

An abstract geometric graphic composed of several overlapping, semi-transparent, light gray polyhedral shapes. The shapes are arranged to create a sense of depth and movement, with some appearing to be stacked or layered. The overall effect is a modern, architectural design element that occupies the lower-left portion of the page.

Lewis & Clark Community College

Godfrey, Illinois

Annual Financial Report

For the Year Ended June 30, 2022

Lewis & Clark Community College District 536

Year Ended June 30, 2022

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Lewis & Clark Community College District 536

Year Ended June 30, 2022

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FINANCIAL SECTION

Independent Auditor's Report

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Lewis & Clark Community College District 536 (the "College"), as of and for the year ended June 30, 2022, 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, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Lewis & Clark Community College District 536 as of June 30, 2022, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Lewis & Clark Community College Foundation, a discretely presented nonprofit component unit of the College, which represent 100% of the assets and revenues of the discretely presented component unit as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lewis & Clark Community College Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The financial statements of Lewis & Clark Community College Foundation were not audited in accordance with *Government Auditing Standards*. 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 Lewis & Clark Community College District 536 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 (GAAP), 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 Lewis & Clark Community College District 536'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 Responsibility 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Lewis & Clark Community College District 536'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 Lewis & Clark Community College District 536'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 a management's discussion and analysis, schedule of share of net pension liability, schedule of pension contributions, schedule of share of net OPEB liability, and schedule of OPEB contributions, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplemental financial information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic 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 8, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP



Sterling, Illinois
February 8, 2023

Lewis & Clark Community College

Management's Discussion and Analysis

This section of Lewis & Clark Community College District 536's (the "College") Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2022. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter,

Using This Annual Report

The financial statement format focuses on the College as a whole. The College financial statements are 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. These statements combine and consolidate 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 students and the public.

The College's financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the College as a whole. The financial statements presented here encompass the College and its discretely presented component unit, the Lewis & Clark Community College Foundation. Information regarding this component unit is summarized in Note 13 to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

Lewis & Clark Community College

Management's Discussion and Analysis

Financial Analysis of the College as a Whole

The College's financial position is summarized as follows:

	Net Position As of June 30 (in millions)		Increase (Decrease) 2022-2021
	2022	2021*	
Current assets	\$88.4	\$68.5	\$19.9
Non-current assets			
Capital assets, net of depreciation	131.1	135.7	(4.6)
Other	24.3	28.1	(3.8)
Total assets	243.8	232.3	11.5
Total deferred outflows of resources	2.1	1.4	0.7
Total assets and deferred outflows of resources	245.9	233.7	12.2
Current liabilities	24.1	14.7	9.4
Non-current liabilities	106.6	113.4	(6.8)
Total liabilities	130.7	128.1	2.6
Total deferred inflows of resources	21.6	24.9	(3.3)
Total liabilities and deferred inflows of resources	152.3	153.0	(0.7)
Net position			
Net investment in capital assets	79.4	78.7	0.7
Restricted	35.5	23.0	12.5
Unrestricted	(21.3)	(21.0)	(0.3)
Total	93.6	80.7	12.9

* - Fiscal year 2021 was not restated due to prior period restatements noted in Note 12.

Lewis & Clark Community College

Management's Discussion and Analysis

Fiscal Year 2022 Compared to 2021

Current assets increased \$19.9 million due to an increase in cash balances from unspent proceeds from the issuance of general obligation bonds and debt certificates.

Non-current assets decreased \$8.4 million due to a decrease in long-term investments and depreciation expense exceeding capital additions.

Current liabilities increased from \$14.7 million to \$24.1 million. Increases were primarily due to issuance of general obligation bonds and debt certificates with an increase in current portions due.

Non-current liabilities decreased \$6.8 million due to the refunding of long-term bonds and decrease in OPEB liability.

Deferred inflows of resources decreased \$3.3 million with changes to other post-employment benefits and deferred property taxes.

Total net position at June 30, 2022 increased by \$12.9 million. The restricted net position of \$35.5 million is restricted for capital projects, grants, and debt service payments.

Lewis & Clark Community College

Management's Discussion and Analysis

Operating Results for the Year Ended June 30, (in millions)

	2022	2021*	Increase (Decrease) 2022-2021
Operating revenue			
Tuition and fees	\$5.0	\$5.6	(\$0.6)
Sales and service fees	0.6	0.3	0.3
Facilities revenue	0.2	0.1	0.1
Other	0.8	0.8	0.0
Total operating revenue	6.6	6.8	(0.2)
Less operating expenses	64.3	67.8	(3.5)
Operating loss	(57.7)	(61.0)	3.3
Non-operating revenue (expense)			
Local taxes	33.8	31.4	2.4
State government	10.9	12.3	(1.4)
State on-behalf – SURS and CIP	12.9	18.3	(5.4)
Federal government	16.9	12.8	4.1
Nongovernmental grants	0.6	0.5	0.1
Investment income	(1.0)	0.1	(1.1)
Interest expense	(2.9)	(3.4)	0.5
Loss on disposal of assets	(0.3)	(0.0)	(0.3)
Total net non-operating revenue	70.9	72.0	(1.1)
Capital contributions	0.3	0.3	0.0
Change in net position	13.5	11.3	2.2
Net position, beginning of year, as restated	80.1	69.4	10.7
Net position, end of year	\$93.6	\$80.7	\$12.9

* - Fiscal year 2021 was not restated due to prior period restatements noted in Note 12.

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2022 were \$81.0 million and \$67.5 million, respectively. Fiscal year 2021 were \$82.5 million and \$71.2 million, respectively.

Lewis & Clark Community College

Management's Discussion and Analysis

Fiscal Year 2022 Compared to 2021

Operating revenue decreased \$0.2 million over the prior year. Tuition and fee revenue have stabilized in the wake of the COVID-19 pandemic.

Operating expenses decreased by \$3.5 million over the prior year. Net non-operating revenue decreased \$1.1 million. This is the net result of increases in personal property replacement taxes and federal grants combined with decreases in state grants, state on-behalf revenues, and investment income.

Operating Expenses			
For the Year Ended June 30,			
(in millions)			
Operating Expenses:	2022	2021*	Increase (Decrease) 2022-2021
Instruction	\$19.3	\$23.1	(\$3.8)
Academic Support	3.7	4.5	(0.8)
Student Services	4.2	4.7	(0.5)
Public Services	6.1	7.7	(1.6)
Auxiliary Services	1.5	1.6	(0.1)
Operations & Maintenance of Plant	7.1	7.4	(0.3)
Institutional Support	11.0	11.8	(0.8)
Scholarships, grants, waivers	6.5	2.0	4.5
Depreciation	4.9	5.0	(0.1)
Total	\$64.3	\$67.8	(\$3.5)

* - Fiscal year 2021 was not restated due to prior period restatements noted in Note 12.

Lewis & Clark Community College

Management's Discussion and Analysis

The following is an analysis of capital assets:

Capital Assets, Net			
June 30,			
(in millions)			
	2022	2021	Increase (Decrease) 2022-2021
Capital Assets			
Land & Improvements	\$22.5	\$22.7	(\$0.2)
Buildings & Improvements	183.3	183.5	(0.2)
Equipment	13.0	13.0	0.0
Sculptures and art	2.5	2.5	0.0
Construction in Progress	0.6	0.2	0.4
Total	221.9	221.9	0.0
Less Accumulated Depreciation	(90.8)	(86.2)	(4.6)
Net Capital Assets	\$131.1	\$135.7	(\$4.6)

Fiscal Year 2022 Compared to 2021

As of June 30, 2022, the College had recorded \$221.9 million invested in capital assets, \$90.8 million in accumulated depreciation, and \$131.1 million in net capital assets. For more detailed information on capital asset activity, refer to Note 4 – Capital Assets, in the Notes to Financial Statements.

Long-Term Debt			
June 30,			
(in millions)			
	2022	2021	Increase (Decrease) 2022-2021
General Obligation Bonds, net	\$90.6	\$99.9	(\$9.3)
Debt Certificates, net	8.1	0.0	8.1
Compensated Absences	0.8	0.9	(0.1)
Total	\$99.5	\$100.8	(\$1.3)

Lewis & Clark Community College

Management's Discussion and Analysis

Fiscal Year 2022 Compared to 2021

During fiscal year 2022, the College paid \$9.4 million in bond payments funded through the tax levy and defeased \$12.9 million through the issuance of refunding bonds. The College issued \$21.6 million in general obligation refunding bonds and debt certificates. For more detailed information on long-term debt activity, refer to Note 5 – Long-Term Debt, in the Notes to Financial Statements.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of the College's financial position. Questions concerning this report or requests for additional information should be directed to the College's administrative office, 5800 Godfrey Road, Godfrey, IL 62035.

Basic Financial Statements

Lewis & Clark Community College District 536

Statement of Net Position

<i>June 30, 2022</i>	College	Foundation
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,387,711	\$ 1,013,179
Investments	35,167,890	12,109,172
Taxes receivable	30,635,929	-
Other accounts receivable	8,388,845	14,613
Prepaid expenses	796,178	11,560
Inventory	15,047	-
Total current assets	88,391,600	13,148,524
Noncurrent assets:		
Non-depreciable capital assets	4,425,472	3,297,123
Depreciable capital assets	217,532,609	-
Less: accumulated depreciation	(90,824,267)	-
Long-term investments	24,252,071	45,955
Total noncurrent assets	155,385,885	3,343,078
Total assets	243,777,485	16,491,602
Deferred outflow of resources		
Deferred outflows related to OPEB	359,219	-
Deferred outflows related to pension	310,383	-
Deferred loss on refunding bonds	1,492,314	-
Total deferred outflow of resources	2,161,916	-
Liabilities		
Current liabilities:		
Accounts payable	1,621,081	11,297
Accrued expenses	3,424,778	-
Unearned tuition and fees	3,669,510	-
Unearned other revenue	72,685	-
Unearned grants	3,046,534	-
Bonds payable, current	10,304,873	-
Debt certificates, current	2,008,139	-
Total current liabilities	24,147,600	11,297
Noncurrent liabilities:		
Bonds payable, long-term	80,315,381	-
Debt certificates, long-term	6,121,246	-
OPEB liability	20,130,047	-
Total noncurrent liabilities	106,566,674	-
Total liabilities	130,714,274	11,297
Deferred inflow of resources		
Unavailable property taxes	15,374,264	-
Deferred inflows of OPEB resources	6,272,129	-
Total deferred inflow of resources	21,646,393	-
Net position/net assets		
Net investment in capital assets	79,431,066	-
Capital projects	19,071,770	-
Grants	9,222,539	-
Debt service	7,141,846	-
Donor restricted	-	14,510,845
Unrestricted	(21,288,487)	1,969,460
Total net position/net assets	\$ 93,578,734	\$ 16,480,305

See Accompanying Notes to Financial Statements.

Lewis & Clark Community College District 536

Statement of Revenues, Expenses, and Changes in Net Position

<i>Year Ended June 30, 2022</i>	College	Foundation
Operating revenues:		
Student tuition and fees, net of scholarship allowance	\$ 5,025,146	\$ -
Sales and service fees	557,377	-
Facilities revenue	185,783	-
Other revenue	805,109	505,674
Total operating revenues	6,573,415	505,674
Operating expenses:		
Instruction	19,273,290	-
Academic support	3,708,593	-
Student services	4,246,328	-
Public services	6,138,376	-
Auxiliary services	1,485,720	-
Operation and maintenance of plant services	7,129,574	-
Institutional support	10,964,889	423,909
Scholarships, student grants, and waivers	6,453,655	192,882
Depreciation expense	4,904,211	-
Total operating expenses	64,304,636	616,791
Operating (loss)	(57,731,221)	(111,117)
Non-operating revenues (expenses)		
Local taxes	33,782,928	-
State government	10,907,773	-
State on-behalf - SURS and CIP	12,851,909	-
Federal government	16,864,625	-
Nongovernmental grants	604,739	-
Investment income	(1,001,626)	(1,573,325)
Interest, service charges, and issuance costs	(2,896,890)	-
Loss on disposal of assets	(251,009)	(11,227)
Total non-operating revenues (expenses)	70,862,449	(1,584,552)
Capital contributions	303,962	-
Change in net position	13,435,190	(1,695,669)
Net position/net assets, beginning of year, as restated	80,143,544	18,175,974
Net position/net assets, end of year	\$ 93,578,734	\$ 16,480,305

See Accompanying Notes to Financial Statements.

Lewis & Clark Community College District 536

Statement of Cash Flows

<i>Year Ended June 30, 2022</i>	College	Foundation
Cash flows from operating activities:		
Tuition and fees	\$ 9,507,157	\$ -
Payments to suppliers	(17,869,778)	(630,836)
Payments to employees	(23,885,047)	-
Payments to students for scholarships	(11,255,213)	-
Auxiliary enterprise changes	301,868	-
Other	1,124,016	528,571
Net cash from operating activities	(42,076,997)	(102,265)
Cash flows from non-capital financing activities:		
Proceeds from property taxes	29,281,674	-
Proceeds from grants	30,821,164	-
Proceeds from other taxes	2,955,053	-
Net cash from non-capital financing activities	63,057,891	-
Cash flows from capital and related financing activities:		
Purchases of capital assets	(584,253)	-
Principal paid on bonds payable	(22,271,000)	-
Proceeds from issuance of long-term debt	21,550,000	-
Interest paid on bonds payable and other long-term obligations	(4,628,626)	-
Premium on issuance of long-term debt	479,385	-
Proceeds from sale of land		33,573
Capital contributions	304,586	-
Net cash from capital and related financing activities	(5,149,908)	33,573
Cash flows from investing activities:		
Interest received	182,201	445,899
Proceeds from maturities of investment securities	3,836,880	1,776,227
Purchases of investment securities	(7,039,070)	(2,229,767)
Net cash from investing activities	(3,019,989)	(7,641)
Net change in cash and cash equivalents	12,810,997	(76,333)
Cash and cash equivalents, beginning of year	576,714	1,089,512
Cash and cash equivalents, end of year	\$ 13,387,711	\$ 1,013,179

See Accompanying Notes to Financial Statements.

Lewis & Clark Community College District 536

Statement of Cash Flows (Continued)

Year Ended June 30, 2022	College	Foundation
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (57,731,221)	\$ (111,117)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation	4,904,211	-
State on-behalf payments for fringe benefits	12,851,909	-
Change in assets and liabilities:		
Receivables	(606,257)	22,897
Deferred outflow of resources	79,232	-
Prepaid expenses	6,250	(11,060)
Inventories	10,232	-
Accounts payable	(849,718)	(2,985)
Accrued liabilities	(333,825)	-
Accrued compensated absences	(90,482)	-
Unearned tuition and fees	219,675	-
Other unearned revenue	(55,350)	-
OPEB liability	(1,755,150)	-
Deferred inflows of resources	1,273,495	-
	\$ (42,076,999)	\$ (102,265)
Noncash investing, capital, and financial:		
State on-behalf payments	\$ 12,851,909	\$ -

See Accompanying Notes to Financial Statements.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Lewis & Clark Community College District 536 (the "College") financial statements include all entities for which the College has financial accountability. In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accordance with accounting principles generally accepted in the United States. The primary criterion for including a potential component unit within the reporting entity is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents (2) the primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Lewis and Clark Community College Foundation (Foundation) is a legally separate, tax-exempt nonprofit component unit of the College. The Foundation was organized and operated exclusively for educational and charitable purposes designed to promote the welfare of the College. Because the resources of the Foundation are to be used substantially for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Complete financial statements for the Foundation can be obtained from the administrative offices of the College located at 5800 Godfrey Road, IL 62035 or by calling (618) 468-7000.

Lewis & Clark Community College Foundation (the "Foundation") is a component unit of Lewis & Clark Community College District 536 (the "College") for financial reporting purposes. The financial balances and activities included in these financial statements for the Foundation are, therefore, also included in the College's financial statements. The Foundation paid the College \$192,882 for scholarships and awards during the year ended June 30, 2022.

The College is not aware of any entity whose elected officials are financially accountable for the operations of the College that would result in the College being considered a component unit of such entity.

Significant Accounting Policies

The financial statements of the College are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, and Accounting Principles Board Opinions.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and 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-agency transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is 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.

Use of Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Investments

For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments, consisting of certificates of deposit, term deposits, United States treasury notes, government notes, and corporate notes, are reported at fair value.

Prepaid Items

Prepaid items represent payments made by the College for which benefits extend beyond June 30, 2022. The costs of prepaid items are recorded as expenses when consumed rather than when purchased.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the retail and first-in, first-out methods of inventory accounting.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Purchased or constructed capital assets, including property, plant, equipment, and infrastructure (such as roads and sidewalks) are reported at cost or estimated historical cost at the date of acquisition. Capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated life in excess of one year. Additions or improvements that increase the value more than \$50,000 or significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Donated assets are recorded at their estimated acquisition value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 to 20 years
Buildings and improvements	40 to 60 years
Equipment	3 to 10 years

Capital assets not being depreciated include land and construction in progress.

Unearned Revenue

Unearned revenue includes amounts received which represents payment for services to be provided in future periods for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. These amounts consist primarily of: 1) amounts received or accrued for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and 2) amounts received from grant and contract sponsors that have not been earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net assets that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources 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 the purposes of financial reporting, 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 or entities (the College) and the non-employer entity (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.

Other Post-Employment (“OPEB”) Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan (“CIP”) and additions to/deductions from CIP’s plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB 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 the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a OPEB plan that is used to provide OPEB to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to OPEB or (2) the non-employer is the only entity with a legal obligation to make contributions directly to an OPEB plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

In the financial statements net position is classified and displayed in three categories:

- *Net investment in capital assets* - consists of capital assets net of accumulated depreciation and related debt, if applicable.
- *Restricted net position* - consists of resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, and then unrestricted resources when they are needed.
- *Unrestricted net position* - 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.

Property Tax Revenue

The College's property taxes are levied each calendar year on all taxable property located in the College's taxing district. Property taxes are recorded on the accrual basis of accounting. Property taxes have been recognized in the current year at fifty percent of the expected tax levy in the year that the taxes are levied and fifty percent in the following year in accordance with GASB.

Personal property replacement taxes are recorded on the accrual basis of accounting based on amounts collected and paid by the state.

Tuition

Summer and Fall tuition is recorded as receivable at the time of registration. The amounts that are prepayments related to the subsequent fiscal year are reported as deferred revenue in the respective funds to which they apply.

Classification of Revenue

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations (3) most federal, state and local grants and contracts and federal appropriations, and (4) gifts and contributions.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

On-Behalf Payments for Fringe Benefits and Salaries

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal year 2022, the state made contributions of \$12,851,909.

Note 2: Property Taxes

The College's property tax is levied each year on all taxable real property located in the College's taxing district on or before the last Tuesday in December. The Board passed the 2021 levy on December 14, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in installments beginning approximately one to two months after billing by the various counties. The College receives significant distributions of tax receipts beginning in June or July of each year.

The following are the permissible tax rate limits and the actual rates levied per \$100 of assessed valuation:

	Limit	Tax Levy Years	
		2021	2020
Education	\$ 0.1500	\$ 0.1492	\$ 0.1496
Operations and Maintenance	0.1000	0.0994	0.0998
Additional Education & Operations	0.0412	0.0353	0.0355
Liability/Judgments	No Limit	0.0488	0.0567
Protection Health Safety	0.0500	0.0498	0.0499
Audit	0.0050	0.0012	0.0012
Bond and Interest	No Limit	0.2507	0.2592
Restricted - Tech Plan	No Limit	0.0054	0.0054
Social Security	No Limit	0.0055	0.0051
		\$ 0.6453	\$ 0.6624

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 3: Cash and Investments

The College's cash and deposits throughout the year and at year-end consisted of demand deposit accounts, certificates of deposit, and money markets. The College classified these accounts between cash and deposits on the statements of net position according to liquidity and intended use.

Cash and deposits as of June 30, 2022, consist of the following:

Cash on hand	\$ 1,700
Deposits with financial institutions	13,386,011
<hr/>	
Total	\$ 13,387,711

The College is allowed to invest in securities as authorized by the Illinois Public Community College Act and the Illinois Investment of Public Funds Act.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments at June 30, 2022, consist of the following at fair value:

Certificates of deposits	\$ 1,895,380
Commercial paper	7,661,730
Corporate notes	7,891,640
Local government investment pool	420,821
Illinois Trust Term	6,615,500
Money market	3,641,287
Municipal bond/note	126,223
INB Illinois funds	19,721
Supra-National agency bond/note	3,115,410
US securities	28,032,249
<hr/>	
Total	\$ 59,419,961

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

As of June 30, 2022, the College had the following investments with stated maturities:

	<u>Investment Maturities (in Years)</u>				
	<u>Total</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Certificates of deposits	\$ 1,895,380	\$ 1,895,380	\$ -	\$ -	-
Commercial paper	7,661,730	7,661,730	-	-	-
Corporate notes	7,891,640	670,803	7,220,837	-	-
Local government investment pool	420,821	420,821	-	-	-
Illinois Trust Term	6,615,500	6,615,500	-	-	-
Money market	3,641,287	3,641,287	-	-	-
Municipal bond/note	126,223	68,164	58,059	-	-
INB Illinois funds	19,721	19,721	-	-	-
Supra-National agency bond/note	3,115,410	1,957,824	1,157,586	-	-
US securities	28,032,249	12,216,660	15,815,589	-	-
Total	\$ 59,419,961	\$ 35,167,890	\$ 24,252,071	\$ -	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. It is the College's policy to limit its investments in corporate paper to the three top ratings issued by at least two standard rating services. The College's investment policy also limits holding of corporate paper to no more than ten percent of its outstanding obligations.

The College currently invests in several types of securities with different credit ratings. Certificates of deposits held by the College are unrated. Commercial paper securities held have a rating ranging from A-1+ to A-1, corporate notes held range from AAA to BBB+, local government investment pool securities are rated at AAAM, Illinois Trust Term securities are rated at AAAs, a portion of money market funds held are rated at AAAM, and a portion unrated. Municipal bonds and municipal notes ratings range from AA- to A+. INB Illinois Funds are rated at AAAM, Supra-national agency bonds and notes are rated at AAA, and U.S. securities are rated from a range of AAA to A-1.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the College's will not recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2022, there are no investments with custodial credit risk.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$13,386,011 and the bank balance was \$14,019,948. Of the bank balance, \$255,057 was covered by federal depository insurance; \$13,764,891 was collateralized with securities held by the pledging institution's trust department or agent in the College's name.

Concentration Risk

Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College does not have a concentration risk policy. The College has no investments that represent 5 percent or more of the total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not have a foreign currency risk policy. The College does not have any investments with foreign currency risk exposure.

Fair Value Measurement

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy, as described under current accounting standards, are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets.

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets; or
- inputs other than quotes prices that are observable for the asset or liability

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

The following table presents the College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2022:

	Total	Fair Value Measurements at Reporting Date		
		Using		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificates of deposits	\$ 1,486,000	\$ -	\$ 1,486,000	\$ -
Commercial paper	7,661,730	-	7,661,730	-
Corporate notes	7,891,640	-	7,891,640	-
Money market	3,641,287	-	3,641,287	-
Municipal bond/note	126,223	-	126,223	-
Supra-National agency bond/note	3,115,410	-	3,115,410	-
US securities	28,032,249	-	28,032,249	-
Total investments measured at fair value	\$ 51,954,539	\$ -	\$ 51,954,539	\$ -

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 4: Capital Assets

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	Balance 7/1/2021	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/2022
Capital assets, not being depreciated:					
Land	\$ 1,466,634	\$ -	\$ (73,000)	\$ -	\$ 1,393,634
Construction in progress	206,034	365,299	-	-	571,333
Sculptures and art	2,460,505	-	-	-	2,460,505
Total capital assets, not being depreciated	4,133,173	365,299	(73,000)	-	4,425,472
Capital assets, being depreciated:					
Land improvements	21,155,740	-	-	-	21,155,740
Buildings and improvements	183,572,029	-	(251,174)	15,962	183,336,817
Equipment	13,022,695	218,330	(185,011)	(15,962)	13,040,052
Total capital assets, being depreciated	217,750,464	218,330	(436,185)	-	217,532,609
Accumulated depreciation:	(86,178,232)	(4,904,211)	258,176	-	(90,824,267)
Total accumulated depreciation	(86,178,232)	(4,904,211)	258,176	-	(90,824,267)
Total capital assets, being depreciated, net	131,572,232	(4,685,881)	(178,009)	-	126,708,342
Governmental activities capital assets, net	\$ 135,705,405	\$ (4,320,582)	\$ (251,009)	\$ -	\$ 131,133,814

Depreciation expense was \$4,904,211 for the year ended June 30, 2022.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt

The following is a summary of the College's long-term debt for the year ended June 30, 2022:

	Balance 7/1/2021	Additions	Accretion	Retirements /Refunding	Balance 6/30/2022	Current Portion	Long-term Portion
Long-term debt:							
General obligation bonds	\$ 93,694,479	\$ 13,900,000	\$ -	\$ 22,271,000	\$ 85,323,479	\$ 9,435,000	\$ 75,888,479
Accreted interest on capital appreciation bonds	320,795	-	115,167	-	435,962	-	435,962
Bond premiums	5,842,984	-	-	982,171	4,860,813	869,873	3,990,940
Debt certificates	-	7,650,000	-	-	7,650,000	1,875,000	5,775,000
Debt certificate premiums	-	479,385	-	-	479,385	133,139	346,246
Compensated absences	907,468	772,438	-	862,920	816,986	735,287	81,699
Totals	\$ 100,765,726	\$ 22,801,823	\$ 115,167	\$ 24,116,091	\$ 99,566,625	\$ 13,048,299	\$ 86,518,326

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

Details on the debt as of June 30, 2022 are as follows:

- On February 20, 2014, the College issued \$11,055,000 of General Obligation Alternate Revenue Bonds, Series 2014. The final maturity is due in annual payment of \$540,000 at an interest rate of 5.00%. The issue provided for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 540,000	\$ 13,500	\$ 553,500
Total	\$ 540,000	\$ 13,500	\$ 553,500

- On May 5, 2015, the College issued \$17,025,000 of General Obligation Refunding Bonds, Series 2015A. The remaining maturities are due in annual payments ranging from \$370,000 to \$3,320,000 at an interest rate of 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2004A General Obligation Funding Bonds, Series 2005A General Obligation Funding Bonds, and Series 2007 General Obligation Bonds.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 1,985,000	\$ 580,625	\$ 2,565,625
2024	370,000	521,750	891,750
2025	1,195,000	482,625	1,677,625
2026	3,320,000	369,750	3,689,750
2027	2,795,000	216,875	3,011,875
2028 - 2032	2,940,000	73,500	3,013,500
Total	\$ 12,605,000	\$ 2,245,125	\$ 14,850,125

- On May 5, 2015, the College issued \$3,990,000 of General Obligation Refunding Bonds, Series 2015B (Alternate Revenue Source). The remaining maturities are due in annual principal payments ranging from \$75,000 to \$110,000 at an interest rate of 3.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2004B General Obligation Bonds and the Series 2005B General Obligation Bonds.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 110,000	\$ 3,900	\$ 113,900
2024	75,000	1,125	76,125
Total	\$ 185,000	\$ 5,025	\$ 190,025

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

4. On August 4, 2015, the College issued \$4,530,000 of General Obligation Bonds, Series 2015F. The remaining maturities are due in annual principal payments ranging from \$105,000 to \$920,000 with interest rates ranging from 0.00% to 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund the Series 2015D Bonds.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 770,000	\$ 75,762	\$ 845,762
2024	795,000	52,287	847,287
2025	-	40,362	40,362
2026	105,000	37,737	142,737
2027	920,000	17,556	937,556
Total	\$ 2,590,000	\$ 223,704	\$ 2,813,704

5. On June 1, 2016, the College issued \$8,000,000 of Taxable General Obligation Bonds, Series 2016. The remaining maturities are due in annual principal payments ranging from \$800,000 to \$930,000 with interest rates ranging from 3.00% to 4.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued for working cash purposes.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 800,000	\$ 144,500	\$ 944,500
2024	830,000	120,050	950,050
2025	860,000	90,400	950,400
2026	900,000	55,200	955,200
2027	930,000	18,600	948,600
Total	\$ 4,320,000	\$ 428,750	\$ 4,748,750

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

6. On July 26, 2017, the College issued \$14,200,000 of General Obligation Refunding Bonds, Series 2017A. The Series 2017A Bonds were issued to defease the remaining outstanding portion of the General Obligation Bonds Series 2007A Bonds. The maturities are due in annual payments ranging from \$2,500,000 to \$8,200,000 at an interest rate of 5.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

During the year ending June 30:	Principal	Interest	Total
2023	\$ -	\$ 710,000	\$ 710,000
2024	-	710,000	710,000
2025	-	710,000	710,000
2026	-	710,000	710,000
2027	-	710,000	710,000
2028 - 2032	3,500,000	3,462,500	6,962,500
Thereafter	10,700,000	392,500	11,092,500
Total	\$ 14,200,000	\$ 7,405,000	\$ 21,605,000

7. On July 26, 2017, the College issued \$14,994,479 of Taxable General Obligation Bonds, Series 2017B. The Series 2017B Bonds were issued to redeem the Taxable General Obligation Series 2017 Bonds. The remaining maturities are due in annual payments ranging from \$250,000 to \$3,900,000 with interest rates ranging from 1.80% to 3.80%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

A portion of the Series 2017B Bonds are capital appreciation bonds. The bonds have a principal value of \$504,479 and a remaining maturity of \$1,275,000. The interest on these bonds will be paid upon maturity on November 1, 2024. The accreted value of these bonds at June 30, 2022 was \$435,962. The accretion expense recognized in the current fiscal year was \$115,167, which is reflected in interest expense and long-term bonds payable.

During the year ending June 30:	Principal	Interest	Accretion	Total
2023	\$ 325,000	\$ 363,725	\$ 131,244	\$ 819,969
2024	2,375,000	324,469	149,561	2,849,030
2025	1,579,479	1,043,565	53,754	2,676,798
2026	450,000	249,113	-	699,113
2027	575,000	231,800	-	806,800
2028 - 2031	5,925,000	654,662	-	6,579,662
Total	\$ 11,229,479	\$ 2,867,334	\$ 334,559	\$ 14,431,372

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

8. On February 18, 2020, the College issued \$31,560,000 of General Obligation Refunding Bonds, Series 2020. The remaining maturities are due in annual payments ranging from \$1,445,000 to \$5,145,000 at an interest rate of 4.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2010B General Obligation Bonds, the Series 2010C General Obligation Bonds and the Series 2012 General Obligation Bonds.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 2,800,000	\$ 934,000	\$ 3,734,000
2024	2,785,000	822,000	3,607,000
2025	3,205,000	710,600	3,915,600
2026	1,445,000	582,400	2,027,400
2027	1,480,000	524,600	2,004,600
2028 - 2032	11,635,000	1,069,200	12,704,200
Total	\$ 23,350,000	\$ 4,642,800	\$ 27,992,800

9. On February 26, 2021, the College issued \$2,810,000 of General Obligation Refunding Bonds, Series 2021. The remaining maturities are due in annual payments ranging from \$649,000 to \$1,755,000 with interest rates ranging from 1.03 % to 1.09%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund a portion of the Series 2013 General Obligation Bonds.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 1,755,000	\$ 16,112	\$ 1,771,112
2024	649,000	3,537	652,537
Total	\$ 2,404,000	\$ 19,649	\$ 2,423,649

10. On February 9, 2022, the College issued \$7,650,000 of General Obligation Debt Certificates Series 2022A. The remaining maturities are due in annual payments ranging from \$1,455,000 to \$2,205,000 at an interest rate of 4.00%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 1,875,000	\$ 338,200	\$ 2,213,200
2024	2,115,000	188,700	2,303,700
2025	2,205,000	102,300	2,307,300
2026	1,455,000	29,100	1,484,100
Total	\$ 7,650,000	\$ 658,300	\$ 8,308,300

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

11. On February 9, 2022, the College issued \$13,900,000 of General Obligation Refunding Bonds Series 2022B. The remaining maturities are due in annual payments ranging from \$350,000 to \$4,620,000 with interest rates ranging from 0.75% to 2.20%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. These bonds were issued to refund the Series 2015E General Obligation Bonds.

The College defeased the bonds by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent for the future debt service payments of \$12,905,000 Series 2015E Bonds. As a result, the Series 2015E bonds are considered defeased at June 30, 2022 (scheduled to be repaid November 1, 2023), and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$4,056,900.

During the year ending June 30:	Principal	Interest	Total
2023	\$ 350,000	\$ 308,334	\$ 658,334
2024	1,560,000	240,215	1,800,215
2025	2,270,000	214,397	2,484,397
2026	2,850,000	172,290	3,022,290
2027	2,250,000	124,140	2,374,140
2028 - 2032	4,620,000	50,820	4,670,820
Total	\$ 13,900,000	\$ 1,110,196	\$ 15,010,196

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Debt Certificates	Compensated Absences	Total Principal	Interest	Total Principal, Accretion, and Interest
2023	\$ 9,435,000	\$ 1,875,000	\$ 735,287	\$ 12,045,287	\$ 3,488,658	\$ 15,533,945
2024	9,439,000	2,115,000	81,699	11,635,699	2,984,133	14,619,832
2025	9,545,441	2,205,000	-	11,750,441	3,394,249	15,144,690
2026	9,070,000	1,455,000	-	10,525,000	2,205,590	12,730,590
2027	8,950,000	-	-	8,950,000	1,843,571	10,793,571
2028 - 2032	28,620,000	-	-	28,620,000	5,310,682	33,930,682
2033 - 2034	10,700,000	-	-	10,700,000	392,500	11,092,500
Total	\$ 85,759,441	\$ 7,650,000	\$ 816,986	\$ 94,226,427	\$ 19,619,383	\$ 113,845,810

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 6: Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (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's financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. 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.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six 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 fiscal year 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, except for police officers and fire fighters who contribute 9.5% of their earnings. 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).

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 6: Defined Benefit Pension Plans (Continued)

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2021. At June 30, 2021, SURS reported a NPL of \$28,528,477,079.

Employer Proportionate Share of Net Pension Liability.

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$153,745,383 or 0.5389%. The College's proportionate share changed by 0% from 0.5389% 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. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2020.

Defined Benefit Pension Expense.

At June 30, 2021, SURS defined benefit plan reported a collective net pension expense of \$2,342,460,058.

Employer Proportionate Share of Defined Benefit Pension 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 2020. As a result, the College recognized on-behalf revenue and pension expense of \$12,623,962 for the fiscal year ended June 30, 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pensions.

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

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 6: Defined Benefit Pension Plans (Continued)

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

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

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

	Net Deferred Outflows (Inflows) of Resources
2022	\$ 34,095,451
2023	(197,005,703)
2024	(538,343,058)
2025	(691,825,577)
Total	\$ (1,393,078,887)

College's Deferral of Fiscal Year 2022 Contributions

The College paid \$310,383 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2021, and are recognized as deferred outflows of resources as of June 30, 2022.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50% beginning with the actuarial valuation as of June 30, 2021

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 6: Defined Benefit Pension Plans (Continued)

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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. 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 %	4.43 %
Inflation		2.25 %
Expected Arithmetic Return		6.68 %

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 6: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.12% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% at June 30, 2021, and a municipal bond rate of 1.92% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2021). 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.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.12% at June 30, 2021, as well as what the State's NPL net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

1% Decrease 5.12%	Current Single Discount Rate Assumption 6.12%	1% Increase 7.12%
\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

Additional information regarding the SURS basic financial statements, including the plan's net position can be found in the SURS Annual Comprehensive Financial Report by accessing the website at www.SURS.org.

Note 7: Defined Contribution Pension Plan

General Information about the 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.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 7: Defined Contribution Pension Plan (Continued)

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 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% 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% 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% 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.

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 2021. The College's share of pensionable contributions was 0.3892%. As a result, the College recognized revenue and defined contribution pension expense of \$296,906 from this special funding situation during the year ended June 30, 2022, of which \$22,876 constituted forfeitures.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 8: Other Post-Employment Benefits

Plan Administration - The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

Plan membership - All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

Benefit Provisions - A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the CCHISF's financial statements of the Department may be obtained by accessing the website at www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

Benefits Provided - CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (ACT) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

Contributions - The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2021. CIP reported a net OPEB liability at June 30, 2021 of \$1,735,532,863.

Employer Proportionate Share of Net OPEB Liability

The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2022 is \$20,130,047 or 1.1599%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0408%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2021 was \$20,130,047. The total proportionate share of the net OPEB liability associated with the College at June 30, 2021 was \$40,260,094. The net OPEB liability and total OPEB liability as of June 30, 2021 was determined based on the June 30, 2020 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2021.

OPEB Expense

At June 30, 2021, CIP reported a collective net OPEB expense (income) of (\$8,291,172).

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2021. As a result, the College recognized on-behalf revenue and expense of \$(68,959) for the fiscal year ended June 30, 2022. Additionally, the College recognized OPEB income of \$406,281 for the fiscal year ended June 30, 2022.

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

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

The College's Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 127,390	\$ 1,471,268
Changes in assumption	0	3,845,475
Net difference between projected and actual earnings on OPEB plan investments	0	580
Changes in proportion and differences between employer contributions and share of contributions	128,822	954,806
Total deferred amounts to be recognized in pension expense in future periods	256,212	6,272,129
OPEB contributions made subsequent to the measurement date	103,007	0
Total	\$ 359,219	\$ 6,272,129

The College reported \$103,007 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2023	\$ (1,002,653)
2024	(1,002,653)
2025	(1,002,653)
2026	(1,002,653)
2027	(1,002,653)
2028	(1,002,652)
Total	\$ (6,015,917)

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend used fiscal year end 2022 based on actual premium increases. For fiscal years on and after 2023, trend starts at 8.00% for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%.
Asset Valuation Method	Market value

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 Whited 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 were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2017.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 1.92% as of June 30, 2021, and 2.45% as of June 30, 2020. The decrease in the single discount rate from 2.45% to 1.92% caused the total OPEB liability to increase by approximately \$114.7 million from 2020 to 2021.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost actuarial accrued liability is directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 1.92%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (2.92%) or lower (0.92%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Single Discount Rate Assumption			
	1% Decrease (0.92%)	Current Single Discount Rate Assumption (1.92%)	1% Increase (2.92%)
Net OPEB liability	\$ 22,934,038	\$ 20,130,047	\$ 17,708,544

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.25% in 2038.

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$ 16,586,839	\$ 20,130,047	\$ 24,875,451

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

Note 9: Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the College carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 10: Impact of Pending Accounting Principles

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 92, Omnibus 2021, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 93, Replacement of Interbank Offered Rates, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The College has not determined the effect of this Statement.

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The College has not determined the effect of this Statement.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The College has not determined the effect of this Statement.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 11: Subsequent Events

The College has evaluated subsequent events through February 8, 2023, which is the date the financial statements were available to be issued.

Note 12: Prior Period Adjustments

The financial statements of the College as of and for the year ended June 30, 2022 reported adjustments to balances in the prior year to correct misstated balances. The effect on the 2022 net position to correct these items is shown below:

Year Ended June 30, 2021

Beginning net position, as previously reported	\$ 80,674,418
Less: Beginning accrued compensated absences	(907,468)
Less: Beginning grant fund balances	(588,520)
Add: Bond premium amortization	965,114

Ending net position, as restated	\$ 80,143,544
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Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit

ORGANIZATION

Lewis and Clark Community College Foundation (the Foundation) is an Illinois 501(c)(3) corporation that was organized for the purpose of promoting the welfare of Lewis & Clark Community College District 536 (College). The Foundation's program services in support of the College include academic and institutional support, student support and scholarships, cultural support, and capital project support to further the educational purposes of the College.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financially Interrelated Organizations - U.S. generally accepted accounting principles (GAAP) presume that combined financial statements for financially integrated organizations are more meaningful than separate statements, and are usually necessary for fair presentation. The College and the Foundation are financially interrelated organizations as defined by GAAP.

These financial statements are intended to present only the financial position and results of operations of the Foundation, and do not include the financial position or results of operations of the College. The financial statements of the College are reported separately to comply with the State of Illinois' reporting requirements. The College reports the transactions of the Foundation as a discretely presented component unit in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

Basis of Accounting- The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect the significant receivables, other assets, and payables.

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 of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, the funds have been combined.

The Foundation follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). This requires the Foundation to distinguish between contributions that increase net assets with donor restrictions and net assets without donor restrictions. It is also requiring recognition of contributed services meeting certain criteria at fair value.

The Foundation utilizes net assets with donor restrictions and net assets without donor restrictions groupings to account for its resources. ASC 958 requires a statement of financial position, a statement of activities and a statement of cash flows for not-for-profit organizations.

The assets, liabilities and net assets of the Foundation are reported in self-balancing fund groups as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets With Donor Restrictions - Net assets subject to donor stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by passage of time and donor-imposed stipulations that must be maintained permanently by the Foundation.

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Expenses which are associated with a specific program are charged directly to that program.

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

Contributions - Contributions, including unconditional promises to give, are recognized as revenues in the period the contribution or unconditional promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with any donor-imposed restrictions on the contributions.

Cash and Cash Equivalents - The Foundation considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents.

Investments - The Foundation's portfolio is managed by outside investment managers who operate within the guidelines established by the Investment Committee of the Board of Directors. The investment strategy for the portfolio is growth and income. This is consistent with a goal of long-term appreciation and modest current income. The Foundation has adopted an asset allocation range which will allow portfolio managers to take a long-term approach to the asset allocation decision rather than a short-term market timing strategy. Portfolio assets are invested in a combination of cash equivalents, common stocks, fixed income securities and mutual funds.

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income (interest and dividends) is included in the change in net assets from operations unless the income or loss is restricted by the donor or law.

Management is not aware of any significant derivative financial positions entered into by its investment managers. Accordingly, management has estimated that the risk, if any, associated with derivatives is not material to the Foundation as of June 30, 2022.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges Receivable - The fair value of unconditional promises to give to be received in more than one year is estimated based on future cash flows discounted 3% at June 30, 2022. Unconditional promises to give to be received in less than one-year approximate fair value because of short maturity. The Foundation monitors the collectability of promises to give and estimates the allowance for uncollectable amounts. There was no allowance for pledges receivable as of June 30, 2022.

Fair Value of Financial Instruments - The carrying value of financial instruments such as accounts receivable and accounts payable approximate the fair value due to their short-term nature.

Administrative Fee - The Foundation charges an annual administrative fee of 1% of the market value of its investment fund. The fee is charged monthly and reduces the investment income earned on the permanently and temporarily restricted net assets. Total fees assessed were \$123,670 for fiscal year ended June 30, 2022.

Income Taxes - The Foundation is a not-for-profit organization exempt from income taxes, except on "unrelated business income", under Section 501(c)(3) of the Internal Revenue Code. There was no unrelated business income during the fiscal year ended June 30, 2022, therefore, no provision has been made for income taxes in the accompanying financial statements.

The Foundation files informational returns in the U.S. federal jurisdiction, and the State of Illinois. With few exceptions, the Foundation is no longer subject to U.S. federal and state examinations for years ending prior to June 30, 2019.

The Foundation has adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB No. 109*), requiring disclosure of uncertain tax positions. There has been no interest, nor penalties, recognized in the Statement of Activities nor in the Statement of Financial Position related to uncertain tax positions. The Foundation evaluates the potential existence of uncertain tax positions on a continual basis through review of its policies and procedures, and discussions with outside experts. The adoption of FASB ASC 740-10-25 has had no effect on the financial statements.

Reclassifications - Certain reclassifications of the prior year's comparative balances have been made to conform to the current year presentation.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. The Foundation records purchased securities at quoted market value and contributed securities at their fair value on the date of receipt. Unrealized gains and losses are reflected in changes in net assets in the statements of activities for the corresponding asset classes.

The Foundation pools the investments of its various funds. The income from such investments and the realized and unrealized gains and losses on the investments are allocated to the participating funds based on the adjusted market value of the fund groups.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

INVESTMENTS (continued)

Investment income for the year ended June 30, 2022, was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>June 30, 2022</u>
Investment Income	\$ 115,601	\$ 525,369	\$ 640,970
Net Realized Gain on Investments	61,349	280,655	342,004
Net Unrealized Gain on Investment	(415,796)	(1,918,801)	(2,334,597)
Administrative and Investment Fee	(25,705)	(195,997)	(221,702)
Net Investment Income	<u>\$ (264,551)</u>	<u>\$(1,308,774)</u>	<u>\$ (1,573,325)</u>

Realized losses result from the sale of investments below historical cost. Unrealized losses result from decline in market value of investments held from period to period. Total investment fees as charged by the Foundation's investment managers were \$98,032 for fiscal year ended June 30, 2022.

Investments cost and fair values are comprised of the following at June 30, 2022:

	<u>Cost</u>	<u>Value</u>	<u>Gains</u>	<u>Losses</u>
U.S. Government Securities	\$ 995,513	\$ 935,682	\$ 1,161	\$ (60,992)
U.S. Government Agencies	64,794	60,020	-	(4,774)
Corporate Bonds	1,444,080	1,348,288	1,426	(97,218)
Common Stock	2,327,680	2,797,120	640,390	(170,950)
Mutual Funds	6,095,209	5,623,591	17,648	(489,266)
Alternative Investments	1,127,569	1,344,471	216,902	-
	<u>\$12,054,845</u>	<u>\$12,109,172</u>	<u>\$877,527</u>	<u>\$(832,200)</u>

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation has adopted FASB ASC 820 (formerly SFAS No. 157, *Fair Value* Measurements) which defines fair value under U.S. generally accepted accounting principles, establishes framework for measuring fair value and enhances disclosures about fair value measurements. This standard defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. FASB ASC 820 establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets include mutual funds that are valued at the net asset value of shares held by the Foundation at year end. Level 1 assets also include common stock, corporate bonds, U.S. government securities, and U.S. government agencies which are valued at quoted closing prices.

Level 2: 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 for substantially the full term of the assets or liabilities. Level 2 assets include certificates of deposit which are valued from a market-driven pricing model. The inputs include daily quoted prices for assets in active markets obtained from third party pricing agents, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include assets and liabilities for which the determination of fair value requires significant management judgment or estimation. Level 3 assets include Limited Liability Companies for which no formal trading market exists and are valued at the estimate of the value of the certificate. The value is based on the book value of the program's net assets and capital accounts which is determined by the management of the program.

An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation.

The preceding described methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table represents the Foundation's fair value hierarchy for those assets measured at fair value as of June 30, 2022:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities	\$ 935,682	\$ 935,682	\$ -	\$ -
U.S. Government Agencies	60,020	60,020		
Corporate Bonds	1,348,288	1,348,288		
Common Stock	2,797,120	2,797,120		
Mutual Funds	5,623,591	5,623,591		
Alternative Investments	1,344,471			1,344,471
	<u>\$12,109,172</u>	<u>\$ 10,764,701</u>	<u>\$ -</u>	<u>\$ 1,344,471</u>

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value of the Foundation's other financial instruments classified as current assets or liabilities, including other assets, accounts receivable, and accounts payable approximates carrying value due to the short-term nature of these accounts. FASB ASC 820 is also effective for nonfinancial instruments of the Foundation. There were no triggering events that required fair value measurements of the Foundation's nonfinancial assets and liabilities at June 30, 2022.

LAND

During the year ended June 30, 2009, the Foundation received a gift of 430 acres of land known as the Palisades Preserve from the Great Rivers Land Trust. The land has been designated as an Illinois Nature Preserve by the Illinois Nature Preserve Commission and by accepting title to the property, the Foundation agrees to preserve and protect in perpetuity the scenic values and natural character of this gift. As the Foundation entered into an agreement with the Great Rivers Land Trust that prohibits the transfer of the property to any other party, the land has been classified as a permanently restricted net asset. The land was valued at \$2,888,423 which was the cost of the property when it was acquired by the Great Rivers Land Trust in 2007. The property is being maintained by and utilized as part of the National Great Rivers Research and Education Center (NGRREC) which is a program of the College designed to study the great rivers of the U.S. and to provide outreach and educational programs on the great rivers and river ecology.

During the year ended June 30, 2013, the Foundation received a gift of 170 acres of land known as Coon Island from John D. Simmons. The land has been valued at \$229,500, based upon a real estate appraisal, and is included in unrestricted net assets in the accompanying statement of activities. Coon Island is located in Calhoun County within the confines of the Mississippi River, and is also being maintained by and utilized as part of the College's NGRREC program.

During the year ended June 30, 2020, the Foundation received a gift of 11.65 acres of land known as Lockhaven Land from Byron and Janice Farrell. The land has been valued at \$224,000, based upon a real estate appraisal, and is included in unrestricted net assets in the accompanying statement of activities. The Foundation has listed the lot for sale, and the proceeds will be credited to the Byron and Janice Farrell Fund. During the year ended June 30, 2022 the Foundation sold 2.5 acres of the land for \$33,573 for a net loss of \$11,227.

CASH VALUE OF LIFE INSURANCE

The Foundation has received gifts through whole-life life insurance policies which name the Foundation as both owner and beneficiary. Contributions of donated life insurance are recorded at the cash surrender values of the policies and adjusted annually. The annual change in the cash surrender values of the policies is reported as support in the statement of activities.

The cash surrender values of the life insurance policies as of June 30, 2022 amounted to \$45,955. The total decrease in the values of the policies during fiscal year 2022 was \$113.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS

The Foundation manages deposit concentration risk by placing cash and money market accounts, with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts.

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation occasionally has a need to maintain cash balances in excess of \$250,000, the amount insured by the Federal Deposit Insurance Corporation (FDIC).

Investments - Investments with brokers are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of which \$250,000 may be cash. Insurance protects assets in the case of broker-dealer insolvency and not against declines in market valuation. As of June 30, 2022, the Foundation had investments in excess of the SIPC insurance amounts. The Foundation followed established policies in directing and monitoring the investment management of the Foundation's investments during the year.

NET ASSETS RELEASED FROM RESTRICTIONS

Net assets are released from donor restrictions either by the passage of time or by incurring expenses satisfying the purpose specified by the donors. The net assets released from donor restrictions in fiscal year 2022 are summarized as follows:

Scholarships	\$ 95,869
Program Support	20,195
Cultural	5,000
Athletic Support	990
Student Support	20,863
Landscaping	1,714
Loss on Sale of Land	(11,227)
Other	243
	<u>\$ 133,647</u>

ENDOWMENT

The Foundation's endowment consists of various endowments for scholarships and educational program purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, 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.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

ENDOWMENT (continued)

Interpretation of Relevant Law - The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with the UPMIFA, the organization 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 organization 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 organization
7. The investment policies of the organization

Return Objective and Spending Policy - 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 consist of the assets of donor-restricted funds that the Foundation must hold for either a specific period of time or until the donor-specified purpose has been satisfied, as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce investment returns and incur investment risk consistent with a universe of peers with the same investment style or discipline.

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 (both realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

ENDOWMENT (continued)

Under the Foundation's spending policy, the Board has approved a three percent annual distribution based on a three year-rolling average fair market value as of the calendar year-end preceding the fiscal year in which the distribution is planned. The annual distribution shall not exceed total return for each endowment absent Board approval. The policy provides for two percent of annual cost for external investment management and internal administration fees. The Foundation expects the current spending policy to allow its endowment to grow at an average of three percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The composition of endowment net assets by fund type for the year ended June 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 10,946,184	\$ 10,946,184
Board-designated endowment funds	670,685	-	670,685
	<u>\$ 670,685</u>	<u>\$ 10,946,184</u>	<u>\$ 11,616,869</u>

The endowment net assets and activity for the year ended June 30, 2022 consisted of the following:

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 756,279	\$ 12,228,774	\$ 12,985,053
Investment return:			
Investment income	33,877	524,128	558,005
Net realized and unrealized appreciation	(105,486)	(1,634,278)	(1,739,764)
Total investment return	<u>(71,609)</u>	<u>(1,110,150)</u>	<u>(1,181,759)</u>
Contributions and grants	-	54,204	54,204
Other income	10	-	10
Fund transfer	-	22,154	22,154
Appropriation of endowment funds for expenditure	<u>(13,995)</u>	<u>(248,798)</u>	<u>(262,793)</u>
	<u>(13,985)</u>	<u>(172,440)</u>	<u>(186,425)</u>
Endowment net assets, end of year	<u>\$ 670,685</u>	<u>\$ 10,946,184</u>	<u>\$ 11,616,869</u>

As a result of realized investment losses, the fair value of certain endowment funds have fallen below the donor's original gift. As of June 30, 2022, the sum of the deficiencies in the individual donor-restricted endowment funds was \$237,217.

Lewis & Clark Community College District 536

Notes to Financial Statements

Note 13: Component Unit (continued)

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the date of the statement of financial position for general expenditures as of June 30, 2022:

Cash and cash equivalents	\$ 1,013,179
Investments	12,109,172
Accounts receivable	103
Deferred expenses	11,560
Interest receivable	14,510
Total financial assets available within one year	13,148,524
Less:	
Amounts unavailable for general expenditures within one year, due to	
Restricted by donors with purpose restrictions	11,622,422
Amounts unavailable to management without Board's approval	
Board designated for endowment	670,685
Total financial assets available to management for expenditures within one year	\$ 855,417

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

TITLE III ENDOWMENT CHALLENGE GRANT

Title III will match up to \$220,722 deposited into the Title III endowment. The endowment grant period will last from September 30, 2016 until September 30, 2036. During this period, income from the corpus can be used for costs necessary to operate the institution, costs to administer and manage the endowment fund, and costs associated with buying and selling securities. At the end of the grant period of twenty years, the Institution may use the grant endowment fund corpus for any education purpose.

Required Supplementary Information

Lewis & Clark Community College District 536

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Measurement Date June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %			
Proportion amount of the collective net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0		
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$ 153,745,383	\$ 165,014,939	\$ 158,391,193	\$ 150,175,269	\$ 141,445,619	\$ 145,139,292	\$ 132,382,465	\$ 119,528,461		
Employer covered payroll	\$ 19,037,527	\$ 20,093,933	\$ 20,001,937	\$ 19,582,481	\$ 19,663,007	\$ 20,252,966	\$ 20,230,643	\$ 19,893,278		
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	8.08 %	8.21 %	7.92 %	7.67 %	7.19 %	7.17 %	6.54 %	6.01 %		
SURS plan net position as a percentage of total pension liability	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %	44.39 %		

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information.

Lewis & Clark Community College District 536
Schedule of Pension Contributions
 Last Ten Fiscal Years
 (schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Federal, trust, grant and other contribution	\$ 310,383	\$ 314,241	\$ 313,493	\$ 295,512	\$ 237,228	\$ 291,172	\$ 250,765	\$ 211,043	\$ 190,417	
Contribution in relation to required contribution	310,383	314,241	313,493	295,512	237,228	291,172	250,765	211,043	190,417	
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Employer covered payroll	\$ 18,097,459	\$ 19,037,527	\$ 20,093,933	\$ 20,001,937	\$ 19,582,481	\$ 19,663,007	\$ 20,252,966	\$ 20,230,643	\$ 19,893,278	
Contribution as a percentage of covered payroll	1.72 %	1.65 %	1.56 %	1.48 %	1.21 %	1.48 %	1.24 %	1.04 %	0.96 %	

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information.

Lewis & Clark Community College District 536

Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Measurement Date June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net OPEB liability	1.16 %	1.20 %	1.21 %	1.22 %						
Proportion amount of the collective net OPEB liability	\$ 20,130,047	\$ 21,885,197	\$ 22,816,742	\$ 22,910,966	\$					
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$ 20,130,047	\$ 21,885,197	\$ 22,816,742	\$ 22,910,966	\$					
Total collective net OPEB liability associated with the College	\$ 40,260,094	\$ 43,770,394	\$ 45,633,484	\$ 45,821,932	\$					
District's covered payroll	\$ 19,037,527	\$ 20,093,933	\$ 20,001,937	\$ 19,582,481	\$					
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	211.48 %	217.83 %	228.15 %	233.99 %						
College insurance plan net position as a percentage of total OPEB liability	(6.38)%	(5.07)%	(4.13)%	(3.54)%						

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information.

Lewis & Clark Community College District 536

Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 103,007	\$ 107,844	\$ 110,421	\$ 108,451	\$ 106,126	\$ 105,183	\$ 106,824	\$ 104,022	\$ 97,935	
Contribution in relation to the required statutorily	103,007	107,844	110,421	108,451	106,126	105,183	106,824	104,022	97,935	
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
District's covered payroll	\$ 18,097,459	\$ 19,037,527	\$ 20,093,933	\$ 20,001,937	\$ 19,582,481	\$ 19,663,007	\$ 20,252,966	\$ 20,230,643	\$ 19,893,278	
Contribution as a percentage of covered payroll	0.57 %	0.57 %	0.55 %	0.54 %	0.54 %	0.53 %	0.53 %	0.51 %	0.49 %	

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information.

Lewis & Clark Community College District 536

Notes to Required Supplementary Information

Note 1: Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2021.

Note 2: Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once 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 Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021.

- Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.50 percent. This reflects maintaining an assumed real rate of return of 4.25 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50 percent.
- 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 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2021.

Lewis & Clark Community College District 536

Notes to Required Supplementary Information (Continued)

Note 4: Changes of OPEB Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once 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 CIP. An experience review for the years June 30, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2020. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2019:

- The discount rate was changed from 2.45 percent at June 30, 2020, to 1.92 percent 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 end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2021 and updated premium rates through plan year end 2022.
- Healthcare plan participation rates by plan were updated based on observed experience.

SPECIAL REPORTS SECTION

Supplemental Financial Information

Lewis & Clark Community College District 536

Supplemental Financial Information Section

Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net position, the Uniform Financial Statements are completed using the modified accrual basis of accounting and a current financial resource measurement focus.

The Uniform Financial Statements include the following:

- No. 1 - All Funds Summary
- No. 2 - Summary of Capital Assets and Long-Term Debt
- No. 3 - Operating Funds Revenues and Expenditures
- No. 4 - Restricted Purposes Fund Revenues and Expenditures
- No. 5 - Current Funds Expenditures by Activity

Certificate of Chargeback Reimbursement

- No. 6 - Certificate of Chargeback Reimbursement

Lewis & Clark Community College District 536

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2022</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund	Auxiliary Fund
Fund balance (deficit), beginning of year	\$ 11,975,617	\$ 7,796,203	\$ 14,341,900	\$ 6,921,298	\$ 1,325,197
Revenues:					
Local tax revenue	9,904,490	6,602,158	2,331,822	11,922,900	-
ICCB state grants	6,973,709	240,971	-	-	-
All other state revenue	-	-	303,962	-	-
Federal revenue	-	-	-	-	-
Student tuition and fees	7,880,534	350,290	-	-	929,221
On-behalf CIP	-	-	-	-	-
On-behalf SURS	-	-	-	-	-
Other revenue	(39,094)	(36,324)	9,272	-	252,389
Total revenues	24,719,639	7,157,095	2,645,056	11,922,900	1,181,610
Expenditures:					
Instruction	12,199,859	-	-	-	-
Academic support	2,328,451	-	-	-	-
Student services	2,697,653	-	-	-	-
Public services	20,429	-	-	-	-
Auxiliary services	-	-	-	-	913,894
Operation and maintenance of plant services	-	5,187,447	-	-	-
Institutional support	3,628,819	55,379	502,523	230,129	-
Scholarships, student grants, and waivers	294,450	-	-	-	717,482
Debt service:					
Principal retirement	-	-	-	22,271,000	-
Interest, service charges, and issuance costs	-	-	-	4,649,773	-
Total expenditures	21,169,661	5,242,826	502,523	27,150,902	1,631,376
Other Financing Sources (Uses):					
Transfers in	3,237,671	3,483,471	7,092,555	1,548,550	371,570
Transfers out	(2,374,720)	(2,285,280)	(4,984,603)	-	(275,540)
Bond proceeds	-	-	7,650,000	13,900,000	-
Premium on issuance of debt	-	-	479,385	-	-
Total other financing sources (uses)	862,951	1,198,191	10,237,337	15,448,550	96,030
Fund balance (deficit), end of year	\$ 16,388,546	\$ 10,908,663	\$ 26,721,770	\$ 7,141,846	\$ 971,461

Lewis & Clark Community College District 536

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2022</i>	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability Protection Settlement	Total
Fund balance (deficit), beginning of year	\$ 12,064,181	\$15,146,922	\$ 11,040	\$ 1,150,069	\$ 70,732,427
Revenues:					
Local tax revenue	252,735	-	56,097	2,712,726	33,782,928
ICCB state grants	773,209	-	-	-	7,987,889
All other state revenue	15,771,793	-	-	-	16,075,755
Federal revenue	16,864,625	-	-	-	16,864,625
Student tuition and fees	666,659	-	-	-	9,826,704
On-behalf CIP	(68,959)	-	-	-	(68,959)
On-behalf SURS	12,920,868	-	-	-	12,920,868
Other revenue	(11,498,291)	(389,823)	-	1,344	(11,700,527)
Total revenues	35,682,639	(389,823)	56,097	2,714,070	85,689,283
Expenditures:					
Instruction	7,331,756	-	-	-	19,531,615
Academic support	1,416,588	-	-	-	3,745,039
Student services	1,657,677	-	-	-	4,355,330
Public services	6,263,860	-	-	-	6,284,289
Auxiliary services	586,174	-	-	-	1,500,068
Operation and maintenance of plant services	650,468	-	-	1,343,283	7,181,198
Institutional support	5,360,557	-	56,970	1,591,388	11,425,765
Scholarships, student grants, and waivers	10,243,281	-	-	-	11,255,213
Debt service:					
Principal retirement	-	-	-	-	22,271,000
Interest, service charges, and issuance costs	-	-	-	-	4,649,773
Total expenditures	33,510,361	-	56,970	2,934,671	92,199,290
Other Financing Sources (Uses):					
Transfers in	124,924	-	-	-	15,858,741
Transfers out	(3,849,774)	(2,088,824)	-	-	(15,858,741)
Bond proceeds	-	-	-	-	21,550,000
Premium on issuance of debt	-	-	-	-	479,385
Total other financing sources (uses)	(3,724,850)	(2,088,824)	-	-	22,029,385
Fund balance (deficit), end of year	\$ 10,511,609	\$12,668,275	\$ 10,167	\$ 929,468	\$ 86,251,805

Lewis & Clark Community College District 536

Uniform Financial Statement #2

Summary of Capital Assets and Long-Term Debt

<i>Year Ended June 30, 2022</i>	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets:					
Site and improvements	\$ 22,622,374	\$ -	\$ 73,000	\$ -	\$ 22,549,374
Buildings, additions, and improvements	183,572,029	-	251,174	15,962	183,336,817
Equipment	13,022,695	218,330	185,011	(15,962)	13,040,052
Sculptures and art	2,460,505	-	-	-	2,460,505
Construction in progress	206,034	365,299	-	-	571,333
Total capital assets	221,883,637	583,629	509,185	-	221,958,081
Accumulated depreciation	86,178,232	4,904,211	258,176	-	90,824,267
Total net capital assets	\$ 135,705,405	\$ (4,320,582)	\$ 251,009	\$ -	\$ 131,133,814
Long-term debt:					
Bonds payable	\$ 94,015,274	\$ 14,015,167	\$ 22,271,000	\$ -	\$ 85,759,441
Bond premium	5,842,984	479,385	982,171	-	5,340,198
OPEB liability	21,885,197	-	1,755,150	-	20,130,047
Accrued Compensated absences	907,468	772,438	862,920	-	816,986
Debt certificates	-	7,650,000	-	-	7,650,000
Total long-term debt	\$ 122,650,923	\$ 22,916,990	\$ 25,871,241	\$ -	\$ 119,696,672

Lewis & Clark Community College District 536

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

<i>Year Ended June 30, 2022</i>	Education Fund	Operations and Maintenance Fund	Total
Operating revenues by source:			
Local government:			
Local taxes	\$ 7,982,894	\$ 5,321,094	\$ 13,303,988
Corporate personal property replacement taxes	1,921,596	1,281,064	3,202,660
Tuition chargeback revenue	-	-	-
Total local government	9,904,490	6,602,158	16,506,648
State government:			
ICCB base operating grant	3,267,954	240,971	3,508,925
ICCB equalization grant	3,373,690	-	3,373,690
ICCB career & technical education	332,065	-	332,065
Other state sources	-	-	-
Total state government	6,973,709	240,971	7,214,680
Student tuition and fees:			
Tuition	6,698,758	240,971	6,939,729
Student fees	1,181,776	109,319	1,291,095
Total tuition and fees	7,880,534	350,290	8,230,824
Other sources:			
Sales and service fees	143,466	-	143,466
Facilities revenue	-	115,676	115,676
Investment income	(254,699)	(159,255)	(413,954)
Nongovernmental grants	20,000	-	20,000
Other revenues	52,139	7,255	59,394
Total other sources	(39,094)	(36,324)	(75,418)
Total revenue	24,719,639	7,157,095	31,876,734
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted revenue	\$ 24,719,639	\$ 7,157,095	\$ 31,876,734

Lewis & Clark Community College District 536

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

<i>Year Ended June 30, 2022</i>	Education Fund	Operations and Maintenance Fund	Total
Operating expenditures:			
By program:			
Instruction	12,199,859	-	12,199,859
Academic support	2,328,451	-	2,328,451
Student services	2,697,653	-	2,697,653
Public services	20,429	-	20,429
Operation and maintenance of plant services	-	5,187,447	5,187,447
Institutional support	3,628,819	55,379	3,684,198
Scholarships, student grants, and waivers	294,450	-	294,450
Total expenditures	21,169,661	5,242,826	26,412,487
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted expenditures	\$ 21,169,661	\$ 5,242,826	\$ 26,412,487
By object:			
Salaries	17,221,190	1,056,178	18,277,368
Employee benefits	1,818,072	163,142	1,981,214
Contractual services	1,002,846	2,376,955	3,379,801
General materials and supplies	967,290	281,766	1,249,056
Travel, conference and meeting expense	83,316	1,663	84,979
Fixed Charges	15,917	60,748	76,665
Utilities	-	1,286,792	1,286,792
Capital outlay	5,611	13,613	19,224
Other	55,419	1,969	57,388
Total expenditures	21,169,661	5,242,826	26,412,487
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted expenditures	\$ 21,169,661	\$ 5,242,826	\$ 26,412,487

Lewis & Clark Community College District 536

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

Year Ended June 30, 2022

Revenue by source:

Local government:

Property taxes \$ 252,735

State government:

ICCB:

Adult Education 345,477

Other 427,732

Illinois School Board of Education 215,492

On-behalf CIP (68,959)

On-behalf SURS 12,920,868

Other state government 2,704,392

Total state government 16,545,002

Federal government:

Department of Education:

Adult Education 236,483

FSEOG 147,994

Federal Work Study 79,575

Pell Grant 3,631,564

Federal Direct Student Loans 1,822,628

TRIO - Talent Search 349,924

TRIO - Upward Bound 380,033

Career & Technical Education - Perkins 382,139

GEER 248,819

HEERF Student 4,276,086

HEERF Institutional 3,261,107

Department of Labor:

YouthBuild 335,180

WIOA - Youth Employment Enhancement 66,190

WIOA - Dislocated Worker 7,250

Other Federal Government Sources:

Stem Education 85,379

Americorps 115,543

Department of Energy - IGEN 345,346

Illinois Department of Natural Resources 462,244

Natural Resources Conservation Service 248,625

Other 382,516

Total federal government 16,864,625

Lewis & Clark Community College District 536

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures (Continued)

Year Ended June 30, 2022

Other sources:

Tuition and fees	666,659
Sales and service fees	253,511
Investment income	(59,021)
Nongovernmental grants	584,739
Miscellaneous revenue	574,389

Total other sources	2,020,277
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Total restricted purposes fund revenues	\$ 35,682,639
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Expenditures by program:

Instruction	7,331,756
Academic support	1,416,588
Student services	1,657,677
Public services	6,263,860
Auxiliary services	586,174
Operation and maintenance of plant services	650,468
Institutional support	5,360,557
Scholarships, student grants, and waivers	10,243,281

Total restricted purposes fund expenditures by program	\$ 33,510,361
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Expenditures by object:

Salaries	4,572,729
Employee benefits	13,879,103
Contractual services	2,107,371
General materials and supplies	1,362,057
Travel, conference and meeting expense	253,288
Fixed Charges	46,894
Utilities	14,054
Capital outlay	199,108
Other	11,075,757

Total restricted purposes fund expenditures by object	\$ 33,510,361
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Lewis & Clark Community College District 536

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2022

Instruction:	
Program	\$ 12,900,382
Support	6,631,233
<hr/>	
Total instruction	19,531,615
<hr/>	
Academic support:	
Library Center	297,447
Instructional Materials Center	110,463
Academic Computing Support	1,505,363
Academic Administration and Planning	664,423
Other Academic Support	1,167,343
<hr/>	
Total academic support	3,745,039
<hr/>	
Student services:	
Admissions & Records	887,036
Counseling & Career Guidance	976,395
Health Services	346,928
Financial Aid Administration	386,755
Minority Affairs	158,023
Other Student Services	1,600,193
<hr/>	
Total student services	4,355,330
<hr/>	
Public service/continuing education:	
Community Education	505,013
Customized Training	1,087,248
Community Services	484,340
Other Public Services	4,207,688
<hr/>	
Total public service/continuing education	6,284,289
<hr/>	
Auxiliary	
<hr/>	
1,500,068	
<hr/>	
Operations and maintenance of plant:	
Maintenance	1,558,267
Custodial Services	1,196,561
Grounds	394,976
Campus Security	1,628,061
Transportation	50,618
Plant Utilities	1,292,416
Administration	83,201
Other Operations & Maintenance	977,098
<hr/>	
Total operations and maintenance of plant	7,181,198
<hr/>	

See Independent Auditor's Report on Supplementary Information.

Lewis & Clark Community College District 536

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2022

Institutional support:

Executive Management	848,754
Fiscal Operations	721,902
Community Relations	499,201
Administrative Support Services	580,030
Board of Trustees	21,890
General Institution	3,220,818
Institutional Research	213,084
Administrative Data Processing	947,234
Other Institutional Support	3,640,200
Total institutional support	10,693,113

Scholarships, Grants, Waivers	11,255,213
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Total current funds expenditures	\$ 64,545,865
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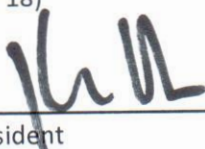
* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

Lewis & Clark Community College District 536

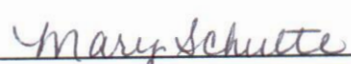
Certification of Chargeback Reimbursement For Fiscal Year 2023

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

1. Education Fund	\$	21,164,050
2. Operations and Maintenance Fund		5,229,213
4. Bond and Interest Fund		3,821,912
5. Public Building Commission Rental Fund		-
6. Restricted Purposes Fund		20,459,344
7. Audit Fund		56,970
8. Liability, Protection, and Settlement Fund		2,934,671
9. Auxiliary Enterprises Fund (subsidy only)		<u>-</u>
10. Total noncapital expenditures (sum of lines 1-9)		<u>\$ 53,666,160</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds		<u>\$ 3,225,977</u>
12. Total costs included (line 10 plus line 11)		<u>\$ 56,892,137</u>
13. Total certified semester credit hours for FY 2021		<u>61,920</u>
14. Per capita cost (line 12 divided by line 13)	\$	919
15. All FY 2022 state and federal operating grants for noncapital expenditures, except ICCB grants		<u>\$ 20,429,697</u>
16. FY 2022 state and federal grants per semester credit hour (line 15 divided by line 13)		329.94
17. District's average ICCB grant rate (excluding equalization grants) for FY 2022		41.27
18. District's student tuition and fee rate per semester credit hour for FY 2022		<u>155.00</u>
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	\$	<u>392.79</u>

Approved: 
President

February 8, 2023
Date


Vice President of Finance

February 8, 2023
Date

Other Financial Information

Lewis & Clark Community College District 536

Combining Balance Sheet - All Fund Types

<i>June 30, 2022</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 242,628	\$ -	\$ 13,145,083	\$ -
Investments	9,274,703	6,143,663	9,177,803	-
Receivables, net:				
Taxes receivable	8,089,821	5,388,467	2,364,280	11,902,103
Government claims receivable	314,832	209,888	-	-
Student tuition receivable (net)	3,213,297	-	-	-
Accrued interest	22,361	15,189	20,255	-
Other receivables	32,998	1,000	-	-
Prepaid expenses	96,487	30,229	-	-
Inventory	15,047	-	-	-
Interfund receivables	4,471,025	2,467,272	3,262,585	1,919,759
Capital assets, net of accumulated depreciation	-	-	-	-
Total assets	25,773,199	14,255,708	27,970,006	13,821,862
Deferred outflow of resources:				
Deferred outflows related to OPEB	-	-	-	-
Deferred outflows related to pension	-	-	-	-
Deferred loss on refunding bonds	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 25,773,199	\$ 14,255,708	\$ 27,970,006	\$ 13,821,862
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 307,540	\$ 529,592	\$ 61,751	\$ 318
Accrued Expenses	1,891,915	-	-	706,772
Unearned tuition and fees	3,125,420	40,639	-	-
Unearned grants	-	-	-	-
Bonds payable, current	-	-	-	-
Debt certificates, current	-	-	-	-
Bonds payable, long-term	-	-	-	-
Debt certificates, long-term	-	-	-	-
OPEB liability	-	-	-	-
Total liabilities	5,324,875	570,231	61,751	707,090
Deferred inflows of resources				
Unavailable property taxes	4,059,778	2,704,136	1,186,485	5,972,926
Other deferred revenue	-	72,678	-	-
Deferred inflows of OPEB resources	-	-	-	-
Total deferred inflows of resources	4,059,778	2,776,814	1,186,485	5,972,926
Total liabilities and deferred inflows of resources	9,384,653	3,347,045	1,248,236	6,680,016
Fund balances (deficit):				
Net investment in capital assets	-	-	-	-
Restricted fund balance	-	-	19,071,770	7,141,846
Unrestricted	16,388,546	10,908,663	7,650,000	-
Total fund balances	16,388,546	10,908,663	26,721,770	7,141,846
Total liabilities, deferred inflows or resources and fund balances	\$ 25,773,199	\$ 14,255,708	\$ 27,970,006	\$ 13,821,862

Lewis & Clark Community College District 536

Combining Balance Sheet - All Fund Types

<i>June 30, 2022</i>	Auxiliary Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	7,253,503	27,570,289	-
Receivables, net:				
Taxes receivable	-	256,368	-	56,971
Government claims receivable	-	4,471,479	-	-
Student tuition receivable (net)	-	-	-	-
Accrued interest	-	2,634	47,081	-
Other receivables	10,020	-	-	-
Prepaid expenses	9,513	221,404	-	-
Inventory	-	-	-	-
Interfund receivables	1,318,911	2,219,039	(14,947,167)	(18,214)
Capital assets, net of accumulated depreciation	-	-	-	-
Total assets	1,338,444	14,424,427	12,670,203	38,757
Deferred outflow of resources:				
Deferred outflows related to OPEB	-	-	-	-
Deferred outflows related to pension	-	-	-	-
Deferred loss on refunding bonds	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 1,338,444	\$ 14,424,427	\$ 12,670,203	\$ 38,757
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 12,435	\$ 579,614	\$ 1,928	\$ -
Accrued Expenses	9,105	-	-	-
Unearned tuition and fees	345,436	158,015	-	-
Unearned grants	-	3,046,534	-	-
Bonds payable, current	-	-	-	-
Debt certificates, current	-	-	-	-
Bonds payable, long-term	-	-	-	-
Debt certificates, long-term	-	-	-	-
OPEB liability	-	-	-	-
Total liabilities	366,976	3,784,163	1,928	-
Deferred inflows of resources				
Unavailable property taxes	-	128,655	-	28,590
Other deferred revenue	7	-	-	-
Deferred inflows of OPEB resources	-	-	-	-
Total deferred inflows of resources	7	128,655	-	28,590
Total liabilities and deferred inflows of resources	366,983	3,912,818	1,928	28,590
Fund balances (deficit):				
Net investment in capital assets	-	-	-	-
Restricted fund balance	-	9,222,539	-	-
Unrestricted	971,461	1,289,070	12,668,275	10,167
Total fund balances	971,461	10,511,609	12,668,275	10,167
Total liabilities, deferred inflows or resources and fund balances	\$ 1,338,444	\$ 14,424,427	\$ 12,670,203	\$ 38,757

Lewis & Clark Community College District 536

Combining Balance Sheet - All Fund Types

<i>June 30, 2022</i>	Liability Protection Settlement	Fund Totals
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	\$ -	\$ 13,387,711
Investments	-	59,419,961
Receivables, net:		
Taxes receivable	2,577,919	30,635,929
Government claims receivable	-	4,996,199
Student tuition receivable (net)	-	3,213,297
Accrued interest	-	107,520
Other receivables	27,811	71,829
Prepaid expenses	438,545	796,178
Inventory	-	15,047
Interfund receivables	(693,210)	-
Capital assets, net of accumulated depreciation	-	-
Total assets	2,351,065	112,643,671
Deferred outflow of resources:		
Deferred outflows related to OPEB	-	-
Deferred outflows related to pension	-	-
Deferred loss on refunding bonds	-	-
Total deferred outflow of resources	-	-
Total assets and deferred outflow of resources	\$ 2,351,065	\$ 112,643,671
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	\$ 127,903	\$ 1,621,081
Accrued Expenses	-	2,607,792
Unearned tuition and fees	-	3,669,510
Unearned grants	-	3,046,534
Bonds payable, current	-	-
Debt certificates, current	-	-
Bonds payable, long-term	-	-
Debt certificates, long-term	-	-
OPEB liability	-	-
Total liabilities	127,903	10,944,917
Deferred inflows of resources		
Unavailable property taxes	1,293,694	15,374,264
Other deferred revenue	-	72,685
Deferred inflows of OPEB resources	-	-
Total deferred inflows of resources	1,293,694	15,446,949
Total liabilities and deferred inflows of resources	1,421,597	26,391,866
Fund balances (deficit):		
Net investment in capital assets	-	-
Restricted fund balance	-	35,436,155
Unrestricted	929,468	50,815,650
Total fund balances	929,468	\$ 86,251,805
Total liabilities, deferred inflows or resources and fund balances	\$ 2,351,065	\$ 112,643,671

Lewis & Clark Community College District 536

Combining Balance Sheet - All Fund Types

<i>June 30, 2022</i>	GASB Adjustments			Adjusted Totals		
	General Fixed Assets	General Long- Term Debt	GASB35 Entries			
Assets and Deferred Outflows of Resources						
Cash and cash equivalents	\$	-	\$	-	13,387,711	
Investments		-	-	-	59,419,961	
Receivables, net:						
Taxes receivable		-	-	-	30,635,929	
Government claims receivable		-	-	-	4,996,199	
Student tuition receivable (net)		-	-	-	3,213,297	
Accrued interest		-	-	-	107,520	
Other receivables		-	-	-	71,829	
Prepaid expenses		-	-	-	796,178	
Inventory		-	-	-	15,047	
Interfund receivables		-	-	-	-	
Capital assets, net of accumulated depreciation	131,133,814		-	-	131,133,814	
Total assets	131,133,814	\$	-	\$	-	243,777,485
Deferred outflow of resources:						
Deferred outflows related to OPEB		-	359,219	-	359,219	
Deferred outflows related to pension		-	-	310,383	310,383	
Deferred loss on refunding bonds		-	1,492,314	-	1,492,314	
Total deferred outflow of resources		-	1,851,533	310,383	2,161,916	
Total assets and deferred outflow of resources	\$ 131,133,814	\$	1,851,533	\$	310,383	\$ 245,939,401
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	\$	-	\$	-	\$ 1,621,081	
Accrued Expenses		-	-	816,986	3,424,778	
Unearned tuition and fees		-	-	-	3,669,510	
Unearned grants		-	-	-	3,046,534	
Bonds payable, current		-	10,304,873	-	10,304,873	
Debt certificates, current		-	2,008,139	-	2,008,139	
Bonds payable, long-term		-	80,315,381	-	80,315,381	
Debt certificates, long-term		-	6,121,246	-	6,121,246	
OPEB liability		-	20,130,047	-	20,130,047	
Total liabilities		-	118,879,686	816,986	130,641,589	
Deferred inflows of resources						
Unavailable property taxes		-	-	-	15,374,264	
Other deferred revenue		-	-	-	72,685	
Deferred inflows of OPEB resources		-	6,272,129	-	6,272,129	
Total deferred inflows of resources		-	6,272,129	-	21,719,078	
Total liabilities and deferred inflows of resources		-	125,151,815	816,986	152,360,667	
Fund balances (deficit):						
Net investment in capital assets	131,133,814		(51,702,748)	-	79,431,066	
Restricted fund balance		-	-	-	35,436,155	
Unrestricted		-	(71,597,534)	(506,603)	(21,288,487)	
Total fund balances	131,133,814		(123,300,282)	(506,603)	\$ 93,578,734	
Total liabilities, deferred inflows or resources and fund balances	\$ 131,133,814	\$	1,851,533	\$	310,383	\$ 245,939,401

Lewis & Clark Community College District 536

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2022</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund
Revenues:				
Local government	\$ 9,904,490	\$ 6,602,158	\$ 2,331,822	\$ 11,922,900
State government	6,973,709	240,971	303,962	-
State on-behalf - SURS and CIP	-	-	-	-
Federal government	-	-	-	-
Student tuition and fees	7,880,534	350,290	-	-
Sales and service fees	143,466	-	-	-
Facilities revenue	-	115,676	-	-
Investment income	(254,699)	(159,255)	(138,828)	-
Nongovernmental grants	20,000	-	-	-
Other revenue	52,139	7,255	148,100	-
Total revenues	24,719,639	7,157,095	2,645,056	11,922,900
Expenditures/expenses:				
Current:				
Instruction	12,199,859	-	-	-
Academic support	2,328,451	-	-	-
Student services	2,697,653	-	-	-
Public services	20,429	-	-	-
Auxiliary services	-	-	-	-
Operation and maintenance of plant services	-	5,187,447	-	-
Institutional support	3,628,819	55,379	502,523	230,129
Scholarships, student grants, and waivers	294,450	-	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	-	-	-	22,271,000
Interest, service charges, and issuance costs	-	-	-	4,649,773
Total expenditures/expenses	21,169,661	5,242,826	502,523	27,150,902
Excess (deficiency) of revenues over expenditures	3,549,978	1,914,269	2,142,533	(15,228,002)
Other financing sources (uses)				
Transfers in	3,237,671	3,483,471	7,092,555	1,548,550
Transfers out	(2,374,720)	(2,285,280)	(4,984,603)	-
Bond proceeds	-	-	7,650,000	13,900,000
Premium on issuance of debt	-	-	479,385	-
Loss on disposal of assets	-	-	-	-
Total other financing sources (uses)	862,951	1,198,191	10,237,337	15,448,550
Net change in fund balance	4,412,929	3,112,460	12,379,870	220,548
Fund balance/net position (deficit), beginning of year, as restated	11,975,617	7,796,203	14,341,900	6,921,298
Fund balance/net position (deficit), end of year	\$ 16,388,546	\$ 10,908,663	\$ 26,721,770	\$ 7,141,846

Lewis & Clark Community College District 536

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2022</i>	Auxiliary Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund
Revenues:				
Local government	\$ -	\$ 252,735	\$ -	\$ 56,097
State government	-	3,693,093	-	-
State on-behalf - SURS and CIP	-	12,851,909	-	-
Federal government	-	16,864,625	-	-
Student tuition and fees	929,221	666,659	-	-
Sales and service fees	160,400	253,511	-	-
Facilities revenue	70,107	-	-	-
Investment income	-	(59,021)	(389,823)	-
Nongovernmental grants	-	584,739	-	-
Other revenue	21,882	574,389	-	-
Total revenues	1,181,610	35,682,639	(389,823)	56,097
Expenditures/expenses:				
Current:				
Instruction	-	7,331,756	-	-
Academic support	-	1,416,588	-	-
Student services	-	1,657,677	-	-
Public services	-	6,263,860	-	-
Auxiliary services	913,894	586,174	-	-
Operation and maintenance of plant services	-	650,468	-	-
Institutional support	-	5,360,557	-	56,970
Scholarships, student grants, and waivers	717,482	10,243,281	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest, service charges, and issuance costs	-	-	-	-
Total expenditures/expenses	1,631,376	33,510,361	-	56,970
Excess (deficiency) of revenues over expenditures	(449,766)	2,172,278	(389,823)	(873)
Other financing sources (uses)				
Transfers in	371,570	124,924	-	-
Transfers out	(275,540)	(3,849,774)	(2,088,824)	-
Bond proceeds	-	-	-	-
Premium on issuance of debt	-	-	-	-
Loss on disposal of assets	-	-	-	-
Total other financing sources (uses)	96,030	(3,724,850)	(2,088,824)	-
Net change in fund balance	(353,736)	(1,552,572)	(2,478,647)	(873)
Fund balance/net position (deficit), beginning of year, as restated	1,325,197	12,064,181	15,146,922	11,040
Fund balance/net position (deficit), end of year	\$ 971,461	\$ 10,511,609	\$ 12,668,275	\$ 10,167

Lewis & Clark Community College District 536

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2022</i>	Liability Protection Settlement	Fund Totals
Revenues:		
Local government	\$ 2,712,726	\$ 33,782,928
State government	-	11,211,735
State on-behalf - SURS and CIP	-	12,851,909
Federal government	-	16,864,625
Student tuition and fees	-	9,826,704
Sales and service fees	-	557,377
Facilities revenue	-	185,783
Investment income	-	(1,001,626)
Nongovernmental grants	-	604,739
Other revenue	1,344	805,109
Total revenues	2,714,070	85,689,283
Expenditures/expenses:		
Current:		
Instruction	-	19,531,615
Academic support	-	3,745,039
Student services	-	4,355,330
Public services	-	6,284,289
Auxiliary services	-	1,500,068
Operation and maintenance of plant services	1,343,283	7,181,198
Institutional support	1,591,388	11,425,765
Scholarships, student grants, and waivers	-	11,255,213
Depreciation expense	-	-
Debt service:		
Principal retirement	-	22,271,000
Interest, service charges, and issuance costs	-	4,649,773
Total expenditures/expenses	2,934,671	92,199,290
Excess (deficiency) of revenues over expenditures	(220,601)	(6,510,007)
Other financing sources (uses)		
Transfers in	-	15,858,741
Transfers out	-	(15,858,741)
Bond proceeds	-	21,550,000
Premium on issuance of debt	-	479,385
Loss on disposal of assets	-	-
Total other financing sources (uses)	-	22,029,385
Net change in fund balance	(220,601)	15,519,378
Fund balance/net position (deficit), beginning of year, as restated	1,150,069	70,732,427
Fund balance/net position (deficit), end of year	\$ 929,468	\$ 86,251,805

Lewis & Clark Community College District 536

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2022	GASB Adjustments			Adjusted Totals
	General Fixed Assets	General Long-Term Debt	GASB35 Entries	
Revenues:				
Local government	\$ -	\$ -	\$ -	33,782,928
State government	-	-	-	11,211,735
State on-behalf - SURS and CIP	-	-	-	12,851,909
Federal government	-	-	-	16,864,625
Student tuition and fees	-	-	(4,801,558)	5,025,146
Sales and service fees	-	-	-	557,377
Facilities revenue	-	-	-	185,783
Investment income	-	-	-	(1,001,626)
Nongovernmental grants	-	-	-	604,739
Other revenue	-	-	-	805,109
Total revenues	-	-	(4,801,558)	80,887,725
Expenditures/expenses:				
Current:				
Instruction	(9,741)	(197,264)	(51,320)	19,273,290
Academic support	-	(28,949)	(7,497)	3,708,593
Student services	(49,629)	(40,198)	(19,175)	4,246,328
Public services	(77,650)	(45,037)	(23,226)	6,138,376
Auxiliary services	-	(10,764)	(3,584)	1,485,720
Operation and maintenance of plant services	(11,776)	(20,529)	(19,319)	7,129,574
Institutional support	(434,833)	(63,540)	37,497	10,964,889
Scholarships, student grants, and waivers	-	-	(4,801,558)	6,453,655
Depreciation expense	4,904,211	-	-	4,904,211
Debt service:				
Principal retirement	-	(22,271,000)	-	-
Interest, service charges, and issuance costs	-	(1,752,883)	-	2,896,890
Total expenditures/expenses	4,320,582	(24,430,164)	(4,888,182)	67,201,526
Excess (deficiency) of revenues over expenditures	(4,320,582)	24,430,164	86,624	13,686,199
Other financing sources (uses)				
Transfers in	-	-	-	15,858,741
Transfers out	-	-	-	(15,858,741)
Bond proceeds	-	(21,550,000)	-	-
Premium on issuance of debt	-	(479,385)	-	-
Loss on disposal of assets	(251,009)	-	-	(251,009)
Total other financing sources (uses)	(251,009)	(22,029,385)	-	(251,009)
Net change in fund balance	(4,571,591)	2,400,779	86,624	13,435,190
Fund balance/net position (deficit), beginning of year, as restated	135,705,405	(125,701,061)	(593,227)	80,143,544
Fund balance/net position (deficit), end of year	\$ 131,133,814	\$ (123,300,282)	\$ (506,603)	\$ 93,578,734

Lewis & Clark Community College District 536

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

<i>Levy Years</i>	2021	2020
Assessed Valuations:		
Madison	\$ 3,528,127,711	\$ 3,375,117,188
Macoupin	525,453,261	503,555,405
Jersey	430,310,541	405,063,226
Greene	247,611,102	230,771,892
Calhoun	81,505,223	75,905,332
Morgan	67,260	62,980
Scott	54,835	16,634
Total assessed valuations	\$ 4,813,129,933	\$ 4,590,492,657
Tax Rates (per \$100 assessed valuation):		
Education	0.1704	0.1709
Operations and Maintenance	0.1135	0.1140
Bond and Interest	0.2507	0.2592
Liability/Judgements	0.0488	0.0567
Social Security/Medicare	0.0055	0.0051
Protection Health Safety	0.0498	0.0499
Audit	0.0012	0.0012
Tech Plan	0.0054	0.0054
Total tax rate	0.6453	0.6624
Taxes Extended:		
Education	\$ 8,201,573	\$ 7,845,152
Operations and Maintenance	5,462,902	5,233,162
Bond and Interest	12,066,517	11,898,557
Liability/Judgements	2,348,809	2,602,809
Social Security/Medicare	264,722	234,115
Protection Health Safety	2,396,939	2,290,656
Audit	57,758	55,086
Tech Plan	259,909	247,887
Total taxes extended	\$ 31,059,129	\$ 30,407,424
Tax Collections to June 30:		
Education	\$ 29,736	\$ 7,806,278
Operations and Maintenance	19,807	5,207,231
Bond and Interest	43,749	11,839,598
Liability/Judgements	8,516	2,589,912
Social Security/Medicare	960	232,955
Protection Health Safety	8,690	2,279,305
Audit	209	54,813
Tech Plan	942	246,658
Total tax collections	\$ 112,609	\$ 30,256,750
Percent of extensions collected	0.36 %	99.50 %

Lewis & Clark Community College District 536

Schedule of Legal Debt Margin

Year Ended June 30, 2022

Estimated total equalized assessed valuation - 2021 Levy	\$ <u>4,813,129,933</u>
Debt limit, 2.875% of assessed valuation	138,377,486
Outstanding indebtedness	
Bonds	85,034,441
Debt Certificates	<u>7,650,000</u>
Legal Debt Margin	\$ <u>45,693,045</u>

ICCB State Grants Section

Independent Auditor's Report on State Adult Education and Family Literacy Grants Financial Statements

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Lewis & Clark Community College District 536 (the "College"), as of and for the year ended June 30, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Lewis & Clark Community College District 536 as of June 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. 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 State Adult Education and Family Literacy Grants of Lewis & Clark Community College District 536, 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 opinion.

Emphasis of Matter

As discussed in Notes to ICCB Grant Programs Financial Statements, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly the financial position of Lewis & Clark Community College District 536 as of June 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgement 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 financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP



Sterling, Illinois
February 8, 2023

Independent Auditor's Report on Compliance with State Requirements for State Adult Education and Family Literacy Grants

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State Adult Education and Family Literacy Grants Program of Lewis & Clark Community College District 536 (the "College"), which comprise of the balance sheet as of June 30, 2022, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report there on dated February 8, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants. Our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced terms or conditions of the grant policy guidelines of Illinois Community Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants.

The report is intended solely for the information and use of the Board of Trustees and management of Lewis & Clark Community College District 536, and the Illinois Community College Board and is not intended to be and should not be sued by anyone other than those specified parties.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Sterling, Illinois
February 8, 2023

Lewis & Clark Community College District 536

State Adult Education and Family Literacy Grants

Balance Sheet

<i>June 30, 2022</i>	State Basic	State Performance	Total
Assets			
Cash and cash equivalents	\$ -	\$ -	-
Government receivable	-	-	-
Total assets	\$ -	\$ -	-
Liabilities and Fund Balance			
Total liabilities and fund balances	\$ -	\$ -	-

See Notes to ICCB Grant Programs Financial Statements.

Lewis & Clark Community College District 536

State Adult Education and Literacy Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

<i>Year Ended June 30, 2022</i>	State		
	State Basic	Performance	Total
Revenues:			
Grant revenue	\$ 250,647	\$ 94,830	\$ 345,477
Total revenues	250,647	94,830	345,477
Expenditures:			
Instruction	121,261	-	121,261
Contractual services	2,778	9,054	11,832
Social work services	65,757	-	65,757
Guidance services	-	17,786	17,786
Student transportation services	45	550	595
Literacy services	12,254	-	12,254
Subtotal instructional and student services	202,095	27,390	229,485
Improvement of Instructional Services	359	1,028	1,387
General Administration	-	27,031	27,031
Data and Information Services	29,627	32,401	62,028
Subtotal program support	29,986	60,460	90,446
Indirect costs	18,566	6,980	25,546
Total expenditures	250,647	94,830	345,477
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

See Notes to ICCB Grant Programs Financial Statements.

Lewis & Clark Community College District 536
 ICCB Compliance Statement for the
 State Adult Education and Family Literacy Grant
 Expenditure Amounts and Percentages for ICCB Grant Funds Only

Year Ended June 30, 2022

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 121,261	48.38 %
General administration (20% maximum allowed)	\$ -	- %

Lewis & Clark Community College District 536

Notes to ICCB Grant Programs Financial Statements

Note 1: Summary of Significant Accounting Policies

General

The accompanying statements include only those transactions resulting from the State Adult Education & Family Literacy grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2022. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2022 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Fixed Assets

Capital asset purchases are recorded as capital outlay expenditures. However, for the Statement of Net Position for the College as a whole, capital assets are capitalized.

Note 2: Payment of Prior Year's Encumbrances

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

Lewis & Clark Community College District 536

Background Information on State Grant Activity

Unrestricted Grants

Base Operating Grants - General operating funds provided to colleges are based upon credit enrollment.

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

Statewide Initiatives

Special Incentive Grants - A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

Other Grants - These other grants are additional contractual grants provided for special or specific system related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Grants/State

State Basic - Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school 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 Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Performance - Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

Independent Accountant's Report on Enrollment Data and Other Bases Upon Which Claims are Filed

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

We have examined management of Lewis & Clark Community College District 536's (the "College") assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Lewis & Clark Community College District 536 during the period July 1, 2021 through June 30, 2022. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement 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 management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, 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 examination engagement.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Lewis & Clark Community College District 536 is fairly stated, in all material respects.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.


Sterling, Illinois
February 8, 2023

Lewis & Clark Community College

Schedule of Enrollment Data and Other Bases Upon which Claims are Filed Year Ended June 30, 2022

<u>Credit Hour Categories</u>	<u>Total Reimbursable Semester Credit Hours by Term</u>							
	<u>Summer Term</u>		<u>Fall Term</u>		<u>Spring Term</u>		<u>Total All Terms</u>	
	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>
Baccalaureate	3,119.0	12.0	18,427.0	75.0	19,750.5	5.0	41,296.5	92.0
Business Occupational	399.5	-	1,938.0	-	1,412.0	-	3,749.5	-
Technical Occupational	223.0	-	3,231.0	137.0	2,952.0	60.0	6,406.0	197.0
Health Occupational	462.0	-	2,943.5	-	2,600.0	-	6,005.5	-
Remedial/Developmental	156.0	-	1,200.0	27.0	717.0	-	2,073.0	27.0
Adult Education	-	168.0	31.5	1,000.5	87.5	786.5	119.0	1,955.0
	4,359.5	180.0	27,771.0	1,239.5	27,519.0	851.5	59,649.5	2,271.0
	<u>In-District (All terms)</u>		<u>Dual Credit (All Terms)</u>		<u>Dual Enrollment (All Terms)</u>			
	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>	<u>Unrestricted Hours</u>	<u>Restricted Hours</u>		
Reimbursable Credit Hours:	57,205.5	2,184.0	13,495.0	-	570.5	-		
Credit Hours on Chargeback or Contractual Agreement:			2,546.0					
District Equalized Assessed Valuation:			\$4,813,129,933					

<u>Credit Hour Categories</u>	<u>Correctional Semester Credit Hours by Term</u>			
	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
	<u>Correctional Hours</u>	<u>Correctional Hours</u>	<u>Correctional Hours</u>	<u>Correctional Hours</u>
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial/Developmental	-	-	-	-
Adult Education	-	-	-	-
	-	-	-	-

Signature: 
President

Signature: 
Vice President of Finance

Lewis & Clark Community College

Schedule of Enrollment Data and Other Bases Upon which Claims are Filed (Continued)

Year Ended June 30, 2022

Total Reimbursable Semester Credit Hours

<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>	Total	Total	<u>Difference</u>
	Reported in Audit	Certified to ICCB		Reported in Audit	Certified to ICCB	
	Unrestricted	Unrestricted		Restricted	Restricted	
	<u>Hours</u>	<u>Hours</u>		<u>Hours</u>	<u>Hours</u>	
Baccalaureate	41,296.5	41,296.5	-	92.0	92.0	-
Business Occupational	3,749.5	3,749.5	-	-	-	-
Technical Occupational	6,406.0	6,406.0	-	197.0	197.0	-
Health Occupational	6,005.5	6,005.5	-	-	-	-
Remedial/Developmental	2,073.0	2,073.0	-	27.0	27.0	-
Adult Education	119.0	119.0	-	1,955.0	1,955.0	-
Total:	59,649.5	59,649.5	-	2,271.0	2,271.0	-

	Total	Total	<u>Difference</u>	Total	Total	<u>Difference</u>
	Reported in Audit	Certified to ICCB		Reported in Audit	Certified to ICCB	
	Unrestricted	Unrestricted		Restricted	Restricted	
	<u>Hours</u>	<u>Hours</u>		<u>Hours</u>	<u>Hours</u>	
In-District Credit Hours:	57,205.5	57,205.5	-	2,184.0	2,184.0	-
Dual Credit Hours:	13,495.0	13,495.0	-	-	-	-
Dual Enrollment Hours:	570.5	570.5	-	-	-	-

Total Correctional Semester Credit Hours

<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>	Total	Total	<u>Difference</u>
	Reported in Audit	Certified to ICCB		Reported in Audit	Certified to ICCB	
	Unrestricted	Unrestricted		Restricted	Restricted	
	<u>Hours</u>	<u>Hours</u>		<u>Hours</u>	<u>Hours</u>	
Baccalaureate	-	-	-	-	-	-
Business Occupational	-	-	-	-	-	-
Technical Occupational	-	-	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial/Developmental	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-
Total:	-	-	-	-	-	-

Lewis & Clark Community College District 536

Note to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

Note 1 Residency Verification Process

The College adheres to the rules and policies of the Illinois Community College Board in documenting student residency.

The College procedures is as follows:

Upon initial contact with students, the College receives admission forms and other documents indicating residency . To be coded "in-district", each student must have lived at the in-district address supplied on forms for at least 30 days prior to the official beginning date of the semester and show proof of his/her residency at this address by providing one of the following documents:

- An Illinois driver's license
- An Illinois auto license registration
- An Illinois voter's registration card
- An Illinois property tax statement
- A document showing the student's past or existing status as an in-district student, e.g. a high school transcript
- Other non-self serving documentation

After the College staff member has witnessed the above documentation verifying residency, a code is entered on the student's computer record indication verification of residency. The student is automatically coded as the appropriate status within the Ellucian Colleague system.

Students who live out-of-district and work at least 35 hours per week in-district are eligible to receive the in-district tuition rate. The College requires documentation from the student's employer to be eligible. While the College serves very few students who meet the following criteria, these students also qualify for in-district status if the appropriate documentation is provided: Federal Job corps worker stationed in Illinois; members of the armed forces stationed in Illinois; and inmates of state correctional/rehabilitation institutions located in Illinois.

The College periodically updates staff training to properly administer the residency policies and procedures.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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*

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Lewis & Clark Community College District 536 (the "College"), as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 8, 2023. Our report includes a reference to other auditors who audited the financial statements of Lewis & Clark Community College Foundation, as described in our report on the College's financial statements.

The financial statements of Lewis & Clark Community College Foundation (a nonprofit organization, discretely presented component unit of the College) were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Lewis & Clark Community College Foundation or that are reported on separately by those auditors who audited the financial statements of Lewis & Clark Community College Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the College's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's 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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

A handwritten signature in cursive script that reads "Wipfli LLP".

Sterling, Illinois
February 8, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Lewis & Clark Community College District 536
Godfrey, Illinois

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Lewis & Clark Community College District 536's (the "College") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2022. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lewis & Clark Community College District 536 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal program.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. 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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance and internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

A handwritten signature in cursive script that reads "Wipfli LLP".

Sterling, Illinois
February 8, 2023

Lewis and Clark Community College District 536, Illinois

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Agriculture				
Natural Resources Conservation Service				
Conservation Reserve Program				
NRCS/Skilled Technical Assistance - CRP	10.069	68-5A12-18-001	\$248,625	\$0
Illinois Department of Natural Resources				
Voluntary Public Access and Habitat Incentive Program				
Supporting the State Wildlife Action Plan on Publicly Accessible Lands	10.093	NR205A12XXXXG001	29,314	0
Total Department of Agriculture			\$277,939	\$0
Department of Defense				
US Army Corps of Engineers, ERDC Contracting Office				
Basic, Applied, and Advanced Research in Science and Engineering				
CESU: Forest Resources Inventory and Analysis	12.630	W912HZ-17-2-0021	\$36,033	\$0
Total Department of Defense			\$36,033	\$0
Department of Interior				
US Geological Survey Office				
U.S. Geological Survey Research and Data Collection				
Forest Response to Multiple Large Scale Inuadtion Events	15.808	G21AC10018-00	\$40,511	\$0
Floodplain Forest Canopy Gap	15.808	G19AC00361	18,388	0
Total ALN 15.808			58,899	0
Illinois Department of Natural Resources				
Wildlife Restoration and Basic Hunter Education				
IDNR Living with Wildlife (Wildlife Restoration)	15.611	W-147-T-14/R22W147T14	344,366	0
Bolstering Relevance and Public Understanding of IL Hunting	15.611	F21AF00387	37,160	0
Bolstering Relevance and Public Understanding of IL Hunting	15.611	F22AF00577	27,825	0
Total ALN 15.611			409,351	0
Illinois Department of Natural Resources				
State Wildlife Grants				
IDNR Bird Voiced Tree Frog	15.634	RC20T129R1	22,388	0
Status Assessment of Odonates in Illinois	15.634	F20AF11338	1,668	0
Total ALN 15.634			24,056	0
Total Department of Interior			\$492,306	\$0

(M) Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards.

Lewis and Clark Community College District 536, Illinois

Schedule of Expenditures of Federal Awards

(Continued)

For the year ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Labor				
Employment and Training Administration				
YouthBuild	17.274	YB-36474-21-60A-17	\$335,180	\$0
WIOA Cluster				
Illinois Department of Commerce and Economic Opportunity				
MCETD Youth Employment Enhancement	17.259	2021-YEEP-003	66,190	0
Madison County Employment Training				
WIOA Dislocated Worker Formula	17.278	2021-SCL-001	7,250	0
Total WIOA Cluster			73,440	0
Total Department of Labor			\$408,620	\$0
National Science Foundation				
University of Illinois				
Geosciences				
U of I Network Cluster CINET: Critical Interface Network	47.050	2012850	\$64,872	\$0
University of Illinois				
Computer and Information Science and Engineering				
Big Data Regional Innovations Hubs	47.070	1762039/092425-17800	6,902	0
Direct Award				
Biological Sciences				
RoL: FEL: EAGER Metabolic Asymmetry	47.074		88,446	0
REU Site: Wetland Science in the Modern World	47.074		84,424	0
Total ALN 47.074			172,870	0
Direct Award				
STEM Education				
Building a Pipeline of Biodiesel Technicians	47.076		85,379	0
Total National Science Foundation			\$330,023	\$0
Environmental Protection Agency				
Direct Award				
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act				
Assessing Nutrient Trends at Sites	66.436		\$25,000	\$21,553
University of Illinois				
Regional Wetland Program Development Grants				
EPA Region 5 Wetland Development	66.461	00E02741	10,430	0
Southern Illinois University Edwardsville				
Environmental Education Grants				
From the Ground Up - Increasing Water Security	66.951	761640-002	1,305	0
Total Environmental Protection Agency			\$36,735	\$21,553

(M) Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards.

Lewis and Clark Community College District 536, Illinois

Schedule of Expenditures of Federal Awards

(Continued)

For the year ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Energy				
Direct Award				
Renewable Energy Research and Development				
Expanding the Solar Workforce	81.087		\$345,346	\$83,648
Total Department of Energy			\$345,346	\$83,648
Department of Education				
Illinois Community College Board				
Adult Education - Basic Grants to States				
Federal Basic	84.002	5360122	\$182,553	\$0
EL/Civics	84.002	5360122	53,930	0
Total ALN 84.002			236,483	0
Direct Award				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		167,376	0
Federal Work-Study Program	84.033		61,294	0
Federal Pell Grant Program	84.063		3,625,704	0
Federal Pell Grant Program - Administration	84.063		5,860	0
Federal Direct Student Loans	84.268		1,822,628	0
Total Student Financial Assistance Cluster			5,682,862	0
Direct Award				
TRIO Cluster				
TRIO - Talent Search 2021	84.044A		66,377	0
TRIO - Talent Search 2022	84.044A		283,547	0
TRIO - Upward Bound 2021	84.047A		131,091	0
TRIO - Upward Bound 2022	84.047A		248,942	0
Total TRIO Cluster			729,957	0
Illinois Community College Board				
Career & Technical Education - Basic Grants to States				
CTE Perkins Postsecondary	84.048	CTE53622	332,148	0
CTE Leadership	84.048	LEAD-53621	49,991	0
Total ALN 84.048			382,139	0
COVID-19 - Education Stabilization Fund				
Illinois Community College Board				
GEER Fund	84.425C	GEER-536	229,877	0 (M)
GEER Fund for East St. Louis Higher Education	84.425C	GEER-536	18,942	0 (M)
Direct Award				
HEERF - Student	84.425E		4,276,086	0 (M)
HEERF - Institutional	84.425F		3,151,107	0 (M)
Total ALN 84.425			7,676,012	0
Total Department of Education			\$14,707,453	\$0

(M) Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards.

Lewis and Clark Community College District 536, Illinois

Schedule of Expenditures of Federal Awards

(Continued)

For the year ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
Madison County Community Development				
COVID-19 Community Service Block Grant - Skills Training	93.569	2020-CSBG CARES - 002	\$4,925	\$0
Total Department of Health and Human Services			\$4,925	\$0
Corporation for National and Community Service				
Direct Award				
Americorps State and National YouthBuild USA Americorps	94.006		\$115,543	\$0
Total Corporation for National and Community Service			\$115,543	\$0
Total federal grant expenditures			\$16,754,923	\$105,201

(M) Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards.

Lewis & Clark Community College District 536

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lewis & Clark Community College District 536 (the College) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Loan Program

For fiscal year ended June 30, 2022, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,822,628.

Note 4: Indirect Cost Rate

The College has developed and used an indirect cost rate of 37% for On-campus programs and 16% for Off-campus programs.

Note 5: Other Federal Award Information

The College does not receive or administer any federal insurance, loan guarantees, or federal noncash assistance during the fiscal year ended June 30, 2022.

Lewis & Clark Community College District 536

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
84.425C, 84.425E, 84.425F	COVID-19 - Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

Yes No

Lewis & Clark Community College District 536

Schedule of Findings and Questioned Costs

(Continued)

Year Ended June 30, 2022

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2022-001: Reporting

COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF)

CFDA No. 84.425

Department of Education Direct Award

Grant period: April 25, 2020 through June 30, 2023

Questioned costs: \$0

Condition: The December 31, 2022 quarterly reports for the Student Aid and Institutional were not filed within 10 days of the end of the quarter.

Criteria: The student reporting requirements and posting due dates for Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) were disclosed in the Federal Student Aid (IFAP) Electronic Announcement dated May 6, 2020. The student reporting requirements for Section 314(e) of CRRSAA and ARP HEERF III were disclosed in the Federal Student Aid (IFAP) Electronic Announcement dated May 13, 2021. Quarterly reports must be posted on the College's website no later than 10 days after each calendar quarter ends.

Cause: The College's delay in submitting the December 31, 2022 student and institutional quarterly report to the college's website in a timely manner due to the college being closed for the holidays, personnel turnover, and a cyber-security event.

Effect: The College was not in compliance with HEERF reporting requirements.

Recommendation: We recommend the College implement internal control procedures to ensure proper quarterly reporting and the person(s) responsible for reporting are current on the reporting requirements issued by the US Department of Education.

View of responsible officials: Management acknowledges the finding and has prepared a corrective action plan.

Corrective Action Plan for Current Year Findings

Finding 2022-001: Reporting

Corrective Action Plan:

Since the inception of HEERF, the US Department of Education has continuously issued changes to program guidance and reporting requirements. Due to the unusual and unprecedented circumstances surrounding COVID-19 and the inconsistency in HEERF requirements from month-to-month, management of the award has posed significant challenges for institutions of higher education during a time where we are also experiencing high staff turnover. At the same time, the college was impacted by a cyber-security event which impacted the institution's ability to post required reports in a timely fashion.

To ensure compliance, the Finance department and the grant management team has incorporated HEERF reporting due dates into its operational calendar. These requirements will be reviewed regularly and the team will direct timely compliance with all future reporting requirements. As a side note, the report for the quarter ended September 30, 2022 was posted on October 6, 2022 which is within the mandated timeframe.

Person(s) Responsible: Mary Schulte, Brett Reinert, Angela Weaver

Timing for Implementation: Immediate

Mary Schulte

Vice President of Finance

Lewis and Clark Community College

Lewis & Clark Community College District 536

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2022

None