

LEWIS & CLARK COMMUNITY COLLEGE  
GODFREY, ILLINOIS

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

LEWIS AND CLARK COMMUNITY COLLEGE  
JUNE 30, 2023

<b>Table of Contents</b>	<b><u>Page</u></b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
<b><u>Basic Financial Statements</u></b>	
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to the Financial Statements	15-55
<b><u>Required Supplementary Information</u></b>	
Schedule of Share of Net Pension Liability	56
Schedule of Pension Contributions	57
Schedule of Share of Net OPEB Liability	58
Schedule of OPEB Contributions	59
Notes to Required Supplementary Information	60-61
<b>SPECIAL REPORTS SECTION</b>	
<b><u>Supplemental Financial Information</u></b>	
Supplemental Financial Information Section	62
Uniform Financial Statements	63-71
Certification of Chargeback Reimbursement	72
Combining Balance Sheet - All Fund Types	73-76
Combining Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types	77-80
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	81
Schedule of Legal Debt Margin	82

LEWIS AND CLARK COMMUNITY COLLEGE  
JUNE 30, 2023

<b>Table of Contents (Continued)</b>	<u>Page</u>
<b><u>ICCB State Grant Financial Compliance Section</u></b>	
Independent Auditor's Report on State Adult Education and Family Literacy Grants Financial Statements	83-84
Independent Auditor's Report on Compliance with State Requirements for the State Adult Education and Family Literacy Grants	85
State Adult Education and Family Literacy Funds	
Balance Sheet	86
Statement of Revenues, Expenditures, and Changes in Fund Balance	87
ICCB Compliance Statement for the Adult Education and Family Literacy Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only	88
Notes to ICCB Grant Programs Financial Statements	89
Background Information on State Grant Activity	90
Independent Auditor's Report on Enrollment Data and Other Bases Upon Which Claims are Filed	91
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	92-93
Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	94
<b>ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements in Accordance with <i>Government Auditing Standards</i>	95-96
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	97-99
Schedule of Expenditures of Federal Awards	100-103
Notes to Schedule of Expenditures of Federal Awards	104
Schedule of Findings and Questioned Costs	105-106
Corrective Action Plan for Current Year Findings	107
Summary Schedule of Prior Year Audit Findings	108

## FINANCIAL SECTION

---





ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON  
INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Lewis & Clark Community College  
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 (the "College"), as of and for the year ended June 30, 2023, 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 as of June 30, 2023, 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 represents 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023, 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 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 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 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, 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'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 generally accepted auditing standards 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 generally accepted auditing standards 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'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'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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental financial information as listed in the table of contents, including the state required report section and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 December 19, 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.



Alton, Illinois  
December 19, 2023

## **Lewis & Clark Community College**

### **Management's Discussion and Analysis**

---

This section of Lewis & Clark Community College'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, 2023. 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. Responsibility for the completeness and fairness of this information rests with the College.

#### **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:

	<b>Net Position As of June 30 (in millions)</b>		<b>Increase (Decrease) 2023-2022</b>
	<b>2023</b>	<b>2022 *As Restated</b>	
Current Assets	\$ 93.5	\$ 88.4	\$ 5.1
Non-Current Assets			
Capital Assets, Net of Depreciation	128.5	131.1	(2.6)
Right of Use Assets - SBITAs, Net of Amortization	2.7	0.4	2.3
Other	24.8	24.3	0.5
Total Assets	249.5	244.2	5.3
 Total Deferred Outflows of Resources	 1.8	 2.1	 (0.3)
Total Assets and Deferred Outflows of Resources	251.3	246.3	5.0
 Current Liabilities	 26.5	 24.1	 2.4
Non-Current Liabilities	83.7	107.0	(23.3)
Total Liabilities	110.2	131.1	(20.9)
 Total Deferred Inflows of Resources	 30.6	 21.6	 9.0
Total Liabilities and Deferred Inflows of Resources	140.8	152.7	(11.9)
 Net Position			
Net Investment in Capital Assets	82.0	79.4	2.6
Restricted	44.9	35.5	9.4
Unrestricted	(16.4)	(21.3)	4.9
Total Net Position	110.5	93.6	16.9
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ 251.3	 \$ 246.3	 \$ 5.0

\*Restated for implementation of GASB 96

## Lewis & Clark Community College

### Management's Discussion and Analysis

---

#### **Fiscal Year 2023 Compared to 2022**

Current assets increased \$5.1 million primarily due to an increase in government claims receivable from the state of Illinois and higher accrued interest receivable due to an increase in interest rates from the prior year.

Non-current assets increased \$0.2 million due to an increase in long-term investments.

Current liabilities increased \$2.4 million to \$26.5 million. Increases were primarily due to additional accounts payable for timing differences as well as implementation of GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*.

Non-current liabilities decreased \$23.9 million due to the paydown of long-term debt, no new borrowed debt, and a decrease in OPEB liability.

Deferred inflows of resources increased \$9.0 million due to an increase in other post-employment benefits (OPEB). For more detailed information on OPEB activity, refer to Note 9 – Other Post-Employment Benefits, in the Notes to Financial Statements.

Total net position at June 30, 2023 increased by \$16.9 million. The restricted net position of \$44.9 million is restricted for capital projects, grants, and debt service payments.

**Lewis & Clark Community College**  
**Management's Discussion and Analysis**

**Fiscal Year 2023 Compared to 2022 (Continued)**

The College's operating results are summarized as follows:

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

	<u>2023</u>	<u>2022</u>	<b>Increase (Decrease) 2023-2022</b>
Operating Revenue			
Tuition and Fees	\$ 5.9	\$ 5.0	\$ 0.9
Sales and Service Fees	0.5	0.6	(0.1)
Facilities Revenue	0.3	0.2	0.1
Other	<u>0.8</u>	<u>0.8</u>	<u>-</u>
Total Operating Revenue	<u>7.5</u>	<u>6.6</u>	<u>0.9</u>
Less Operating Expenses	<u>58.3</u>	<u>64.3</u>	<u>(6.0)</u>
Operating Income (Loss)	<u>(50.8)</u>	<u>(57.7)</u>	<u>6.9</u>
Non-Operating Revenue (Expense)			
Local Taxes	34.3	33.8	0.5
State Government	12.2	10.9	1.3
State On-Behalf - SURS and CIP	10.1	12.9	(2.8)
Federal Government	11.5	16.9	(5.4)
Nongovernmental grants	0.7	0.6	0.1
Investment Income	1.9	(1.0)	2.9
Interest Expense	(3.4)	(2.9)	(0.5)
Loss on Disposal of Assets	<u>(0.1)</u>	<u>(0.3)</u>	<u>0.2</u>
Total Net Non-Operating Revenue	<u>67.2</u>	<u>70.9</u>	<u>(3.7)</u>
Capital Contributions	<u>0.5</u>	<u>0.3</u>	<u>0.2</u>
Change in Net Position	<u>16.9</u>	<u>13.5</u>	<u>3.4</u>
Net Position, Beginning of Year	93.6	80.1	13.5
Net Position, End of Year	<u>\$ 110.5</u>	<u>\$ 93.6</u>	<u>\$ 16.9</u>

## Lewis & Clark Community College

### Management's Discussion and Analysis

#### Fiscal Year 2023 Compared to 2022 (Continued)

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2023 were \$78.7 million and \$61.8 million, respectively. Fiscal year 2022 were \$81.0 million and \$67.5 million, respectively.

Operating revenue increased \$0.9 million over the prior year. Tuition and fees revenue had a slight increase in the wake of the COVID-19 pandemic. Net non-operating revenue decreased by \$3.7 million over the prior year. This is the net result of increases in investment income combined with decreases in federal grants and state on-behalf revenues.

Operating expenses decreased by \$6.0 million over the prior year. The College's operating expenses by program are as follows:

#### Operating Expenses For the Year Ended June 30, (in millions)

Operating Expenses By Program:	2023	2023 Percent	2022	2022 Percent	Increase (Decrease) 2023-2022
Instruction	\$ 16.0	27.44%	\$ 19.3	30.02%	\$ (3.3)
Academic Support	4.0	6.86%	3.7	5.75%	0.3
Student Services	3.8	6.52%	4.2	6.53%	(0.4)
Public Services	6.9	11.84%	6.1	9.49%	0.8
Auxiliary Services	1.7	2.92%	1.5	2.33%	0.2
Operation & Maintenance of Plant	7.4	12.69%	7.1	11.04%	0.3
Institutional Support	10.7	18.35%	11.0	17.11%	(0.3)
Scholarships, Grants, Waivers	3.0	5.15%	6.5	10.11%	(3.5)
Depreciation	4.8	8.23%	4.9	7.62%	(0.1)
Total	<u>\$ 58.3</u>	<u>100.00%</u>	<u>\$ 64.3</u>	<u>100.00%</u>	<u>\$ (6.0)</u>

As in the prior year, the largest portion of the College's operating expenses was dedicated to instruction. Instruction costs were \$16.0 million, or 27.44 percent, of the total operating expenses.

Institutional support of \$10.7 million is the next largest category of operating expenses making up 18.35 percent of the total operating expenses, followed by operation & maintenance of plant of \$7.4 million, or 12.69 percent of total operating expenses.



**Lewis & Clark Community College**  
**Management's Discussion and Analysis**

**Fiscal Year 2023 Compared to 2022 (Continued)**

The following is an analysis of the College's capital assets:

<b>Capital Assets, Net</b>			
<b>June 30,</b>			
<b>(in millions)</b>			
	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
		<b>*As Restated</b>	<b>2023-2022</b>
Capital Assets			
Land & Improvements	\$ 22.5	\$ 22.5	\$ -
Buildings & Improvements	183.8	183.3	0.5
Equipment	12.7	13.0	(0.3)
Sculptures and Art	2.5	2.4	0.1
Construction in Progress	1.6	0.6	1.0
Subscription Assets	3.3	0.5	2.8
Total	226.4	222.3	4.1
Less Accumulated Depreciation and Amortization	(95.2)	(90.8)	(4.4)
Net Capital Assets	\$ 131.2	\$ 131.5	\$ (0.3)

\*Restated for implementation of GASB 96

As of June 30, 2023, the College had recorded \$226.4 million invested in capital assets, \$95.2 million in accumulated depreciation and amortization, and \$131.2 million in net capital assets. For more detailed information on capital asset activity, refer to Note 4 - Capital Assets and Subscription Assets, in the Notes to Financial Statements.

The following is an analysis of the College's long-term debt:

<b>Long-Term Debt</b>			
<b>June 30,</b>			
<b>(in millions)</b>			
	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
			<b>2023-2022</b>
General Obligation Bonds, Net	\$ 80.4	\$ 90.6	\$ (10.2)
Debt Certificates, Net	6.1	8.1	(2.0)
Subscription Liability	2.6	0.5	2.1
Compensated Absences	0.8	0.8	-
Total	\$ 89.9	\$ 100.0	\$ (10.1)

## **Lewis & Clark Community College**

### **Management's Discussion and Analysis**

---

#### **Fiscal Year 2023 Compared to 2022 (Continued)**

During fiscal year 2023, the College retired \$11.3 million in principal bond and debt certificate payments and had no new bond and debt certificates issued during the year. The College implemented GASB 96, *SBITAs*, for fiscal year 2023 resulting in a subscription liability of \$2.6 million at year end. 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 AND CLARK COMMUNITY COLLEGE  
STATEMENT OF NET POSITION  
JUNE 30, 2023

ASSETS

	<u>COLLEGE</u>	<u>FOUNDATION</u>
<b>CURRENT ASSETS:</b>		
Cash and Invested Cash	\$ 1,426,652	\$ 913,389
Investments	49,682,478	12,978,274
Taxes Receivable	29,589,888	-
Other Accounts Receivable	11,647,685	15,215
Prepaid Expenses & Other	1,103,016	-
Total Current Assets	<u>93,449,719</u>	<u>13,906,878</u>
<b>NON-CURRENT ASSETS:</b>		
Long-Term Investments	24,806,038	46,133
Right of Use Assets - SBITAs, Net of Amortization	2,741,989	-
Nondepreciable Capital Assets	5,567,314	3,297,123
Depreciable Capital Assets	217,656,017	-
Less: Accumulated Depreciation	(94,678,439)	-
Total Non-Current Assets, Net	<u>156,092,919</u>	<u>3,343,256</u>
Total Assets	<u>249,542,638</u>	<u>17,250,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to OPEB	186,985	-
Deferred Outflows Related to Pension	426,782	-
Deferred Loss on Refunding Bonds	1,157,733	-
Total Deferred Outflow of Resources	<u>1,771,500</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u>251,314,138</u>	<u>17,250,134</u>

LIABILITIES AND NET POSITION

<b>CURRENT LIABILITIES:</b>		
Accounts Payable	2,962,494	16,131
Accrued Expenses & Compensated Absences	3,171,790	-
Unearned Tuition and Fees	3,934,186	-
Unearned Grants and Other Deferred Revenue	3,298,170	-
SBITA Liability, Current	659,842	-
Bonds Payable, Current	10,216,733	-
Debt Certificates, Current	2,218,725	-
Total Current Liabilities	<u>26,461,940</u>	<u>16,131</u>
<b>LONG-TERM LIABILITIES:</b>		
SBITA Liability	1,898,246	-
Bonds Payable	70,229,893	-
Debt Certificates	3,902,520	-
Compensated Absences	199,668	-
OPEB Liability	7,477,336	-
Total Long-Term Liabilities	<u>83,707,663</u>	<u>-</u>
Total Liabilities	<u>110,169,603</u>	<u>16,131</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Property Taxes	15,487,184	-
Deferred Inflows of OPEB Resources	15,156,479	-
Total Deferred Inflows of Resources	<u>30,643,663</u>	<u>-</u>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	81,941,747	-
Restricted:		
Capital Projects	31,208,488	-
Grants	8,787,660	-
Debt Service	4,930,056	-
Donor Restricted	-	15,278,374
Unrestricted	(16,367,079)	1,955,629
Total Net Position	<u>110,500,872</u>	<u>17,234,003</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 251,314,138</u>	<u>\$ 17,250,134</u>

See Accompanying Notes to Financial Statements

LEWIS AND CLARK COMMUNITY COLLEGE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023

	<u>COLLEGE</u>	<u>FOUNDATION</u>
<b>OPERATING REVENUES:</b>		
Student Tuition and Fees, Net of Scholarship Allowance	\$ 5,925,258	\$ -
Sales and Service Fees	499,839	-
Facilities Revenue	267,381	-
Other Revenue	784,887	625,648
	<hr/>	<hr/>
Total Operating Revenues	7,477,365	625,648
	<hr/>	<hr/>
<b>OPERATING EXPENSES:</b>		
Instruction	16,058,682	-
Academic Support	3,972,684	-
Student Services	3,827,237	-
Public Services	6,916,268	-
Auxiliary Services	1,690,216	-
Operation and Maintenance of Plant Services	7,405,512	-
Institutional Support	10,657,084	611,879
Scholarships, Student Grants, and Waivers	2,967,899	253,353
Depreciation Expense	4,810,367	-
	<hr/>	<hr/>
Total Operating Expenses	58,305,949	865,232
	<hr/>	<hr/>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(50,828,584)</b>	<b>(239,584)</b>
	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Local Taxes	34,338,440	-
State Government	12,129,092	-
State On-Behalf - SURS and CIP	10,132,980	-
Federal Government	11,584,614	-
Nongovernmental Grants	700,581	-
Investment Income	1,847,620	993,282
Interest, Service Charges, and Issuance Costs	(3,447,922)	-
Loss on Disposal of Assets	(41,918)	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	67,243,487	993,282
	<hr/>	<hr/>
<b>CAPITAL CONTRIBUTIONS</b>	<b>507,235</b>	<b>-</b>
	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>16,922,138</b>	<b>753,698</b>
	<hr/>	<hr/>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>93,578,734</b>	<b>16,480,305</b>
	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 110,500,872</b>	<b>\$ 17,234,003</b>
	<hr/>	<hr/>

See Accompanying Notes to Financial Statements

LEWIS AND CLARK COMMUNITY COLLEGE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023

	<u>COLLEGE</u>	<u>FOUNDATION</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and Fees	\$ 9,978,719	\$ -
Payments to Suppliers	(14,467,230)	(849,016)
Payments to Employees for Salaries & Fringe Benefits	(27,915,153)	-
Payments to Students for Scholarships	(7,092,327)	-
Auxiliary Enterprise Changes	498,799	-
Other	524,917	587,240
	<u>(38,472,275)</u>	<u>(261,776)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from Property Taxes	32,154,977	-
Proceeds from Grants	22,200,776	-
Proceeds from Other Taxes	3,340,080	-
	<u>57,695,833</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of Capital Assets	(5,160,125)	-
Principal Paid on Bonds Payable	(11,894,061)	-
Proceeds from Issuance of Long-Term Debt	2,692,761	-
Interest Paid on Bonds Payable and Other Long-Term Obligations	(4,109,492)	-
Capital Contributions	507,235	-
	<u>(17,963,682)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	1,647,343	304,742
Proceeds from Maturities of Investment Securities	19,502,084	1,727,499
Purchases of Investment Securities	(34,370,362)	(1,870,255)
	<u>(13,220,935)</u>	<u>161,986</u>
Net Change in Cash and Cash Equivalents	(11,961,059)	(99,790)
Cash and Cash Equivalents, Beginning of Year	13,387,711	1,013,179
Cash and Cash Equivalents, End of Year	<u>\$ 1,426,652</u>	<u>\$ 913,389</u>

See Accompanying Notes to Financial Statements



LEWIS AND CLARK COMMUNITY COLLEGE  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

	<u>COLLEGE</u>	<u>FOUNDATION</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating Income (Loss)	\$ (50,828,584)	\$ (239,584)
Adjustment to Reconcile Operating Income (Loss) to Net Cash		
Used in Operating Activities:		
Depreciation	4,810,367	-
Amortization	604,161	-
State On-Behalf Payments for Fringe Benefits	10,132,980	-
Non-Cash Gift of Stock included in Contributions		(38,511)
Change in Assets and Liabilities:		
Tuition Receivables	(335,803)	-
Other Receivables	(534,001)	103
Prepaid Expenses & Other	(295,933)	11,382
Inventories	4,142	-
Deferred Outflows of Resources	55,835	-
Accounts Payable	1,341,413	4,834
Accrued Payroll	89,378	-
Unearned Tuition and Fees	264,676	-
Other Deferred Revenue	5,770	-
Accrued Compensated Absences	(18,315)	-
Deferred Inflows of Resources	(3,768,361)	-
	<u>\$ (38,472,275)</u>	<u>\$ (261,776)</u>
Noncash Investing, Capital, and Financial:		
Revenue from State On-Behalf Payments	<u>\$ 10,132,980</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies**

Lewis & Clark Community College (the “College”) is a governmental unit that provides post-secondary school education and vocational training for the local community at its main campus in Godfrey, Illinois as well as other campuses in surrounding communities. The summary of significant accounting policies is presented to assist you in understanding the College’s financial statements.

The College is a community college governed by an elected seven-member Board of Trustees. The College’s mission is to empower people by raising aspirations and fostering achievement through dynamic, compassionate and responsible learning experiences.

### **Reporting Entity**

The College’s 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. The Foundation paid the College \$253,353 for scholarships and awards during the year ended June 30, 2023.

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.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Significant Accounting Policies**

The financial statements of the College are prepared in accordance with accounting principles generally accepted in the United States of American (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.

#### **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-fund 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 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 and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **Cash, Invested 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.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Prepaid Expenses

Prepaid expenses represent payments made by the College for which benefits extend beyond June 30, 2023. The costs of prepaid expenses are recorded as expenses when consumed rather than when purchased.

#### Inventory

Inventory is stated at a lower cost or market. Cost is determined by the retail and first-in, first-out methods of inventory accounting. Inventory is included in Prepaid Expenses & Other in the Statement of Net Position.

#### 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.

#### Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

#### 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.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **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 period 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 period and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Compensated Absences**

Accrued compensated absences consist of accumulated unused vacation days up to two and a half times the employee's annual accrual amount based upon completed years of service as of the employment anniversary date. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate. The current portion of accrued compensated absences is included in Accrued Expenses & Compensated Absences in the Statement of Net Position.

#### **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.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Other Post-Employment Benefit (OPEB) Obligations**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the 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.

#### **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.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Personal Property Replacement Taxes**

Personal property replacement taxes are recorded on the accrual basis of accounting based on amounts collected and paid by the state. Personal property replacement taxes are recorded in Local Taxes in the Statement of Revenues, Expenses, and Changes in Net Position.

#### **Student Tuition**

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

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf.

#### **Classification of Revenue**

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Nonoperating revenue 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, (4) federal appropriations, and (5) gifts and contributions.

#### **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 2023, the State made on-behalf contributions of \$10,132,980.

#### **Adoption of New Accounting Pronouncements**

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), 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 fiscal years beginning after June 15, 2022. The College adopted this Statement for fiscal year ending June 30, 2023 and has reflected applicable changes in the financial statements.

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. The College adopted this Statement for fiscal year ending June 30, 2023, but determined it had no effect on the financial statements.

## Lewis & Clark Community College

### Notes to Financial Statements

---

#### 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 2022 levy on December 13, 2022. 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	
		2022	2021
Education	0.1500	0.1500	0.1500
Operations & Maintenance	0.1000	0.1000	0.1000
Additional Education & Operations	0.0333	-	0.0353
Liability/Judgments	No Limit	0.0573	0.0492
Health & Safety	0.0500	0.0500	0.0500
Audit	0.0050	0.0012	0.0013
Bond and Interest	No Limit	0.2404	0.2520
Restricted - Tech Plan	No Limit	-	0.0054
Social Security	No Limit	0.0055	0.0055
Prior Year Adjustment		(0.0028)	(0.0034)
		0.6016	0.6453

#### Note 3: Cash, Invested Cash and Investments

The College's cash and invested cash 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 invested cash on the statements of net position according to liquidity and intended use.

Cash and invested cash as of June 30, 2023 consist of the following:

Cash on Hand	\$ 1,700
Invested Cash - Deposits with Financial Institutions	1,424,952
Total	\$ 1,426,652

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.

## Lewis & Clark Community College

### Notes to Financial Statements

#### Note 3: Cash, Invested Cash and Investments (Continued)

Investments at June 30, 2023 consist of the following at fair value:

Certificates of Deposit - Brokered CDs	\$ 5,750,000
Certificates of Deposit - PFM Asset Management	5,590,000
Certificates of Deposit - Financial Institutions	410,113
Commercial Paper	5,856,168
Corporate Notes	6,646,507
Local Government Investment Pool	665,143
Illinois Trust Term	12,851,208
Illinois Funds - Money Market	4,370,736
Financial Institutions - Money Market	6,347,555
Municipal Bond/Note	58,615
Federal Agency Bond/Note	3,102,359
US Securities	22,840,112
Total	\$ 74,488,516

As of June 30, 2023, the College had the following investments with stated maturities:

	Total	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Certificates of Deposits	\$ 11,750,113	\$ 11,750,113	\$ -	\$ -	\$ -
Commercial Paper	5,856,168	5,856,168	-	-	-
Corporate Notes	6,646,507	4,121,743	2,524,764	-	-
Local Government Investment Pool	665,143	665,143	-	-	-
Illinois Trust Term	12,851,208	12,851,208	-	-	-
Illinois Funds - Money Market	4,370,736	4,370,736	-	-	-
Financial Institutions - Money Market	6,347,555	6,347,555	-	-	-
Municipal Bond/Note	58,615	58,615	-	-	-
Federal Agency Bond/Note	3,102,359	978,533	2,123,826	-	-
US Securities	22,840,112	2,682,664	20,157,448	-	-
	\$ 74,488,516	\$ 49,682,478	\$ 24,806,038	\$ -	\$ -

#### 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 debt securities to the three top ratings issued by at least two standard rating services. The College's investment policy also limits the holding of debt securities to no more than ten percent of its outstanding obligations.

## Lewis & Clark Community College

### Notes to Financial Statements

---

#### **Note 3: Cash, Invested Cash and Investments (Continued)**

##### Credit Risk

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 will not recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023 there are no investments with custodial credit risk.

##### 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 \$13,932,620, of which \$1,424,952 is cash and invested cash and \$12,507,668 is investments, and the bank balance was \$14,973,236. Of the bank balance, \$6,418,696 was covered by federal depository insurance and \$8,554,540 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.



## Lewis & Clark Community College

### Notes to Financial Statements

#### Note 3: Cash, Invested Cash and Investments (Continued)

##### 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.

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, 2023:

	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	\$ 11,340,000	\$ -	\$ 11,340,000	\$ -
Commercial Paper	5,856,168	-	5,856,168	-
Corporate Notes	6,646,507	-	6,646,507	-
Illinois Funds - Money Market	4,370,736	-	4,370,736	-
Financial Institutions - Money Market	6,347,555	-	6,347,555	-
Municipal Bond/Note	58,615	-	58,615	-
Federal Agency Bond/Note	3,102,359	-	3,102,359	-
US Securities	22,840,112	-	22,840,112	-
	\$ 60,562,052	\$ -	\$ 60,562,052	\$ -

**Lewis & Clark Community College**  
**Notes to Financial Statements**

**Note 4: Capital Assets and Subscription Assets**

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	<b>Balance 7/1/2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers/ Adjustments</b>	<b>Balance 6/30/2023</b>
Capital assets, not being depreciated:					
Land	\$ 1,393,634	\$ -	\$ -	\$ -	\$ 1,393,634
Construction in progress	571,333	1,066,842	-	-	1,638,175
Sculptures & Art	2,460,505	75,000	-	-	2,535,505
Total capital assets, not being depreciated	<u>\$ 4,425,472</u>	<u>\$ 1,141,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,567,314</u>
Capital Assets, being depreciated:					
Land improvements	\$ 21,155,740	\$ 24,480	\$ -	\$ -	\$ 21,180,220
Buildings and improvements	183,336,817	525,143	(78,640)	-	183,783,320
Equipment	13,040,052	571,898	(919,473)	-	12,692,477
Total capital assets, being depreciated	<u>\$ 217,532,609</u>	<u>\$ 1,121,521</u>	<u>\$ (998,113)</u>	<u>\$ -</u>	<u>\$ 217,656,017</u>
Accumulated Depreciation	<u>\$ (90,824,267)</u>	<u>\$ (4,810,367)</u>	<u>\$ 956,195</u>	<u>\$ -</u>	<u>\$ (94,678,439)</u>
Total capital assets, being depreciated, net	<u>\$ 126,708,342</u>	<u>\$ (3,688,846)</u>	<u>\$ (41,918)</u>	<u>\$ -</u>	<u>\$ 122,977,578</u>
Business-type activities capital assets, net	<u>\$ 131,133,814</u>	<u>\$ (2,547,004)</u>	<u>\$ (41,918)</u>	<u>\$ -</u>	<u>\$ 128,544,892</u>

Depreciation expense was \$4,810,367 for the year ended June 30, 2023.

Subscription asset balances and activity for the year ended June 30, 2023, were as follows:

	<b>Balance 7/1/2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 6/30/2023</b>
Subscription-Based Information				
Technology Arrangements (SBITAs)	\$ 449,388	\$ 2,896,762	\$ -	\$ 3,346,150
Accumulated Amortization	<u>-</u>	<u>(604,161)</u>	<u>-</u>	<u>(604,161)</u>
Subscription Assets, Net	<u>\$ 449,388</u>	<u>\$ 2,292,601</u>	<u>\$ -</u>	<u>\$ 2,741,989</u>

Amortization expense was \$604,161 for the year ended June 30, 2023 and is recorded in Interest, Service Charges, and Issuance Costs in the Statement of Revenues, Expenses, and Changes in Net Position.

## Lewis & Clark Community College

### 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, 2023:

	Balance 7/1/2022			Retirements /Refunding	Balance 6/30/2023	Current Portion	Long-Term Portion
	As Restated*	Additions	Accretion				
Long-Term Debt:							
General Obligation Bonds	\$ 85,323,479	\$ -	\$ -	\$ (9,435,000)	\$ 75,888,479	\$ 9,439,000	\$ 66,449,479
Accreted Interest on Capital							
Appreciation Bonds	435,962		131,244		567,206		567,206
Bond Premiums	4,860,813	-	-	(869,872)	3,990,941	777,733	3,213,208
Debt Certificates	7,650,000	-	-	(1,875,000)	5,775,000	2,115,000	3,660,000
Debt Certificate Premiums	479,385	-	-	(133,140)	346,245	103,725	242,520
Subscription Liability	449,388	2,692,761	-	(584,061)	2,558,088	659,842	1,898,246
Compensated Absences	816,986	576,713	-	(595,028)	798,671	599,003	199,668
Totals	<u>\$ 100,016,013</u>	<u>\$ 3,269,474</u>	<u>\$ 131,244</u>	<u>\$ (13,492,101)</u>	<u>\$ 89,924,630</u>	<u>\$ 13,694,303</u>	<u>\$ 76,230,327</u>

\*Restated for implementation of GASB 96

Details on the debt as of June 30, 2023 along with the applicable required payment schedules, 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 an 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. This bond was paid off during the fiscal year ended June 30, 2023.
- 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
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	2,940,000	73,500	3,013,500
Total	<u>\$ 10,620,000</u>	<u>\$ 1,664,500</u>	<u>\$ 12,284,500</u>

## Lewis & Clark Community College

### Notes to Financial Statements

---

**Note 5: Long-Term Debt (Continued)**

3. On May 5, 2015, the College issued \$3,990,000 of General Obligation Refunding Bonds, Series 2015B (Alternate Revenue Source). The final maturity is due in an annual principal payment of \$75,000 at an interest rate of 3.00%. The issue provided 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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 75,000	\$ 1,125	\$ 76,125
Total	<u>\$ 75,000</u>	<u>\$ 1,125</u>	<u>\$ 76,125</u>

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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	<u>\$ 1,820,000</u>	<u>\$ 147,942</u>	<u>\$ 1,967,942</u>

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 \$830,000 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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	<u>\$ 3,520,000</u>	<u>\$ 284,250</u>	<u>\$ 3,804,250</u>

## Lewis & Clark Community College

### 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
2024	\$ -	\$ 710,000	\$ 710,000
2025	-	710,000	710,000
2026	-	710,000	710,000
2027	-	710,000	710,000
2028	-	710,000	710,000
2029-2033	11,700,000	3,082,500	14,782,500
2034-2038	2,500,000	62,500	2,562,500
Total	<u>\$ 14,200,000</u>	<u>\$ 6,695,000</u>	<u>\$ 20,895,000</u>

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, 2023, was \$567,206. The accretion expense recognized in the current fiscal year was \$131,244, which is reflected in interest expense and long-term bonds payable.

During the year ending June 30:	Principal	Interest	Accretion	Total
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	250,000	217,525		467,525
2029-2033	5,675,000	437,138		6,112,138
Total	<u>\$ 10,904,479</u>	<u>\$ 2,503,610</u>	<u>\$ 203,315</u>	<u>\$ 13,611,404</u>



**Lewis & Clark Community College**  
**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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,685,000	465,400	2,150,400
2029-2033	9,950,000	603,800	10,553,800
Total	\$20,550,000	\$ 3,708,800	\$24,258,800

9. On February 26, 2021, the College issued \$2,810,000 of General Obligation Refunding Bonds, Series 2021. The final maturity is due in an annual principal payment of \$649,000 at an interest rate of 1.09%. The issue provided 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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 649,000	\$ 3,537	\$ 652,537
Total	\$ 649,000	\$ 3,537	\$ 652,537

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.

<b>During the year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	\$ 5,775,000	\$ 320,100	\$ 6,095,100

## Lewis & Clark Community College

### 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 \$2,250,000 to \$4,620,000 with interest rates ranging from 1.20% 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
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	4,620,000	50,820	4,670,820
Total	<u>\$13,550,000</u>	<u>\$ 801,862</u>	<u>\$14,351,862</u>

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest, are as follows:

During the year ending June 30:	General Obligation Bond	Debt Certificates	Total Principal	Interest and Accretion	Total Principal, Accretion, and Interest
2024	\$ 9,439,000	\$ 2,115,000	\$ 11,554,000	\$ 2,984,133	\$ 14,538,133
2025	9,109,479	2,205,000	11,314,479	3,394,249	14,708,728
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	9,495,000	-	9,495,000	1,517,245	11,012,245
2029-2033	27,325,000	-	27,325,000	4,123,438	31,448,438
2034-2038	2,500,000	-	2,500,000	62,500	2,562,500
Total	<u>\$75,888,479</u>	<u>\$ 5,775,000</u>	<u>\$ 81,663,479</u>	<u>\$16,130,726</u>	<u>\$ 97,794,205</u>

#### Note 6: Subscription Liabilities

The College has various subscription-based information technology arrangements (SBITAs) for accounting software and academic operations and learning platforms, the terms of which expire in various years through 2028.

## Lewis & Clark Community College

### Notes to Financial Statements

---

**Note 6: Subscription Liabilities (Continued)**

The following is a schedule by year of principal and interest required under the SBITAs as of June 30, 2023:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2024	\$ 659,842	\$ 84,339	\$ 744,181
2025	449,844	77,337	527,181
2026	486,196	59,010	545,206
2027	524,681	39,202	563,883
2028	437,525	17,825	455,350
	<b>\$2,558,088</b>	<b>\$277,713</b>	<b>\$2,835,801</b>

**Note 7: Defined Benefit Pension Plan**

**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, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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](http://www.surs.org).

*Benefits Provided.* A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. 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, 2022, can be found in the Financial Section of SURS ACFR.



## Lewis & Clark Community College

### Notes to Financial Statements

---

#### **Note 7: Defined Benefit Pension Plan (Continued)**

*Contributions.* The State is primarily responsible for funding the SURS 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 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% 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).

#### **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, 2022. At June 30, 2022, SURS defined benefit plan reported a NPL of \$29,078,053,857.

##### *Employer Proportionate Share of Net Pension Liability*

The amount of the proportionate share of the NPL to be recognized for the College is \$0. The proportionate share of the State's NPL associated with the College is \$148,076,791 or 0.5092%. The College's proportionate share changed by (0.0297%) from 0.5389% since the last measurement date on June 30, 2021. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, 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 2021.

**Lewis & Clark Community College**  
**Notes to Financial Statements**

---

**Note 7: Defined Benefit Pension Plan (Continued)**

*Defined Benefit Pension Expense*

For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699.

*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 2021. As a result, the College recognized on-behalf revenue and defined benefit pension expense of \$9,692,421 from this special funding situation during the year ended June 30, 2023.

*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 SURS 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.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 31,973,496	\$ 28,674,599
Changes in assumptions	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	<u>\$ 342,964,872</u>	<u>\$ 1,011,628,867</u>

**Lewis & Clark Community College**  
**Notes to Financial Statements**

---

**Note 7: Defined Benefit Pension Plan (Continued)**

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
2027	-
Thereafter	-
Total	<u>\$ (668,663,995)</u>

**College's Deferral of Fiscal Year 2023 Contributions**

The College paid \$426,782 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

**Assumptions and Other Inputs**

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	3.00 to 12.75 percent, including inflation
Investment rate of return	6.50 percent

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.

# Lewis & Clark Community College

## Notes to Financial Statements

**Note 7: Defined Benefit Pension Plan** (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

<b>Defined Benefit Plan</b>	<b>Strategic Policy Allocation</b>	<b>Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)</b>
<b>Traditional Growth</b>		
Global Public Equity	38.0%	7.62%
<b>Stabilized Growth</b>		
Public Credit Fixed Income	9.0%	4.20%
Credit Real Assets	4.5%	4.98%
Options Strategies	2.5%	4.91%
Private Credit	1.0%	7.45%
<b>Non-Traditional Growth</b>		
Private Equity	10.5%	11.91%
Non-Core Real Assets	2.5%	9.43%
<b>Inflation Sensitive</b>		
U.S. TIPS	5.0%	1.23%
<b>Principal Protection</b>		
Core Fixed Income	8.0%	1.79%
<b>Crisis Risk Offset</b>		
Systematic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.0%	3.59%
Long Duration	4.0%	2.16%
<b>Total</b>	100.00%	6.08%
<b>Inflation</b>		2.25%
<b>Expected Arithmetic Return</b>		<b>8.33%</b>

**Lewis & Clark Community College**  
**Notes to Financial Statements**

---

**Note 7: Defined Benefit Pension Plan (Continued)**

*Discount Rate.* A single discount rate of 6.39% 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% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity of SURS Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
<b>5.39%</b>	<b>6.39%</b>	<b>7.39%</b>
\$ 35,261,802,968	\$ 29,078,053,857	\$ 23,928,731,076

Additional information regarding SURS basic financial statements, including the plan's net position can be found in SURS Annual Comprehensive Financial Report by accessing the website at [www.surs.org](http://www.surs.org).

**Note 8: 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, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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](http://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

## Notes to Financial Statements

---

### **Note 8: 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 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, 2022, 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, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 8: Defined Contribution Pension Plan (Continued)**

#### *Employer Proportionate Share of Defined Contribution Pension Expense*

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 0.3720%. As a result, the College recognized revenue and defined contribution pension expense of \$333,915 from this special funding situation during the year ended June 30, 2023, of which \$32,987 constituted forfeitures.

### **Note 9: 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 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](http://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.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 9: Other Post-Employment Benefits (Continued)**

*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 1071 (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.

### **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, 2022. CIP reported a net OPEB liability on June 30, 2022 of \$684,560,152.

#### *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 2023 is \$7,477,336 or 1.0923%. This amount is recognized in the financial statements. The change in the College's proportionate net OPEB liability was a decrease of 0.0676%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2022, was \$7,477,336. The total proportionate share of the net OPEB liability associated with the College on June 30, 2022, was \$14,954,672. The net OPEB liability and total OPEB liability as of June 30, 2022, was determined based on the June 30, 2021, 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 2022.

#### *OPEB Expense*

On June 30, 2022, CIP reported a collective net OPEB expense (income) of (\$287,349,940).

# Lewis & Clark Community College

## Notes to Financial Statements

---

**Note 9: Other Post-Employment Benefits (Continued)**

*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 2022. As a result, the College recognized on-behalf revenue and expense of \$106,644 for the fiscal year ended June 30, 2022. Additionally, the College recognized OPEB income of \$3,596,128 for the fiscal year ended June 30, 2023.

*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.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 59,070	\$ 3,114,542
Changes in assumption	-	10,079,216
Net difference between projected and actual earnings on OPEB plan investments	-	388
Changes in proportion and differences between employer contributions and share of contributions	21,271	1,962,333
Total deferred amounts to be recognized in pension expense in future periods	80,341	15,156,479
OPEB contributions made subsequent to the measurement date	106,644	-
Total	\$ 186,985	\$ 15,156,479

# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 9: Other Post-Employment Benefits (Continued)

The College reported \$106,644 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, 2024. 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:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ (3,015,228)
2025	(3,015,228)
2026	(3,015,228)
2027	(3,015,228)
2029	(3,015,226)
Total	<u>\$ (15,076,138)</u>

### Assumptions and Other Inputs

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

Inflation	2.25%
Salary Increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trends rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 9: Other Post-Employment Benefits (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.

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 to June 30, 2020.

*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 index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The increase in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to decrease by approximately \$119.2 million from 2021 to 2022.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are 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

## Notes to Financial Statements

**Note 9: 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 3.69%, 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 (4.69%) or lower (2.69%) than the current rate:

**Sensitivity of Net OPEB Liability as of June 30, 2022  
to the Single Discount Rate Assumption**

	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
Net OPEB liability	\$ 8,185,274	\$ 7,477,336	\$ 6,874,944

**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 as 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.

**Sensitivity of Net OPEB Liability as of June 30, 2022  
to the Healthcare Cost Trend Rate Assumption**

	1% Decrease (b)	Healthcare Cost Trend Rates Assumption (a)	1% Increase (c)
Net OPEB liability	\$ 6,682,143	\$ 7,477,336	\$ 8,448,989

- (a) Current healthcare trend rates – Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate end trend rate of 4.25% in 2039.
- (b) One percentage point decrease in current healthcare trend rates – Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2039.
- (c) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate rate of 5.25% in 2039.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### **Note 10: 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.

### **Note 11: Impact of Pending Accounting Principles**

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, 2023. 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, 2023. 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, 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.

### **Note 12: Subsequent Events**

The College has evaluated subsequent events through December 19, 2023, which is the date the financial statements were available to be issued.

# Lewis & Clark Community College

## 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 (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.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023.

**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, 2023. 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, 2023.

**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 \$111,555 for fiscal year ended June 30, 2023.

**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, 2023, 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, 2020.

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.

# Lewis & Clark Community College

## Notes to Financial Statements

### Note 13: Component Unit (Continued)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

Investment income for the year ended June 30, 2023, was as follows:

	Without Donor Restrictions	With Donor Restrictions	June 30, 2023
Investment Income	\$ 77,392	\$ 397,977	\$ 475,369
Net Realized Gain in Investments	5,880	29,688	35,568
Net Unrealized Gain on Investments	113,094	560,757	673,851
Administrative and Investment Fee	(20,792)	(170,714)	(191,506)
Net Investment Income	\$ 175,574	\$ 817,708	\$ 993,282

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 \$79,951 for fiscal year ended June 30, 2023.

Investments cost and fair values are comprised of the following at June 30, 2023:

	Cost	Value	Gains	Losses
U.S. Government Securities	\$ 1,056,266	\$ 979,297	\$ 411	\$ (77,380)
U.S. Government Agencies	34,920	31,927	-	(2,993)
Corporate Bonds	1,346,597	1,245,517	423	(101,503)
Common Stock	2,473,331	3,287,181	900,890	(87,040)
Mutual Funds	6,165,005	6,081,778	227,038	(310,265)
Alternative Investments	1,177,750	1,352,574	174,824	-
	\$ 12,253,869	\$ 12,978,274	\$ 1,303,586	\$ (579,181)

# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### 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.

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.

# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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, 2023:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities	\$ 979,297	\$ 979,297	\$ -	\$ -
U.S. Government Agencies	31,927	31,927	-	-
Corporate Bonds	1,245,517	1,245,517	-	-
Common Stock	3,287,181	3,287,181	-	-
Mutual Funds	6,081,778	6,081,778	-	-
Alternative Investments	1,352,574	-	-	1,352,574
	<u>\$ 12,978,274</u>	<u>\$ 11,625,700</u>	<u>\$ -</u>	<u>\$ 1,352,574</u>

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, 2023.

#### 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.



# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### LAND (CONTINUED)

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, 2023, amounted to \$46,133. The total increase in the values of the policies during fiscal year 2023 was \$178.

#### 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).



# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS

*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, 2023, 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 2023 are summarized as follows:

Scholarships	\$	117,557
Program Support		186,455
Cultural		17,220
Student Support		15,920
Landscaping		11,646
Other		704
	\$	<u>349,502</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

## 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

## 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, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 11,737,675	\$ 11,737,675
Board-designated endowment funds	718,293	-	718,293
	\$ 718,293	\$ 11,737,675	\$ 12,455,968

The endowment net assets and activity for the year ended June 30, 2023, consisted of the following:

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 670,685	\$ 10,946,184	\$ 11,616,869
Investment return:			
Investment income	24,679	397,096	421,775
Net realized and unrealized appreciation	37,981	589,094	627,075
Total investment return	62,660	986,190	1,048,850
Contributions and grants	-	134,578	134,578
Other income	50	771	821
Fund transfer	(1,532)	69,912	68,380
Appropriation of endowment funds for expenditure	(13,570)	(399,960)	(413,530)
Endowment net assets, end of year	\$ 718,293	\$ 11,737,675	\$ 12,455,968

# Lewis & Clark Community College

## Notes to Financial Statements

---

### Note 13: Component Unit (Continued)

#### ENDOWMENT (CONTINUED)

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, 2023, the sum of the deficiencies in the individual donor-restricted endowment funds was \$103,292.

#### 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, 2023:

Cash and cash equivalents	\$ 913,389
Investments	12,978,274
Interest receivable	15,215
Total financial assets available within one year	<u>13,906,878</u>
Less:	
Amounts unavailable for general expenditures within one year, due to	
Restricted by donors with purpose restrictions	12,389,951
Amounts unavailable to management without Board's approval	
Board designated for endowment	<u>718,293</u>
Total financial assets available to management for expenditures within one year	<u>\$ 798,634</u>

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**  
Schedule of Share of Net Pension Liability  
Last Ten Fiscal Years  
(schedule to be built prospectively from 2014)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$ 148,076,791	\$ 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	\$ 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	
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	8.18%	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	43.65%	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 is available. The schedule is intended to show information for 10 years.

See accompanying Notes to Required Supplementary Information.

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

Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Federal, trust, grant and other contribution	\$ 426,782	\$ 310,383	\$ 314,241	\$ 313,493	\$ 295,512	\$ 237,228	\$ 291,172	\$ 250,765	\$ 211,043	\$ 190,417
Contribution in relation to required contribution	426,782	310,383	314,241	313,493	295,512	237,228	291,172	250,765	211,043	190,417
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer covered payroll	\$ 18,770,669	\$ 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	2.27%	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 is available. The schedule is intended to show information for 10 years.

See accompanying Notes to Required Supplementary Information.

**Lewis & Clark Community College**  
Schedule of Share of Net OPEB Liability  
Last Ten Fiscal Years  
(schedule to be built prospectively from 2014)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net OPEB liability	1.09%	1.16%	1.20%	1.21%	1.22%					
Proportion amount of the collective net OPEB liability	\$ 7,477,336	\$ 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	\$ 7,477,336	\$ 20,130,047	\$ 21,885,197	\$ 22,816,742	\$ 22,910,966					
Total collective net OPEB liability associated with the College	\$ 14,954,672	\$ 40,260,094	\$ 43,770,394	\$ 45,633,484	\$ 45,821,932					
District's covered payroll	\$ 18,097,459	\$ 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	82.63%	211.48%	217.83%	228.15%	233.99%					
College insurance plan net position as a percentage of total OPEB liability	(22.03%)	(6.38%)	(5.07%)	(4.13%)	(3.54%)					

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

See accompanying Notes to Required Supplementary Information.

**Lewis & Clark Community College**  
Schedule of Share of OPEB Contributions  
Last Ten Fiscal Years  
(schedule to be built prospectively from 2014)

Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 106,644	\$ 103,007	\$ 107,844	\$ 110,421	\$ 108,451	\$ 106,126	\$ 105,183	\$ 106,824	\$ 104,022	\$ 97,935
Contribution in relation to required statutorily	106,644	103,007	107,844	110,421	108,451	106,126	105,183	106,824	104,022	97,935
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 18,770,669	\$ 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%	0.57%	0.55%	0.54%	0.54%	0.53%	0.53%	0.51%	0.49%

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

See accompanying Notes to Required Supplementary Information.

# Lewis & Clark Community College

## 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, 2022.

### **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. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

- 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.



# Lewis & Clark Community College

## Notes to Required Supplementary Information (Continued)

---

### Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2022.

### Note 4: Changes of OPEB Assumptions

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Sponsor's Fiscal Year End	June 30, 2023

#### Methods and assumptions used to determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.25%
Salary Increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021 actuarial valuation of SURS.
Healthcare Cost Trend Rates	Trend used plan year end 2023 and are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033, and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

## SPECIAL REPORTS SECTION

---

## Supplemental Financial Information

---

LEWIS & CLARK COMMUNITY COLLEGE  
SUPPLEMENT 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 Fund Expenditures by Activity

**Certificate of Chargeback Reimbursement**

- No. 6 - Certificate of Chargeback Reimbursement

See Independent Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #1 - ALL FUNDS SUMMARY

<i>Year Ended June 30, 2023</i>	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>OPERATIONS AND MAINTENANCE RESTRICTED FUND</u>	<u>BOND AND INTEREST FUND</u>	<u>AUXILIARY FUND</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	\$ 16,388,546	\$ 10,908,663	\$ 26,721,770	\$ 7,141,846	\$ 971,461
REVENUES:					
Local Tax Revenue	9,944,379	6,627,181	2,478,071	12,185,233	-
ICCB State Grants	6,685,875	108,345	-	-	-
All Other State Revenue	-	-	507,235	-	-
Federal Revenue	-	-	-	-	-
Student Tuition and Fees	8,187,475	216,558	-	-	919,806
On-Behalf CIP	-	-	-	-	-
On-Behalf SURS	-	-	-	-	-
Other Revenue	290,693	245,577	518,956	-	343,437
Total Revenues	<u>25,108,422</u>	<u>7,197,661</u>	<u>3,504,262</u>	<u>12,185,233</u>	<u>1,263,243</u>
EXPENDITURES:					
Instruction	11,957,327	-	-	-	-
Academic Support	3,524,892	-	-	-	-
Student Services	2,804,052	-	-	-	-
Public Services	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,204,117
Operation and Maintenance of Plant Services	-	5,822,291	-	-	-
Institutional Support	5,404,684	83,448	1,125,369	4,293	-
Scholarships, Student Grants, and Waivers	381,895	-	-	-	783,843
Depreciation Expense	-	-	-	-	-
Debt Service:					
Principal Retirement	359,894	-	-	11,310,000	-
Interest, Service Charges, and Issuance Costs	7,610	-	-	3,288,805	-
Total Expenditures	<u>24,440,354</u>	<u>5,905,739</u>	<u>1,125,369</u>	<u>14,603,098</u>	<u>1,987,960</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	1,404,175	2,066,057	2,313,900	206,075	781,661
Transfers Out	(2,766,943)	(2,338,900)	(206,075)	-	(197,607)
SBITA Proceeds	2,282,968	-	-	-	-
Total other financing sources (uses)	<u>920,200</u>	<u>(272,843)</u>	<u>2,107,825</u>	<u>206,075</u>	<u>584,054</u>
NET CHANGE IN FUND BALANCE	<u>1,588,268</u>	<u>1,019,079</u>	<u>4,486,718</u>	<u>(2,211,790)</u>	<u>(140,663)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 17,976,814</u>	<u>\$ 11,927,742</u>	<u>\$ 31,208,488</u>	<u>\$ 4,930,056</u>	<u>\$ 830,798</u>

See Independent Auditor's Report on Supplementary Information



LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #1 - ALL FUNDS SUMMARY (CONTINUED)

<i>Year Ended June 30, 2023</i>	RESTRICTED PURPOSE FUND	WORKING CASH FUND	AUDIT FUND	LIABILITY PROTECTION SETTLEMENT FUND	TOTAL
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	\$ 10,511,609	\$ 12,668,275	\$ 10,167	\$ 929,468	\$ 86,251,805
REVENUES:					
Local Tax Revenue	129,781	-	59,588	2,914,207	34,338,440
ICCB State Grants	926,764	-	-	-	7,720,984
All Other State Revenue	4,408,108	-	-	-	4,915,343
Federal Revenue	11,584,614	-	-	-	11,584,614
Student Tuition and Fees	725,847	-	-	-	10,049,686
On-Behalf CIP	106,644	-	-	-	106,644
On-Behalf SURS	10,026,336	-	-	-	10,026,336
Other Revenue	1,747,220	953,025	-	1,400	4,100,308
Total Revenues	<u>29,655,314</u>	<u>953,025</u>	<u>59,588</u>	<u>2,915,607</u>	<u>82,842,355</u>
EXPENDITURES:					
Instruction	5,941,947	-	-	-	17,899,274
Academic Support	2,909,639	-	-	-	6,434,531
Student Services	1,434,470	-	-	-	4,238,522
Public Services	7,616,782	-	-	-	7,616,782
Auxiliary Services	612,346	-	-	-	1,816,463
Operation and Maintenance of Plant Services	522,744	-	-	1,349,340	7,694,375
Institutional Support	5,778,355	-	61,500	1,710,443	14,168,092
Scholarships, Student Grants, and Waivers	5,926,589	-	-	-	7,092,327
Depreciation Expense	-	-	-	-	-
Debt Service:					
Principal Retirement	224,167	-	-	-	11,894,061
Interest, Service Charges, and Insurance Costs	9,063	-	-	-	3,305,478
Total Expenditures	<u>30,976,102</u>	<u>-</u>	<u>61,500</u>	<u>3,059,783</u>	<u>82,159,905</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	2,260,972	-	-	-	9,032,840
Transfers Out	(3,523,315)	-	-	-	(9,032,840)
SBITA Proceeds	859,182	-	-	-	3,142,150
Total other financing sources (uses)	<u>(403,161)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,142,150</u>
NET CHANGE IN FUND BALANCE	<u>(1,723,949)</u>	<u>953,025</u>	<u>(1,912)</u>	<u>(144,176)</u>	<u>3,824,600</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 8,787,660</u>	<u>\$ 13,621,300</u>	<u>\$ 8,255</u>	<u>\$ 785,292</u>	<u>\$ 90,076,405</u>

See Independent Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #2  
SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT

<i>Year Ended June 30, 2023</i>	BALANCE JULY 1, 2022 <u>AS RESTATED*</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, 2023
Capital Assets:				
Site and Improvements	\$ 22,549,374	\$ 24,480	\$ -	\$ 22,573,854
Buildings, Additions, and Improvements	183,336,817	525,143	78,640	183,783,320
Equipment	13,040,052	571,898	919,473	12,692,477
Sculptures and Art	2,460,505	75,000	-	2,535,505
Construction in Progress	571,333	1,066,842	-	1,638,175
Subscription Assets	449,388	2,896,762	-	3,346,150
Total Capital Assets	<u>222,407,469</u>	<u>5,160,125</u>	<u>998,113</u>	<u>226,569,481</u>
Accumulated Depreciation and Amortization	<u>90,824,267</u>	<u>5,414,528</u>	<u>956,195</u>	<u>95,282,600</u>
Total Net Capital Assets	<u>131,583,202</u>	<u>(254,403)</u>	<u>41,918</u>	<u>131,286,881</u>
Long-Term Debt:				
Bonds Payable	85,759,441	131,244	9,435,000	76,455,685
Bond Premium	4,860,813	-	869,872	3,990,941
Subscription Liability	449,388	2,692,761	584,061	2,558,088
OPEB Liability	20,130,047	-	12,652,711	7,477,336
Accrued Compensated Absences	816,986	576,713	595,028	798,671
Debt Certificates	7,650,000	-	1,875,000	5,775,000
Debt Certificates Premium	479,385	-	133,140	346,245
Total Long-term Debt	<u>\$ 120,146,060</u>	<u>\$ 3,400,718</u>	<u>\$ 26,144,812</u>	<u>\$ 97,401,966</u>

\*Restated for implementation of GASB 96

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #3  
OPERATING FUNDS REVENUES AND EXPENDITURES

<i>Year Ended June 30, 2023</i>	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>TOTAL</u>
Operating Revenues by Source			
Local Government:			
Local Taxes	\$ 7,938,924	\$ 5,290,212	\$ 13,229,136
Corporate Personal Property Replacement Taxes	2,005,455	1,336,969	3,342,424
Tuition Chargeback Revenue	-	-	-
Total Local Government	<u>9,944,379</u>	<u>6,627,181</u>	<u>16,571,560</u>
State Government:			
ICCB Base Operating Grant	3,300,170	108,345	3,408,515
ICCB Equalization Grant	3,042,510	-	3,042,510
ICCB Career & Technical Education	343,195	-	343,195
Total State Government	<u>6,685,875</u>	<u>108,345</u>	<u>6,794,220</u>
Student Tuition and Fees:			
Tuition	6,725,020	108,345	6,833,365
Student Fees	1,462,455	108,213	1,570,668
Total Student Tuition and Fees	<u>8,187,475</u>	<u>216,558</u>	<u>8,404,033</u>
Other Sources:			
Sales and Service Fees	130,878	-	130,878
Facilities Revenue	-	166,875	166,875
Investment Income	91,214	67,537	158,751
Nongovernmental Grants	22,500	-	22,500
Other Revenues	46,101	11,165	57,266
Total Other Sources	<u>290,693</u>	<u>245,577</u>	<u>536,270</u>
Total Revenue	<u>25,108,422</u>	<u>7,197,661</u>	<u>32,306,083</u>
Less nonoperating items:			
Tuition Chargeback	-	-	-
Adjusted Revenue	<u>\$ 25,108,422</u>	<u>\$ 7,197,661</u>	<u>\$ 32,306,083</u>

See Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #3  
OPERATING FUNDS REVENUES AND EXPENDITURES (CONTINUED)

<i>Year Ended June 30, 2023</i>	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	TOTAL
Operating Expenditures			
By Program:			
Instruction	\$ 11,957,327	\$ -	\$ 11,957,327
Academic Support	3,708,644	-	3,708,644
Student Services	2,804,052	-	2,804,052
Operation and Maintenance of Plant Services	-	5,822,291	5,822,291
Institutional Support	5,588,436	83,448	5,671,884
Scholarships, Student Grants, and Waivers	381,895	-	381,895
Total Expenditures	<u>24,440,354</u>	<u>5,905,739</u>	<u>30,346,093</u>
Less nonoperating items:			
Tuition Chargeback	-	-	-
Adjusted Expenditures	<u>24,440,354</u>	<u>5,905,739</u>	<u>30,346,093</u>
By Object:			
Salaries	17,346,873	1,077,885	18,424,758
Employee Benefits	1,814,848	173,459	1,988,307
Contractual Services	522,206	2,447,152	2,969,358
General Materials and Supplies	1,446,829	524,227	1,971,056
Travel, Conference, and Meeting Expense	158,696	7,890	166,586
Fixed Charges	17,448	60,460	77,908
Utilities	-	1,483,848	1,483,848
Capital Outlay	2,296,852	130,816	2,427,668
Debt Service	367,504	-	367,504
Other	469,098	2	469,100
Total Expenditures	<u>24,440,354</u>	<u>5,905,739</u>	<u>30,346,093</u>
Less nonoperating items:			
Tuition Chargeback	-	-	-
Adjusted Expenditures	<u>\$ 24,440,354</u>	<u>\$ 5,905,739</u>	<u>\$ 30,346,093</u>

See Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #4  
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES

Year Ended June 30, 2023

Revenue by Source:

Local Government:  
Property Taxes

\$ 129,781

State Government:

ICCB:

Adult Education

340,675

Other

586,089

Illinois School Board of Education

461,969

On-Behalf CIP

106,644

On-Behalf SURS

10,026,336

Other State Government

3,946,139

Total State Government

15,467,852

Federal Government:

Department of Education:

Adult Education

301,923

FSEOG

141,126

Federal Work Study

86,043

Pell Grant

3,704,497

Federal Direct Student Loans

1,773,977

TRIO - Talent Search

357,439

TRIO - Upward Bound

418,800

Career & Technical Education

410,902

GEER

156,342

HEERF Institutional

1,371,422

Department of Labor:

YouthBuild

337,977

WIOA - Youth Employment Enhancement

56,262

WIOA - Adult Program

62,988

WIOA - Dislocated Worker

750

Other Federal Government Sources:

Stem Education

168,664

Americorps

119,036

Department of Energy - IGEN

373,729

ICCB - College Bridge

130,000

ICCB - Early Childhood Access Consortium

117,802

Illinois Department of Natural Resources

732,762

Natural Resources Conservation Service

467,687

Other

294,486

Total Federal Government

\$ 11,584,614

See Auditor's Report on Supplementary Information



LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #4  
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES (CONTINUED)

*Year Ended June 30, 2023*

Revenue by Source (Continued):

Other Sources:

Student Tuition and Fees	\$ 725,847
Sales and Service Fees	164,718
Investment Income	216,888
Nongovernmental Grants	669,523
Miscellaneous Revenue	696,091
Total Other Sources	2,473,067
Total Restricted Purposes Fund Revenues	29,655,314

Expenditures by Program:

Instruction	5,941,947
Academic Support	3,142,869
Student Services	1,434,470
Public Services	7,616,782
Auxiliary Services	612,346
Operating and Maintenance of Plant Services	522,744
Institutional Support	5,778,355
Scholarships, Student Grants, and Waivers	5,926,589
Total Restricted Purposes Fund Expenditures by Program	30,976,102

Expenditures by Object:

Salaries	5,053,007
Employee Benefits	11,366,750
Contractual Services	2,566,255
General Materials and Supplies	2,430,647
Travel, Conference, and Meeting Expense	377,936
Fixed Charges	29,050
Utilities	106,524
Capital Outlay	2,032,011
Debt Service	233,230
Other	6,780,692
Total Restricted Purposes Fund Expenditures by Object	\$ 30,976,102

See Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #5  
CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY

Year Ended June 30, 2023

Instruction:	
Instructional Programs	\$ 13,089,090
Other	4,810,184
Total Instruction	<u>17,899,274</u>
Academic Support:	
Library Center	369,533
Instructional Materials Center	79,721
Academic Computing Support	4,350,921
Debt Service	416,982
Academic Administration and Planning	637,596
Other Academic Support	996,760
Total Academic Support	<u>6,851,513</u>
Student Services:	
Admissions and Records	858,752
Counseling & Career Guidance	1,074,244
Health Services	371,092
Financial Aid Administration	398,724
Social and Cultural Development	169,746
Other Student Services	1,365,964
Total Student Services	<u>4,238,522</u>
Public Service/Continuing Education:	
Community Education	580,894
Customized Training	1,246,449
Community Services	503,917
Other Public Services	5,285,522
Total Public Service/Continuing Education	<u>7,616,782</u>
Auxiliary	<u>1,816,463</u>
Operations and Maintenance of Plant:	
Maintenance	1,985,390
Custodial Services	1,158,047
Grounds	433,496
Campus Security	1,646,378
Transportation	64,620
Plant Utilities	1,513,735
Administration	85,958
Other Operations and Maintenance	806,751
Total Operations and Maintenance of Plant	<u>\$ 7,694,375</u>

See Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
UNIFORM FINANCIAL STATEMENT #5  
CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY (CONTINUED)

*Year Ended June 30, 2023*

Institutional Support:	
Executive Management	\$ 957,168
Fiscal Operations	828,002
Community Relations	377,149
Administrative Support Services	680,380
Board of Trustees	21,014
General Institution	4,343,654
Institutional Research	225,361
Administrative Data Processing	2,233,968
Other Institutional Support	3,555,486
Total Institutional Support	<u>13,222,182</u>
Scholarships, Grants, Waivers	<u>7,092,327</u>
Total Current Funds Expenditures	<u><u>\$ 66,431,438</u></u>

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

See Auditor's Report on Supplementary Information

LEWIS AND CLARK COMMUNITY COLLEGE  
CERTIFICATE OF CHARGEBACK REIMBURSEMENT  
FOR FISCAL YEAR 2024

All fiscal year 2023 noncapital audited operating expenditures from the following funds:

1. Education Fund	\$ 21,775,998	
2. Operations and Maintenance Fund	5,774,923	
3. Bond and Interest Fund	5,093,339	
5. Public Building Commission Rental Fund	-	
6. Restricted Purposes Fund	18,577,881	
7. Audit Fund	61,500	
8. Liability, Protection, and Settlement Fund	3,059,783	
9. Auxiliary Enterprises Fund (subsidy only)	<u>-</u>	
10. Total noncapital expenditures (sum of lines 1-9)		<u>54,343,424</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>3,357,165</u>	
12. Total costs included (line 10 plus line 11)		<u>57,700,589</u>
13. Total certified semester credit hours for FY 2023	61,959	
14. Per capital cost (line 12 divided by line 13)		931
15. All FY 2023 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>16,537,470</u>	
16. FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)		266.91
17. District's average ICCB grant rate (excluding equalization grants) for FY 2024		48.29
18. District's student tuition and fee rate per semester credit hour for FY 2024		<u>155.00</u>
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		<u>\$ 461.07</u>

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
 President

\_\_\_\_\_ Date \_\_\_\_\_  
 Vice President

See Independent Auditor's Report on Supplementary Information

## Other Financial Information

---



LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING BALANCE SHEET - ALL FUND TYPES

	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>OPERATIONS AND MAINTENANCE RESTRICTED FUND</u>	<u>BOND AND INTEREST FUND</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and Cash Equivalents	\$ 297,109	\$ -	\$ 1,124,123	\$ -
Investments	9,591,467	6,167,321	22,926,270	-
Receivables, net:				
Taxes Receivable	7,343,620	4,895,745	2,447,873	11,769,375
Government Claims Receivable	316,239	210,826	-	-
Student Tuition Receivable (net)	3,549,100	-	-	-
Accrued Interest	74,392	59,074	232,872	-
Other Receivables	35,437	12,000	-	-
Prepaid Expenses & Other	180,570	-	-	-
Interfund Receivables	6,175,414	4,080,064	6,024,607	(172,055)
Right of Use Assets - SBITAs, Net of Amortization	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-
Total Assets	<u>27,563,348</u>	<u>15,425,030</u>	<u>32,755,745</u>	<u>11,597,320</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to OPEB	-	-	-	-
Deferred Outflows Related to Pension	-	-	-	-
Deferred Loss on Refunding Bonds	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>27,563,348</u>	<u>15,425,030</u>	<u>32,755,745</u>	<u>11,597,320</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Accounts Payable	400,285	819,078	266,054	318
Accrued Expenses & Compensated Absences	1,984,595	-	-	506,920
Unearned Tuition and Fees	3,358,044	43,237	-	-
Unearned Grants and Other Deferred Revenue	-	72,567	-	-
SBITA Liability	-	-	-	-
Bonds Payable	-	-	-	-
Debt Certificates	-	-	-	-
OPEB Liability	-	-	-	-
Total Liabilities	<u>5,742,924</u>	<u>934,882</u>	<u>266,054</u>	<u>507,238</u>
Deferred Inflows of Resources:				
Unavailable Property Taxes	3,843,610	2,562,406	1,281,203	6,160,026
Deferred Inflows of OPEB Resources	-	-	-	-
Total Deferred Inflows of Resources	<u>3,843,610</u>	<u>2,562,406</u>	<u>1,281,203</u>	<u>6,160,026</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,586,534</u>	<u>3,497,288</u>	<u>1,547,257</u>	<u>6,667,264</u>
<b>FUND BALANCE (DEFICIT)</b>				
Net Investment in Capital Assets	-	-	-	-
Restricted Fund Balance	-	-	31,208,488	4,930,056
Unrestricted	17,976,814	11,927,742	-	-
Total Fund Balance	<u>17,976,814</u>	<u>11,927,742</u>	<u>31,208,488</u>	<u>4,930,056</u>
Total Liabilities, Deferred Inflows or Resources and Fund Balances	<u>\$ 27,563,348</u>	<u>\$ 15,425,030</u>	<u>\$ 32,755,745</u>	<u>\$ 11,597,320</u>

LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING BALANCE SHEET - ALL FUND TYPES (CONTINUED)

	<u>AUXILIARY FUND</u>	<u>RESTRICTED PURPOSE FUND</u>	<u>WORKING CASH FUND</u>	<u>AUDIT FUND</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and Cash Equivalents	\$ -	\$ 5,420	\$ -	\$ -
Investments	-	5,589,474	30,213,984	-
Receivables, net:				
Taxes Receivable	-	-	-	58,749
Government Claims Receivable	-	6,858,171	-	-
Student Tuition Receivable (net)	-	-	-	-
Accrued Interest	-	42,481	201,007	-
Other Receivables	53,790	-	-	-
Prepaid Expenses & Other	189	171,670	-	-
Interfund Receivables	1,166,874	261,975	(16,792,018)	(19,745)
Right of Use Assets - SBITAs, Net of Amortization	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-
Total Assets	<u>1,220,853</u>	<u>12,929,191</u>	<u>13,622,973</u>	<u>39,004</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to OPEB	-	-	-	-
Deferred Outflows Related to Pension	-	-	-	-
Deferred Loss on Refunding Bonds	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>1,220,853</u>	<u>12,929,191</u>	<u>13,622,973</u>	<u>39,004</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Accounts Payable	10,941	756,434	1,673	-
Accrued Expenses & Compensated Absences	5,803	-	-	-
Unearned Tuition and Fees	367,523	165,382	-	-
Unearned Grants and Other Deferred Revenue	5,788	3,219,715	-	-
SBITA Liability	-	-	-	-
Bonds Payable	-	-	-	-
Debt Certificates	-	-	-	-
OPEB Liability	-	-	-	-
Total Liabilities	<u>390,055</u>	<u>4,141,531</u>	<u>1,673</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Property Taxes	-	-	-	30,749
Deferred Inflows of OPEB Resources	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,749</u>
Total Liabilities and Deferred Inflows of Resources	<u>390,055</u>	<u>4,141,531</u>	<u>1,673</u>	<u>30,749</u>
<b>FUND BALANCE (DEFICIT)</b>				
Net Investment in Capital Assets	-	-	-	-
Restricted Fund Balance	-	8,787,660	-	-
Unrestricted	830,798	-	13,621,300	8,255
Total Fund Balance	<u>830,798</u>	<u>8,787,660</u>	<u>13,621,300</u>	<u>8,255</u>
Total Liabilities, Deferred Inflows or Resources and Fund Balances	<u>\$ 1,220,853</u>	<u>\$ 12,929,191</u>	<u>\$ 13,622,973</u>	<u>\$ 39,004</u>

LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING BALANCE SHEET - ALL FUND TYPES (CONTINUED)

	LIABILITY PROTECTION SETTLEMENT FUND	FUND TOTALS BEFORE GASB ADJUSTMENTS
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Cash and Cash Equivalents	\$ -	\$ 1,426,652
Investments	-	74,488,516
Receivables, net:		
Taxes Receivable	3,074,526	29,589,888
Government Claims Receivable	-	7,385,236
Student Tuition Receivable (net)	-	3,549,100
Accrued Interest	-	609,826
Other Receivables	2,296	103,523
Prepaid Expenses & Other	750,587	1,103,016
Interfund Receivables	(725,116)	-
Right of Use Assets - SBITAs, Net of Amortization	-	-
Capital Assets, Net of Accumulated Depreciation	-	-
Total Assets	3,102,293	118,255,757
<b>Deferred Outflows of Resources:</b>		
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	3,102,293	118,255,757
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Accounts Payable	707,711	2,962,494
Accrued Expenses & Compensated Absences	-	2,497,318
Unearned Tuition and Fees	-	3,934,186
Unearned Grants and Other Deferred Revenue	100	3,298,170
SBITA Liability	-	-
Bonds Payable	-	-
Debt Certificates	-	-
OPEB Liability	-	-
Total Liabilities	707,811	12,692,168
<b>Deferred Inflows of Resources:</b>		
Unavailable Property Taxes	1,609,190	15,487,184
Deferred Inflows of OPEB Resources	-	-
Total Deferred Inflows of Resources	1,609,190	15,487,184
Total Liabilities and Deferred Inflows of Resources	2,317,001	28,179,352
<b>FUND BALANCE (DEFICIT)</b>		
Net Investment in Capital Assets	-	-
Restricted Fund Balance	-	44,926,204
Unrestricted	785,292	45,150,201
Total Fund Balance	785,292	90,076,405
Total Liabilities, Deferred Inflows or Resources and Fund Balances	\$ 3,102,293	\$ 118,255,757

LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING BALANCE SHEET - ALL FUND TYPES (CONTINUED)

	GASB ADJUSTMENTS			ADJUSTED FUND TOTALS
	GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT	GASB 35 ENTRIES	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,426,652
Investments	-	-	-	74,488,516
Receivables, net:				
Taxes Receivable	-	-	-	29,589,888
Government Claims Receivable	-	-	-	7,385,236
Student Tuition Receivable (net)	-	-	-	3,549,100
Accrued Interest	-	-	-	609,826
Other Receivables	-	-	-	103,523
Prepaid Expenses & Other	-	-	-	1,103,016
Interfund Receivables	-	-	-	0
Right of Use Assets - SBITAs, Net of Amortization	-	2,741,989	-	2,741,989
Capital Assets, Net of Accumulated Depreciation	128,544,892	-	-	128,544,892
Total Assets	<u>128,544,892</u>	<u>2,741,989</u>	<u>-</u>	<u>249,542,638</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to OPEB	-	186,985	-	186,985
Deferred Outflows Related to Pension	-	-	426,782	426,782
Deferred Loss on Refunding Bonds	-	1,157,733	-	1,157,733
Total Deferred Outflow of Resources	<u>-</u>	<u>1,344,718</u>	<u>426,782</u>	<u>1,771,500</u>
Total Assets and Deferred Outflow of Resources	<u>128,544,892</u>	<u>4,086,707</u>	<u>426,782</u>	<u>251,314,138</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Accounts Payable	-	-	-	2,962,494
Accrued Expenses & Compensated Absences	-	75,469	798,671	3,371,458
Unearned Tuition and Fees	-	-	-	3,934,186
Unearned Grants and Other Deferred Revenue	-	-	-	3,298,170
SBITA Liability	-	2,558,088	-	2,558,088
Bonds Payable	-	80,446,626	-	80,446,626
Debt Certificates	-	6,121,245	-	6,121,245
OPEB Liability	-	7,477,336	-	7,477,336
Total Liabilities	<u>-</u>	<u>96,678,764</u>	<u>798,671</u>	<u>110,169,603</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Property Taxes	-	-	-	15,487,184
Deferred Inflows of OPEB Resources	-	15,156,479	-	15,156,479
Total Deferred Inflows of Resources	<u>-</u>	<u>15,156,479</u>	<u>-</u>	<u>30,643,663</u>
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>111,835,243</u>	<u>798,671</u>	<u>140,813,266</u>
<b>FUND BALANCE (DEFICIT)</b>				
Net Investment in Capital Assets	128,544,892	(46,603,145)	-	81,941,747
Restricted Fund Balance	-	-	-	44,926,204
Unrestricted	-	(61,145,391)	(371,889)	(16,367,079)
Total Fund Balance	<u>128,544,892</u>	<u>(107,748,536)</u>	<u>(371,889)</u>	<u>110,500,872</u>
Total Liabilities, Deferred Inflows or Resources and Fund Balances	<u>\$ 128,544,892</u>	<u>\$ 4,086,707</u>	<u>\$ 426,782</u>	<u>\$ 251,314,138</u>

**LEWIS AND CLARK COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE (DEFICIT) - ALL FUND TYPES**

	<u>EDUCATION FUND</u>	<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>OPERATIONS AND MAINTENANCE RESTRICTED FUND</u>	<u>BOND AND INTEREST FUND</u>
<b>REVENUES:</b>				
Local Government	\$ 9,944,379	\$ 6,627,181	\$ 2,478,071	\$ 12,185,233
State Government	6,685,875	108,345	507,235	-
State On-Behalf - SURS and CIP	-	-	-	-
Federal Government	-	-	-	-
Student Tuition and Fees	8,187,475	216,558	-	-
Sales and Service Fees	130,878	-	-	-
Facilities Revenue	-	166,875	-	-
Investment Income	91,214	67,537	518,956	-
Nongovernmental Grants	22,500	-	-	-
Other Revenue	46,101	11,165	-	-
Total Revenues	<u>25,108,422</u>	<u>7,197,661</u>	<u>3,504,262</u>	<u>12,185,233</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	11,957,327	-	-	-
Academic Support	3,524,892	-	-	-
Student Services	2,804,052	-	-	-
Public Services	-	-	-	-
Auxiliary Services	-	-	-	-
Operation and Maintenance of Plant Services	-	5,822,291	-	-
Institutional Support	5,404,684	83,448	1,125,369	4,293
Scholarships, Student Grants, and Waivers	381,895	-	-	-
Depreciation Expense	-	-	-	-
Debt Service:				
Principal Retirement	359,894	-	-	11,310,000
Interest, Service Charges, and Issuance Costs	7,610	-	-	3,288,805
Total Expenditures	<u>24,440,354</u>	<u>5,905,739</u>	<u>1,125,369</u>	<u>14,603,098</u>
Excess (Deficiency) of Revenues Over Expenditures	668,068	1,291,922	2,378,893	(2,417,865)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,404,175	2,066,057	2,313,900	206,075
Transfers Out	(2,766,943)	(2,338,900)	(206,075)	-
SBITA Proceeds	2,282,968	-	-	-
Bond Proceeds	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>920,200</u>	<u>(272,843)</u>	<u>2,107,825</u>	<u>206,075</u>
NET CHANGE IN FUND BALANCE	1,588,268	1,019,079	4,486,718	(2,211,790)
FUND BALANCE, BEGINNING OF YEAR,	<u>16,388,546</u>	<u>10,908,663</u>	<u>26,721,770</u>	<u>7,141,846</u>
FUND BALANCE, END OF YEAR	<u>\$ 17,976,814</u>	<u>\$ 11,927,742</u>	<u>\$ 31,208,488</u>	<u>\$ 4,930,056</u>



LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - ALL FUND TYPES (CONTINUED)

	<u>AUXILIARY FUND</u>	<u>RESTRICTED PURPOSE FUND</u>	<u>WORKING CASH FUND</u>	<u>AUDIT FUND</u>
<b>REVENUES:</b>				
Local Government	\$ -	\$ 129,781	\$ -	\$ 59,588
State Government	-	5,334,872	-	-
State On-Behalf - SURS and CIP	-	10,132,980	-	-
Federal Government	-	11,584,614	-	-
Student Tuition and Fees	919,806	725,847	-	-
Sales and Service Fees	204,243	164,718	-	-
Facilities Revenue	100,506	-	-	-
Investment Income	-	216,888	953,025	-
Nongovernmental Grants	8,558	669,523	-	-
Other Revenue	30,130	696,091	-	-
Total Revenues	<u>1,263,243</u>	<u>29,655,314</u>	<u>953,025</u>	<u>59,588</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-	5,941,947	-	-
Academic Support	-	2,909,639	-	-
Student Services	-	1,434,470	-	-
Public Services	-	7,616,782	-	-
Auxiliary Services	1,204,117	612,346	-	-
Operation and Maintenance of Plant Services	-	522,744	-	-
Institutional Support	-	5,778,355	-	61,500
Scholarships, Student Grants, and Waivers	783,843	5,926,589	-	-
Depreciation Expense	-	-	-	-
Debt Service:				
Principal Retirement	-	224,167	-	-
Interest, Service Charges, and Issuance Costs	-	9,063	-	-
Total Expenditures	<u>1,987,960</u>	<u>30,976,102</u>	<u>-</u>	<u>61,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(724,717)	(1,320,788)	953,025	(1,912)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	781,661	2,260,972	-	-
Transfers Out	(197,607)	(3,523,315)	-	-
SBITA Proceeds	-	859,182	-	-
Bond Proceeds	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>584,054</u>	<u>(403,161)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(140,663)	(1,723,949)	953,025	(1,912)
FUND BALANCE, BEGINNING OF YEAR,	<u>971,461</u>	<u>10,511,609</u>	<u>12,668,275</u>	<u>10,167</u>
FUND BALANCE, END OF YEAR	<u>\$ 830,798</u>	<u>\$ 8,787,660</u>	<u>\$ 13,621,300</u>	<u>\$ 8,255</u>

LEWIS AND CLARK COMMUNITY COLLEGE  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - ALL FUND TYPES (CONTINUED)

	LIABILITY PROTECTION SETTLEMENT FUND	FUND TOTALS BEFORE GASB ADJUSTMENTS
REVENUES:		
Local Government	\$ 2,914,207	\$ 34,338,440
State Government	-	12,636,327
State On-Behalf - SURS and CIP	-	10,132,980
Federal Government	-	11,584,614
Student Tuition and Fees	-	10,049,686
Sales and Service Fees	-	499,839
Facilities Revenue	-	267,381
Investment Income	-	1,847,620
Nongovernmental Grants	-	700,581
Other Revenue	1,400	784,887
Total Revenues	2,915,607	82,842,355
EXPENDITURES:		
Current:		
Instruction	-	17,899,274
Academic Support	-	6,434,531
Student Services	-	4,238,522
Public Services	-	7,616,782
Auxiliary Services	-	1,816,463
Operation and Maintenance of Plant Services	1,349,340	7,694,375
Institutional Support	1,710,443	14,168,092
Scholarships, Student Grants, and Waivers	-	7,092,327
Depreciation Expense	-	-
Debt Service:		
Principal Retirement	-	11,894,061
Interest, Service Charges, and Issuance Costs	-	3,305,478
Total Expenditures	3,059,783	82,159,905
Excess (Deficiency) of Revenues Over Expenditures	(144,176)	682,450
OTHER FINANCING SOURCES (USES):		
Transfers In	-	9,032,840
Transfers Out	-	(9,032,840)
SBITA Proceeds	-	3,142,150
Bond Proceeds	-	-
Premium on Issuance of Debt	-	-
Loss on Disposal of Assets	-	-
Total Other Financing Sources (Uses)	-	3,142,150
NET CHANGE IN FUND BALANCE	(144,176)	3,824,600
FUND BALANCE, BEGINNING OF YEAR,	929,468	86,251,805
FUND BALANCE, END OF YEAR	\$ 785,292	\$ 90,076,405

**LEWIS AND CLARK COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE (DEFICIT) - ALL FUND TYPES (CONTINUED)**

	<u>GASB ADJUSTMENTS</u>			<u>ADJUSTED TOTALS</u>
	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG- TERM DEBT</u>	<u>GASB 35 ENTRIES</u>	
<b>REVENUES:</b>				
Local Government	\$ -	\$ -	\$ -	\$ 34,338,440
State Government	-	-	-	12,636,327
State On-Behalf - SURS and CIP	-	-	-	10,132,980
Federal Government	-	-	-	11,584,614
Student Tuition and Fees	-	-	(4,124,428)	5,925,258
Sales and Service Fees	-	-	-	499,839
Facilities Revenue	-	-	-	267,381
Investment Income	-	-	-	1,847,620
Nongovernmental Grants	-	-	-	700,581
Other Revenue	-	-	-	784,887
Total Revenues	<u>-</u>	<u>-</u>	<u>(4,124,428)</u>	<u>78,717,927</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	(86,269)	(1,638,016)	(116,307)	16,058,682
Academic Support	(3,028)	(2,452,695)	(6,124)	3,972,684
Student Services	(44,591)	(355,683)	(11,011)	3,827,237
Public Services	(222,066)	(460,372)	(18,076)	6,916,268
Auxiliary Services	(24,465)	(110,359)	8,577	1,690,216
Operation and Maintenance of Plant Services	(119,584)	(185,130)	15,851	7,405,512
Institutional Support	(1,763,360)	(1,740,024)	(7,624)	10,657,084
Scholarships, Student Grants, and Waivers	-	-	(4,124,428)	2,967,899
Depreciation Expense	4,810,367	-	-	4,810,367
Debt Service:				
Principal Retirement	-	(11,894,061)	-	-
Interest, Service Charges, and Issuance Costs	-	142,444	-	3,447,922
Total Expenditures	<u>2,547,004</u>	<u>(18,693,896)</u>	<u>(4,259,142)</u>	<u>61,753,871</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,547,004)	\$ 18,693,896	\$ 134,714	\$ 16,964,056
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	9,032,840
Transfers Out	-	-	-	(9,032,840)
SBITA Proceeds	-	(3,142,150)	-	-
Bond Proceeds	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Loss on Disposal of Assets	(41,918)	-	-	(41,918)
Total Other Financing Sources (Uses)	<u>(41,918)</u>	<u>(3,142,150)</u>	<u>-</u>	<u>(41,918)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,588,922)	15,551,746	134,714	16,922,138
<b>FUND BALANCE, BEGINNING OF YEAR,</b>	<u>131,133,814</u>	<u>(123,300,282)</u>	<u>(506,603)</u>	<u>93,578,734</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 128,544,892</u>	<u>\$ (107,748,536)</u>	<u>\$ (371,889)</u>	<u>\$ 110,500,872</u>

LEWIS AND CLARK COMMUNITY COLLEGE

ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS

<u>Levy Years</u>	<u>2022</u>	<u>2021</u>
Assessed Valuations:		
Madison	\$ 3,788,830,715	\$ 3,528,127,711
Macoupin	571,005,860	525,453,261
Jersey	460,966,199	430,310,541
Greene	264,651,153	247,611,102
Calhoun	90,988,703	81,505,223
Morgan	69,770	67,260
Scott	56,644	54,835
Total Assessed Valuations	<u>5,176,569,044</u>	<u>4,813,129,933</u>
Tax Rates (per \$100 Assessed Valuation):		
Education	0.1500	0.1704
Operations and Maintenance	0.1000	0.1135
Bond and Interest	0.2404	0.2507
Liability/Judgements	0.0573	0.0488
Social Security/Medicare	0.0055	0.0055
Health & Safety	0.0500	0.0498
Audit	0.0012	0.0012
Tech Plan	0.0000	0.0054
Total Tax Rate	<u>0.6044</u>	<u>0.6453</u>
Taxes Extended:		
Education	7,764,868	8,201,573
Operations and Maintenance	5,176,579	5,462,902
Bond and Interest	12,444,497	12,066,517
Liability/Judgements	2,966,181	2,348,809
Social Security/Medicare	284,712	264,722
Protection Health Safety	2,588,289	2,396,939
Audit	62,119	57,758
Tech Plan	-	259,909
Total Taxes Extended	<u>31,287,245</u>	<u>31,059,129</u>
Tax Collections to June 30:		
Education	343,600	8,155,093
Operations and Maintenance	229,067	5,431,943
Bond and Interest	550,677	11,998,133
Liability/Judgements	131,256	2,335,496
Social Security/Medicare	12,599	263,222
Protection Health Safety	114,533	2,383,355
Audit	2,748	57,430
Tech Plan	-	258,436
Total Tax Collections	<u>\$ 1,384,480</u>	<u>\$ 30,883,108</u>
Percent of Extensions Collected	<u>4.43%</u>	<u>99.43%</u>

LEWIS AND CLARK COMMUNITY COLLEGE

SCHEDULE OF LEGAL DEBT MARGIN

*Year Ended June 30, 2023*

Estimated total equalized assessed valuation - 2022 Levy	<u>\$ 5,176,569,044</u>
Debt limit, 2.875% of assessed valuation	148,826,360
Outstanding general obligation indebtedness	
Bonds	76,380,685
Debt Certificates	<u>5,775,000</u>
Legal Debt Margin	<u>\$ 66,670,675</u>



## ICCB State Grants Section

---



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON STATE ADULT EDUCATION AND FAMILY LITERACY  
GRANTS FINANCIAL STATEMENTS

Board of Trustees  
Lewis & Clark Community College  
Godfrey, Illinois

**Opinion**

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Lewis & Clark Community College (the "College"), as of and for the year ended June 30, 2023, 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 as of June 30, 2023, 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, 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 as of June 30, 2023, 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 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 State Adult Education and Family Literacy Grants 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.



Alton, Illinois  
December 19, 2023





ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR STATE  
ADULT EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees  
Lewis & Clark Community College  
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 (the "College"), which are comprised of the balance sheet as of June 30, 2023, 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 December 19, 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, and the Illinois Community College Board and is not intended to be and should not be sued by anyone other than those specified parties.

Alton, Illinois  
December 19, 2023

LEWIS AND CLARK COMMUNITY COLLEGE  
STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS  
BALANCE SHEET

<i>June 30, 2023</i>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
<b>Assets</b>			
Cash & Cash Equivalents	\$ -	\$ -	\$ -
Government Receivable	-	-	-
Total Assets	-	-	-
<b>Liabilities and Fund Balance</b>			
Total Liabilities & Fund Balances	\$ -	\$ -	\$ -

See Notes to ICCB Grant Programs Financial Statements.



LEWIS AND CLARK COMMUNITY COLLEGE  
STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

<i>Year Ended June 30, 2023</i>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenues:			
Grant Revenue	\$ 248,275	\$ 92,400	\$ 340,675
Total Revenue	<u>248,275</u>	<u>92,400</u>	<u>340,675</u>
Expenditures			
Instruction	110,138	-	110,138
Contractual Services	-	10,953	10,953
Social Work Services	73,852	-	73,852
Guidance Services	-	29,731	29,731
Student Transportation Services	1,090	-	1,090
Literacy Services	-	-	-
Subtotal Instructional and Student Services	<u>185,080</u>	<u>40,684</u>	<u>225,764</u>
Improvement	1,968	5,811	7,779
General Administration	-	20,732	20,732
Data and Information Services	38,756	16,773	55,529
Subtotal Program Support	<u>40,724</u>	<u>43,316</u>	<u>84,040</u>
Indirect Costs	22,471	8,400	30,871
Total Expenditures	<u>248,275</u>	<u>92,400</u>	<u>340,675</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to ICCB Grant Programs Financial Statements.

LEWIS AND CLARK COMMUNITY COLLEGE  
ICCB COMPLIANCE STATEMENT FOR THE  
STATE ADULT EDUCATION AND FAMILY LITERACY GRANT  
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY

<i>Year Ended June 30, 2023</i>	<u>Audited Budget Amount</u>	<u>Budget Expenditure Percentage</u>	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
<b><u>State Basic</u></b>				
Instruction (45% budget minimum required)	\$ 113,773	45.83%	\$ 110,138	44.36%

# **Lewis & Clark Community College**

## **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, 2023. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2023, are recorded as encumbrances.

Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

#### **Capital 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

## 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 childcare facilities or provision.

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



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees  
Lewis & Clark Community College  
Godfrey, Illinois

We have examined management of Lewis & Clark Community College'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 during the period July 1, 2022, through June 30, 2023. 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 is fairly stated, in all material respects.

*Scheffel Boyle*

Alton, Illinois  
December 19, 2023

LEWIS AND CLARK COMMUNITY COLLEGE  
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED  
YEAR ENDED JUNE 30, 2023

<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</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Baccalaureate	2,671.0	2.0	18,029.5	52.0	19,157.5	113.0	39,858.0	167.0
Business Occupational	233.5	0.0	1,621.5	0.0	1,518.5	0.0	3,373.5	0.0
Technical Occupational	141.0	22.0	3,544.0	140.0	3,673.0	120.0	7,358.0	282.0
Health Occupational	416.0	0.0	2,893.5	0.0	2,650.0	0.0	5,959.5	0.0
Remedial/Developmental	139.0	0.0	1,175.0	30.0	650.0	0.0	1,964.0	30.0
Adult Education	18.5	65.5	0.0	857.0	0.0	2,026.0	18.5	2,948.5
	<u>3,619.0</u>	<u>89.5</u>	<u>27,263.5</u>	<u>1,079.0</u>	<u>27,649.0</u>	<u>2,259.0</u>	<u>58,531.5</u>	<u>3,427.5</u>
	<u>In-District (All Terms)</u>		<u>Dual Credit (All Terms)</u>		<u>Dual Enrollment (All Terms)</u>			
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>		
Reimbursable Credit Hours:	55,923.0	3,170.5	12,890.0	21.0	1,136.0	0.0		
Credit Hours on Chargeback or Contractual Agreement:			<u>2,734.5</u>					
District Equalized Assessed Valuation			<u>\$5,176,569,044</u>					

<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</u>	<u>Correctional</u>	<u>Correctional</u>	<u>Correctional</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Signature: \_\_\_\_\_  
President

Signature: \_\_\_\_\_  
Vice President of Finance



LEWIS AND CLARK COMMUNITY COLLEGE  
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED (CONTINUED)  
YEAR ENDED JUNE 30, 2023

Total Reimbursable Semester Credit Hours						
<u>Credit Hour Categories</u>	Total	Total	Difference	Total	Total	Difference
	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	39,858.0	39,858.0	0.0	167.0	167.0	0.0
Business Occupational	3,373.5	3,373.5	0.0	0.0	0.0	0.0
Technical Occupational	7,358.0	7,358.0	0.0	282.0	282.0	0.0
Health Occupational	5,959.5	5,959.5	0.0	0.0	0.0	0.0
Remedial/Developmental	1,964.0	1,964.0	0.0	30.0	30.0	0.0
Adult Education	18.5	18.5	0.0	2,948.5	2,948.5	0.0
<b>Total:</b>	<b>58,531.5</b>	<b>58,531.5</b>	<b>0.0</b>	<b>3,427.5</b>	<b>3,427.5</b>	<b>0.0</b>

	Total	Total		Total	Total	
	Reported in Audit	Certified to ICCB		Reported in Audit	Certified to ICCB	
	Unrestricted	Unrestricted		Restricted	Restricted	
	<u>Hours</u>	<u>Hours</u>	Difference	<u>Hours</u>	<u>Hours</u>	Difference
In-District Credit Hours:	55,923.0	55,923.0	0.0	3,170.5	3,170.5	0.0
Dual Credit Hours:	12,890.0	12,890.0	0.0	21.0	21.0	0.0
Dual Enrollment Hours:	1,136.0	1,136.0	0.0	0.0	0.0	0.0

Total Correctional Semester Credit Hours						
<u>Credit Hour Categories</u>	Total	Total	Difference	Total	Total	Difference
	Reported in Audit	Certified to ICCB		Reported in Audit	Certified to ICCB	
	Unrestricted	Restricted		Restricted	Restricted	
	<u>Hours</u>	<u>Hours</u>		<u>Hours</u>	<u>Hours</u>	
Baccalaureate	0.0	0.0	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# Lewis & Clark Community College

## 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



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

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  
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 (the "College"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 19, 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 were not 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.



Alton, Illinois

December 19, 2023



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

**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  
Godfrey, Illinois

**Report on Compliance for the Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lewis & Clark Community College'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 programs for the year ended June 30, 2023. The College's major federal programs are 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 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the 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 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 programs.





### ***Auditor's Responsibilities 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 generally accepted auditing standards, *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 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 each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 2023-001. Our opinion on each 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 2023-001 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 compliance 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.



Alton, Illinois  
December 19, 2023

Lewis & Clark Community College  
Schedule of Expenditures of Federal Awards By Grant  
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal ALN Number</i>	<i>Subrecipients</i>	<i>Contract/Project Number</i>	<i>Federal Expenditures</i>
<b><i>Student Financial Assistance Cluster-Cluster</i></b>				
Department of Education				
Federal Supplemental Educational Opportunity Grants				
Federal Supplemental Educational Opportunity Grants	84.007		P007A221200	\$ 163,625
Total Federal Supplemental Educational Opportunity Grants				\$ 163,625
Federal Work-Study Program				
Federal Work-Study Program	84.033		P033A221200	\$ 77,391
Total Federal Work-Study Program				\$ 77,391
Federal Pell Grant Program				
Federal Pell Grant Program	84.063		Pell Admin--P063Q223282	\$ 5,110
Federal Pell Grant Program	84.063		PELL--P063P223282	3,699,387
Total Federal Pell Grant Program				\$ 3,704,497
Federal Direct Student Loans				
Federal Direct Student Loans	84.268		P268K233282	\$ 1,773,977
Total Federal Direct Student Loans				\$ 1,773,977
Total Department of Education				\$ 5,719,490
<b>Total Student Financial Assistance Cluster-Cluster</b>				<b>\$ 5,719,490</b>
<b><i>CCDF Cluster-Cluster</i></b>				
Department of Health and Human Services				
Child Care and Development Block Grant				
Child Care and Development Block Grant	93.575		ECE-53601-22	\$ 117,802
Total Child Care and Development Block Grant				\$ 117,802
Total Department of Health and Human Services				\$ 117,802
<b>Total CCDF Cluster-Cluster</b>				<b>\$ 117,802</b>
<b><i>CSBG Cluster-Cluster</i></b>				
Department of Health and Human Services				
Community Services Block Grant				
Community Services Block Grant	93.569		2023-CSBG-003	\$ 15,769
Community Services Block Grant	93.569		2022-CSBG-005	21,900
Total Community Services Block Grant				\$ 37,669
Total Department of Health and Human Services				\$ 37,669
<b>Total CSBG Cluster-Cluster</b>				<b>\$ 37,669</b>
<b><i>Fish and Wildlife Cluster-Cluster</i></b>				
Department of the Interior				
Wildlife Restoration and Basic Hunter Education				
Wildlife Restoration and Basic Hunter Education	15.611		IDNR Living with Wildlife-- W147T15/R22W147T15	\$ 386,963
Wildlife Restoration and Basic Hunter Education	15.611		Bolstering Relevance & Public Understanding of IL Hunting & Trapping Regula--F21AF00387	41,341
Wildlife Restoration and Basic Hunter Education	15.611		Bolstering Relevance & Public Understanding of IL Hunting & Trapping Regula--F22AF00577	65,557
Total Wildlife Restoration and Basic Hunter Education				\$ 493,861
Total Department of the Interior				\$ 493,861
<b>Total Fish and Wildlife Cluster-Cluster</b>				<b>\$ 493,861</b>
<b><i>TRIO Cluster-Cluster</i></b>				
Department of Education				
TRIO Talent Search				
TRIO Talent Search	84.044		P044A160022	\$ 68,719
TRIO Talent Search	84.044		P044A210145	288,720
Total TRIO Talent Search				\$ 357,439
TRIO Upward Bound				
TRIO Upward Bound	84.047		P047A220836	\$ 297,348
TRIO Upward Bound	84.047		P047A170587	121,452
Total TRIO Upward Bound				\$ 418,800
Total Department of Education				\$ 776,239
<b>Total TRIO Cluster-Cluster</b>				<b>\$ 776,239</b>

See Notes to Schedule of Expenditures of Federal Awards

Lewis & Clark Community College  
Schedule of Expenditures of Federal Awards By Grant (Continued)  
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal ALN Number</i>	<i>Subrecipients</i>	<i>Contract/Project Number</i>	<i>Federal Expenditures</i>
<b><i>WIA Cluster-Cluster</i></b>				
Department of Labor				
WIOA Adult Program				
WIOA Adult Program	17.258		2021-CPT-001	\$ 62,988
Total WIOA Adult Program				\$ 62,988
WIOA Youth Activities				
WIOA Youth Activities	17.259		2021-YEEP-003	\$ 56,262
Total WIOA Youth Activities				\$ 56,262
WIOA Dislocated Worker Formula Grants				
WIOA Dislocated Worker Formula Grants	17.278		2021-SCL-001	\$ 750
Total WIOA Dislocated Worker Formula Grants				\$ 750
<i>Total Department of Labor</i>				\$ 120,000
<b><i>Total WIA Cluster-Cluster</i></b>				<b><i>\$ 120,000</i></b>
<b><i>Other Programs</i></b>				
Corporation for National and Community Service				
AmeriCorps				
AmeriCorps	94.006		Youthbuild USA 22-23-- 22NDFMA0090027	\$ 50,584
AmeriCorps	94.006		Youthbuild USA 21-22-- 19NDHMA0030032	68,452
Total AmeriCorps				\$ 119,036
<i>Total Corporation for National and Community Service</i>				<i>\$ 119,036</i>
Department of Defense				
Basic, Applied, and Advanced Research in Science and Engineering				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		W912HZ-17-2-0021	\$ 51,305
Total Basic, Applied, and Advanced Research in Science and Engineering				\$ 51,305
<i>Total Department of Defense</i>				<i>\$ 51,305</i>
Department of Energy				
Renewable Energy Research and Development				
Renewable Energy Research and Development	81.087	\$ 106,046	DE-EE0008576	\$ 373,729
Total Renewable Energy Research and Development				\$ 373,729
<i>Total Department of Energy</i>				<i>\$ 373,729</i>
Department of the Interior				
State Wildlife Grants				
State Wildlife Grants	15.634		Status Assessment of Odonates in IL--F20AF11338	\$ 83,773
State Wildlife Grants	15.634		INDR Bird Voiced Tree Frog-- RC20T129R1	85,678
Total State Wildlife Grants				\$ 169,451
U.S. Geological Survey Research and Data Collection				
U.S. Geological Survey Research and Data Collection	15.808		G19AC00361	\$ 6,109
Total U.S. Geological Survey Research and Data Collection				\$ 6,109
<i>Total Department of the Interior</i>				<i>\$ 175,560</i>
Department of Labor				
YouthBuild				
YouthBuild	17.274		YB36474W21	\$ 337,977
Total YouthBuild				\$ 337,977
<i>Total Department of Labor</i>				<i>\$ 337,977</i>
Department of Education				
Adult Education - Basic Grants to States				
Adult Education - Basic Grants to States	84.002		Federal Basics--5360122	\$ 241,898
Adult Education - Basic Grants to States	84.002		EL/Civics--5360122	60,025
Total Adult Education - Basic Grants to States				\$ 301,923
Career and Technical Education -- Basic Grants to States				
Career and Technical Education -- Basic Grants to States	84.048		CBE Intergovernmental Agreement--LC-CBE-22	\$ 21,495
Career and Technical Education -- Basic Grants to States	84.048		CTE Perkins--CTE53622	389,407
Total Career and Technical Education -- Basic Grants to States				\$ 410,902

See Notes to Schedule of Expenditures of Federal Awards

Lewis & Clark Community College  
Schedule of Expenditures of Federal Awards By Grant (Continued)  
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal ALN Number</i>	<i>Subrecipients</i>	<i>Contract/Project Number</i>	<i>Federal Expenditures</i>
Education Stabilization Fund - COVID-19				
Education Stabilization Fund- COVID-19	84.425F		HEERF -P425F203634	\$ 1,371,422
Education Stabilization Fund- COVID-19	84.425C		-GEERII-53622	156,342
Total Education Stabilization Fund - COVID-19				<u>\$ 1,527,764</u>
<i>Total Department of Education</i>				<u>\$ 2,240,589</u>
United States Environmental Protection Agency				
Regional Wetland Program Development Grants				
Regional Wetland Program Development Grants	66.461		00E02741	\$ 37,702
Total Regional Wetland Program Development Grants				<u>\$ 37,702</u>
Environmental Protection Consolidated Grants for the Insular Areas - Program Support				
Environmental Protection Consolidated Grants for the Insular Areas - Program Support	66.640		21PDP01	\$ 11,252
Total Environmental Protection Consolidated Grants for the Insular Areas - Program Support				<u>\$ 11,252</u>
Environmental Education Grants				
Environmental Education Grants	66.951		761640-002	\$ 1,902
Total Environmental Education Grants				<u>\$ 1,902</u>
<i>Total United States Environmental Protection Agency</i>				<u>\$ 50,856</u>
National Endowment for the Humanities				
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development				
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162		AKB-279457-21	\$ 3,681
Total Promotion of the Humanities Teaching and Learning Resources and Curriculum Development				<u>\$ 3,681</u>
<i>Total National Endowment for the Humanities</i>				<u>\$ 3,681</u>
National Science Foundation				
Geosciences				
Geosciences	47.050		2012850	\$ 78,433
Total Geosciences				<u>\$ 78,433</u>
Biological Sciences				
Biological Sciences	47.074		EAGER Metabolic Asymmetry-- 1838346	\$ 3,260
Biological Sciences	47.074		REU Site: Wetland Science in the Modern World--2050400	62,038
Total Biological Sciences				<u>\$ 65,298</u>
Education and Human Resources				
Education and Human Resources	47.076		2000329	\$ 168,664
Total Education and Human Resources				<u>\$ 168,664</u>
<i>Total National Science Foundation</i>				<u>\$ 312,395</u>
Department of the Treasury				
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS-COVID-19				
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS -COVID-19	21.027		CB-53601-22	\$ 130,000
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS-COVID-19				<u>\$ 130,000</u>
<i>Total Department of the Treasury</i>				<u>\$ 130,000</u>

See Notes to Schedule of Expenditures of Federal Awards



Lewis & Clark Community College  
Schedule of Expenditures of Federal Awards By Grant (Continued)  
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal ALN Number</i>	<i>Subrecipients</i>	<i>Contract/Project Number</i>	<i>Federal Expenditures</i>
United States Department of Agriculture Conservation Reserve Program				
Conservation Reserve Program	10.069		NRCS/Skilled Technical Assist- -NR225A12	\$ 347,059
Conservation Reserve Program	10.069		NRCS/Skilled Amendment 2-- 685A1218001	120,628
Total Conservation Reserve Program				<u>\$ 467,687</u>
Voluntary Public Access and Habitat Incentive Program				
Voluntary Public Access and Habitat Incentive Program	10.093		NR205A12XXXXG001	<u>\$ 69,451</u>
Total Voluntary Public Access and Habitat Incentive Program				<u>\$ 69,451</u>
Total United States Department of Agriculture				<u>\$ 537,138</u>
Total Other Programs				<u>\$ 4,332,265</u>
Total Expenditures of Federal Awards		<u>\$ 106,046</u>		<u>\$ 11,597,327</u>

See Notes to Schedule of Expenditures of Federal Awards

**Lewis & Clark Community College**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

---

**Note 1: General**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lewis & Clark Community College (the College) under programs of the federal government for the year ended June 30, 2023. 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, 2023, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,773,977.

**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 did not receive or administer any federal insurance, loan guarantees, or federal noncash assistance during the fiscal year ended June 30, 2023.

Lewis & Clark Community College  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

**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        X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified?

  X   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)?

  X   Yes      \_\_\_\_\_ No

Identification of major programs

AL Number(s)

84.425F; 84.425C  
 84.044; 84.047  
 93.569

Federal Program or Cluster

Covid-19 - Education Stabilization Funds  
 Trio Cluster  
 CSBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes      \_\_\_\_\_ No

Lewis & Clark Community College  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

**Finding 2023-001: 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 was due to the college being closed for the holidays with immediate competing priorities upon reopening.

**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 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.

**Anticipated Date of Completion:** June 30, 2024.

December 19, 2023

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS

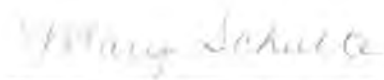
Finding 2023-001: Reporting

Corrective Action Plan:

Since the inception of HEERF, the US Department of Education has frequently issued changes to program guidance and reporting requirements. Due to the inconsistency in HEERF reporting requirements as well as a short window for reporting (10 calendar days), management of the award has posed challenges for institutions of higher education during a time where we are also experiencing staff turnover and availability issues. As preparation and posting of reports involves several individuals who also share student-focused interests, the college continues to encounter barriers in its ability to post required reports in a timely fashion. It is important to note that while report submissions may not have met the required deadlines in all instances, all reports were submitted as required within a reasonable time thereafter.

The college recognizes that reporting is a vital component of administering the HEERF program and is renewing its focus on ensuring said compliance. The Finance Department and the grant management team has incorporated HEERF reporting due dates into its operational calendar and has continued attention on reviewing these regularly.

Person(s) Responsible: Mary Schulte, Christina Russell, Carrie Patton  
Timing for Implementation: Immediate



---

Mary Schulte, Vice President of Finance  
Lewis and Clark Community College



Lewis & Clark Community College  
Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2023

<u>Reference Number</u>	<u>Summary of Finding</u>	<u>Status</u>
2022-001	For the COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF), the College did not submit its December 31, 2021 quarterly reports for the Student Aid and Institutional within the 10 day deadline after the quarter ends.	Repeated as 2023-001