statements of the State Adult Education Grants (State Basic and State Performance) (the Grant Programs) of the College of Lake County, Community College District No. 532 (the College) as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated February 9, 2023.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the grant program financial statements, we considered the College's internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the College's Grant Programs financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Chicago, Illinois
February 9, 2023

College of Lake County
Community College District No. 532

State Adult Education
Statement of Net Position
June 30, 2022

	State Basic	State Performance
Assets		
Cash	$ 17,955	$ 3,000
Liabilities and Net Position		
Liabilities		
Due to ICCB	$ 17,955	$ 3,000
Total liabilities	17,955	3,000
Net position	-	-
Total liabilities and net position	$ 17,955	$ 3,000

See accompanying notes to financial statements.

College of Lake County
Community College District No. 532

State Adult Education
Statement of Revenues, Expenses, and
Changes in Net Position
Year Ended June 30, 2022

	State Basic	State Performance
Revenues:		
State sources	$ 623,333	$ 280,505
Expenses – by program:		
Instructional and student services:		
Instruction	419,875	63,536
Guidance services	38,919	13,558
Assessment and testing	48,288	101,354
Literacy services	-	22,439
Total instructional and student services	507,082	200,887
Program support:		
Workforce coordination	15,219	79,618
Data and information services	101,032	-
Total program support	116,251	79,618
Total expenses	623,333	280,505
Excess of Expenses over Revenues	-	-
Net Position at July 1, 2021	-	-
Net Position at June 30, 2022	$ -	$ -

See accompanying notes to financial statements.

College of Lake County
Community College District No. 532

State Adult Education
ICCB Compliance Statement
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2022

State Basic	Actual expenditure amount	Actual expenditure percentage
Instruction (45% minimum required)	$419,875	67%
Program Support (15% maximum allowed)	$116,251	19%
State Performance	Actual expenditure amount	Actual expenditure percentage
Instruction (No minimum required)	$63,536	23%
Program Support (No maximum allowed)	$79,618	28%

Note 1. Summary of Significant Accounting Policies

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

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

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

Due to ICCB: A payable is recorded for the funds to be returned to the ICCB at June 30, 2022 for grant funds not utilized.

Note2. Background Information on Grant Activity

Restricted Grants

Restricted Adult Education Grant/State

1. State Basic – Grants awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and older or persons under the age of 21 and not otherwise in attendance in public schools for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Educational Developmental Review classes. Included in this grant are funds for support services, such as student transportation and child-care facilities or provisions.

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

RSM

RSM US LLP

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

To 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 Are Filed (the Schedule) of College of Lake County, Community College District No. 532 (the College) for the year ended June 30, 2022. The College's management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual.* Our responsibility is to express an opinion on the Schedule based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule is presented in accordance with the provisions of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects.

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

RSM US LLP

Chicago, Illinois
February 9, 2023

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, 2022

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	21999	0	62268.0	0	58406	0	142,673.0	—
Business occupational	970	8	2764.5	24	4247.5	0	7,982.0	32.0
Technical occupational	1617	0	7443.5	0	8970	0	18,030.5	—
Health occupational	1954	0	4750.5	0	6067	0	12,771.5	—
Remedial development	804	0	3696.0	0	2480	0	6,980.0	—
Adult basic education/secondary education secondary education	966.25	542.5	4530.3	1571	2741.25	3199	8,237.8	5,312.5
Total	28,310.3	550.5	85,452.8	1,595.0	82,911.8	3,199.0	196,674.8	5,344.5

	Attending in-district	Attending out-of-district on chargeback or contractual agreement	Total
Semester credit hours (all terms)	194,231.45	698.5	194,929.95
	Dual Credit	**Dual Enrollment**	**Total**
Reimbursable semester credit hours (all terms)	10,089.0	1,090.0	11,179.0

District 2021 equalized assessed valuation $ 26,222,377,910

Lori Suddick
President

Kevin Appleton
Vice President for Business Services and Finance/CFO

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

COLLEGE OF LAKE COUNTY
COMMUNITY COLLEGE DISTRICT NO. 532

Schedule of Enrollment Data and Other
Bases Upon Which Claims were Filed
Year ended June 30, 2022

Reconciliation of Total Semester Credit Hours

	Total unrestricted credit hours	**Total unrestricted credit hours certified to the ICCB**	**Difference**	**Total restricted credit hours**	**Total restricted credit hours certified to the ICCB**	**Difference**
Baccalaureate	142,673.0	142,673.0	—	—	—	—
Business occupational	7,982.0	7,982.0	—	32.0	32.0	—
Technical occupational	18,030.5	18,030.5	—	—	—	—
Health occupational	12,771.5	12,771.5	—	—	—	—
Remedial development	6,980.0	6,980.0	—	—	—	—
Adult basic education/ adult secondary	8,237.8	8,237.8	—	5,312.5	5,312.5	—
Total	196,674.8	196,674.8	—	5,344.5	5,344.5	—

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

	Total attending	**Total attending as certified to the ICCB**	**Difference**
Reimbursable in-district residents	194,231.5	194,231.5	—
Reimbursable out-of-district on charge-back or contractual agreement	698.5	698.5	—
Total	194,930.0	194,930.0	—

	Total reimbursable	**Total reimbursable certified to ICCB**	**Difference**
Dual Credit	10,089.0	10,089.0	—
Dual Enrollment	1,090.0	1,090.0	—
Total	11,179.0	11,179.0	—

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

College Lake County

Community College District No. 532

Grayslake Campus
19351 West Washington Street, Grayslake, Illinois 60030

Lakeshore Campus
33 North Genesee Street, Waukegan, Illinois 60085

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

Advanced Technology Center
7735 W Grand Ave, Gurnee, IL 60031

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