This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

# PRELIMINARY OFFICIAL STATEMENT, DATED NOVEMBER 6, 2026

**NEW ISSUE**
**BOOK-ENTRY ONLY**

**Ratings:**
**S&P: "AA" (Stable Outlook)**
**AG Insured**
**S&P: "AA-" (Stable Outlook) Underlying**
**See "BOND RATINGS" herein**

*Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.*

## Community College District No. 536
## Counties of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene and State of Illinois
## (Lewis and Clark Community College)
## $13,480,000* General Obligation Refunding Bonds, Series 2026

**Dated: Date of Delivery** **Due: November 1, as further described on the inside cover page**

The General Obligation Refunding Bonds, Series 2026 (the *"Bonds"*), of Community College District No. 536, Counties of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene and State of Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each May 1 and November 1, commencing May 1, 2027.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

The Bonds are not subject to redemption prior to maturity.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy (the *"Bond Insurance Policy"*) to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. (*"AG"*). See "BOND INSURANCE" and APPENDIX D herein.

ASSURED GUARANTY®

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS—Security" herein.

*The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about November 24, 2026.*

STIFEL

The date of this Official Statement is _____, 2026.

* Preliminary, subject to change.

**Community College District No. 536**
**Counties of Madison, Jersey, Macoupin, Calhoun, Morgan,**
**Scott and Greene and State of Illinois**
**(Lewis and Clark Community College)**

**$13,480,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS***

| MATURITY (NOVEMBER 1) | AMOUNT | INTEREST RATE | YIELD | CUSIP NUMBER** (557738) |
|---|---|---|---|---|
| 2031 | $3,270,000 | % | % | |
| 2032 | 7,960,000 | % | % | |
| 2033 | 2,250,000 | % | % | |

* Preliminary, subject to change.

** CUSIP data herein is provided by the CUSIP Global Services (*"CGS"*). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning AG and the Bond Insurance Policy has been obtained from AG. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE" and "APPENDIX D—Specimen Municipal Bond Insurance Policy".

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the *"Rule"*), this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to the Rule.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

## TABLE OF CONTENTS

PAGE


INTRODUCTION ..... 1
THE BONDS ..... 1
Authority and Purpose ..... 1
General Description ..... 2
Registration and Transfer ..... 2
Redemption ..... 2
Security ..... 3
USE OF PROCEEDS ..... 3
Verification ..... 4
SOURCES AND USES ..... 4
RISK FACTORS ..... 4
Finances of the State of Illinois ..... 5
Federal Revenues ..... 5
Local Economy ..... 5
Loss or Change of Bond Ratings ..... 5
Secondary Market for the Bonds ..... 6
Continuing Disclosure ..... 6
Suitability of Investment ..... 6
Future Changes in Laws ..... 6
Factors Relating to Tax Exemption ..... 6
Cybersecurity ..... 7
Bankruptcy ..... 7
BOND INSURANCE ..... 8
Bond Insurance Policy ..... 8
Assured Guaranty Inc. ..... 8
THE DISTRICT ..... 10
General Description ..... 10
District Administration ..... 12
Board of Trustees ..... 12
Enrollment ..... 12
Credit Hours ..... 13
Student Tuition and Fees ..... 13
Employee Union Membership and Relations ..... 14
Population Data ..... 14
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT ..... 15
Direct General Obligation Bonds (Principal Only) ..... 15
Overlapping General Obligation Bonds ..... 16
Selected Financial Information ..... 17
Composition of EAV ..... 18
Trend of EAV ..... 18
Tax Increment Financing Districts Located within the District ..... 19
Enterprise Zones Located within the District ..... 19

Taxes Extended and Collected....19
District Tax Rates by Purpose....20
Representative Total Tax Rates....20
Ten Largest Taxpayers....21
Retailers' Occupation Tax and Service Occupation Tax....22
Corporate Personal Property Replacement Taxes....22
Largest Employers....24
Unemployment Rates....24
Housing Value and Income Statistics....25
SHORT-TERM BORROWING....25
FUTURE DEBT....25
DEFAULT RECORD....25
WORKING CASH FUND....26
Working Cash Fund Summary....26
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES....26
Summary of Property Assessment, Tax Levy and Collection Procedures....26
Tax Levy and Collection Procedures....27
Unpaid Taxes and Annual Tax Sales....27
Exemptions....28
Property Tax Extension Limitation Law....30
Truth in Taxation Law....31
STATE AID....31
General....31
Direct Operating Support....32
Indirect Operating Support....32
Institutional Grant Programs....32
Student Financial Aid....33
History of State Funding....33
FEDERAL AID....33
Federal COVID-19 Funds Distributed to the District....34
RETIREMENT PLAN....34
Financial Reporting Under GASB Standards....35
BOND RATINGS....36
TAX EXEMPTION....36
CONTINUING DISCLOSURE....39
AUDITED FINANCIAL STATEMENTS....39
BOOK-ENTRY ONLY SYSTEM....39
CERTAIN LEGAL MATTERS....42
NO LITIGATION....42
UNDERWRITING....43
AUTHORIZATION....44

**EXHIBITS**


| | | |
|---|---|---|
| Exhibit A | — | Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2022-2026 |
| Exhibit B | — | Budget, Fiscal Year Ending June 30, 2027 |
| Exhibit C | — | General Fund Revenue Sources, Fiscal Years Ended June 30, 2021-2025 |


**APPENDICES**


| | | |
|---|---|---|
| Appendix A | — | Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2025 |
| Appendix B | — | Proposed Form of Opinion of Bond Counsel |
| Appendix C | — | Proposed Form of Continuing Disclosure Undertaking |
| Appendix D | — | Specimen Municipal Bond Insurance Policy |

**COMMUNITY COLLEGE DISTRICT NO. 536**
**COUNTIES OF MADISON, JERSEY, MACOUPIN, CALHOUN, MORGAN,**
**SCOTT AND GREENE AND STATE OF ILLINOIS**
**(LEWIS AND CLARK COMMUNITY COLLEGE)**

5800 Godfrey Road
Godfrey, Illinois 62035

## Board of Trustees

Dwight Werts
*Chair*

| | | |
|---|---|---|
| Brian Campbell | Dr. Jill Griffin<br>*Secretary* | Donna Ware<br>*Vice Secretary* |
| Tammy Smith-Williams | Larry Trent<br>*Vice Chair* | Abigail Eilerman |

Emily Hoge
*Non-Voting Student Trustee*

## Administration

Dr. Ken Trzaska
*President*

Jon Lasinski
*Vice President of Finance and Operations*

## Professional Services

*Underwriter*
Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

*Bond Counsel and Disclosure Counsel*
Chapman and Cutler LLP
Chicago, Illinois

*Bond Registrar, Paying Agent and Escrow Agent*
UMB Bank, National Association
Kansas City, Missouri

*Auditor*
Scheffel Boyle
Alton, Illinois

# OFFICIAL STATEMENT

**Community College District No. 536**
**Counties of Madison, Jersey, Macoupin, Calhoun, Morgan,**
**Scott and Greene and State of Illinois**
**(Lewis and Clark Community College)**
**$13,480,000* General Obligation Refunding Bonds, Series 2026**

## INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community College District No. 536, Counties of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene and State of Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Refunding Bonds, Series 2026 (the *"Bonds"*).

The District operates on a fiscal year which begins on July 1 of a calendar year and ends on June 30 of the subsequent calendar year. References in this Official Statement to *"Fiscal Year"* followed by a given year with respect to the District are a reference to the fiscal year ending on June 30th of such year (*e.g. "Fiscal Year 2026"* refers to the District's fiscal year which began on July 1, 2025, and ended on June 30, 2026).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

## THE BONDS

### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the Public Community College Act of the State of Illinois (the *"Act"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Trustees of the District (the *"Board"*) on the 13th day of October, 2026 (as supplemented by a notification of sale, the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (a) refund the District's outstanding General Obligation Refunding Bonds, Series 2017A, dated September 26, 2017 (the *"2017 Bonds"* or the

* Preliminary, subject to change.

*"Refunded Bonds"*), and (b) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

## GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each May 1 and November 1, commencing May 1, 2027.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the *"Record Date"*).

## REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date.

## REDEMPTION

The Bonds are not subject to redemption prior to maturity.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, except for interest due May 1, 2027, which will be paid from taxes previously collected for the Refunded Bonds. The Bond Resolution will be filed with the County Clerks of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene, Illinois (the *"County Clerks"*), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix B for the proposed form of opinion of Bond Counsel.

## USE OF PROCEEDS

Proceeds of the Bonds, along with funds of the District on hand and lawfully available for such purpose (the *"Available Funds"*), will be used to refund the Refunded Bonds for debt service savings. The Refunded Bonds are further described as follows:

### SERIES 2017A BONDS

| MATURITY (NOVEMBER 1) | ORIGINAL AMOUNT ISSUED | AMOUNT REFUNDED BY THE BONDS* | CALL PRICE | CALL DATE* |
|---|---|---|---|---|
| 2031 | $ 3,500,000 | $ 3,500,000 | 100% | 12/14/2026 |
| 2032 | 8,200,000 | 8,200,000 | 100% | 12/14/2026 |
| 2033 | 2,500,000 | 2,500,000 | 100% | 12/14/2026 |
| TOTAL | $14,200,000 | $14,200,000 | | |

* Preliminary, subject to change.

Certain proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by UMB Bank, National Association, Kansas City, Missouri (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable

obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds will be verified by Robert Thomas CPA LLC, Overland Park, Kansas. Such verification shall be based upon information supplied by the hereinafter defined Underwriter.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

| | |
|---|---|
| SOURCES: | |
| Principal Amount | $ |
| [Net] Original Issue Premium/[(Discount)] | |
| Available Funds | |
| Total Sources | $ |
| USES: | |
| Deposit to Escrow Account to pay the Refunded Bonds | $ |
| Costs of Issuance* | |
| Total Uses | $ |

* Includes underwriter's discount, bond insurance premium and other issuance costs.

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

## FINANCES OF THE STATE OF ILLINOIS

The State of Illinois (the *"State"*) funding sources constituted 12.76% of the District's combined Educational Fund and Operations and Maintenance Fund (the *"General Fund"*) revenue sources for Fiscal Year 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%.

## FEDERAL REVENUES

Illinois community college districts receive direct and indirect funding from various federal programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States (*"Congress"*). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois community college districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues or the District's ability to comply with federal laws and regulations in the future. See "FEDERAL AID" herein for more information.

## LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

## LOSS OR CHANGE OF BOND RATINGS

The Bonds have received an underlying credit rating from S&P (as defined herein) and are expected to receive an insured credit rating from S&P. The ratings can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the SEC (as hereinafter defined) under the Exchange Act (as hereinafter defined) and may adversely affect the transferability and liquidity of the Bonds and their market price.

## SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

## FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the

Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (*"AG"*) will issue its Municipal Bond Insurance Policy (the *"Policy"*) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

### ASSURED GUARANTY INC.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (*"AGL"* and together with its subsidiaries, *"Assured Guaranty"*), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (*"S&P"*), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. (*"KBRA"*) and "A1" (stable outlook) by Moody's Investors Service, Inc. (*"Moody's"*). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

*Current Financial Strength Ratings*

On August 3, 2026, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

*Capitalization of AG*

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited (*"AGUK"*), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (*"AGE"*).

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

*Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the *"SEC"*) that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE—Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the *"AG Information"*) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

*Miscellaneous Matters*

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

## THE DISTRICT

### GENERAL DESCRIPTION

The District is located in the southwest portion of the State and covers approximately 1,800 square miles with easy access to St. Louis. The District is bordered and/or bisected by the Mississippi, Missouri and Illinois Rivers and includes Madison County (the *"County"*) (73% of the District's 2025 equalized assessed valuation (*"EAV"*), Jersey County (9% of the District's 2025 EAV), Macoupin County (11% of the District's 2025 EAV), Calhoun County (2% of the

District's 2025 EAV), Morgan County (less than 1% of the District's 2025 EAV), Scott County (less than 1% of the District's 2025 EAV) and Greene County (5% of the District's 2025 EAV) (collectively, the *"Counties"*). Major municipalities within the District are Alton, Carlinville, Edwardsville, Godfrey and Wood River.

The District offices and campus are located in the Village of Godfrey. The District also has campuses located in Edwardsville and Alton (for rivers' research) and two Community Education Centers in Carlinville and Jerseyville.

The transportation needs of the District are served by Interstates 55, 70, 255 and 270, U.S. Route 67 and State Routes 3, 16, 100, 111, 140 and 143. The nearest commercial airport is St. Louis Lambert International Airport.

The District offers associate degrees and certificates in nearly 40 career programs and numerous transfer options. The District also offers College for Kids, a nationally accredited dual credit program for high school students, high school diploma completion and a Workforce Education and Safety Solution and Training program. Several colleges and universities also offer bachelor's and master's degree programs on the District's campus.

The District is currently undergoing a renovation project, namely, the Main Complex Renovation Project, which is expected to be completed by the spring 2028 semester. Baldwin, Caldwell and Fobes Hall will undergo a complete renovation. These buildings house the majority of classrooms serving the Godfrey Campus along with all major student services, including Advising and Enrollment Services, Financial Aid, Bursar, the Bookstore, Mental Health Counseling, Academic Affairs, Access and Accommodation and Tutoring. Construction began in the summer 2026. The original cost of the Main Complex Renovation Project was estimated at $50 million. The Project is being funded through a $37.5 million State Capital Development Board grant and $12.5 million of unspent bond proceeds that were allocated by the Board in 2022. The Project is $1 million over the original cost, but investment earnings on the unspent bond proceeds have made up the difference.

Day-to-day operations are administered by the President and the Executive Team, including the Vice President of Finance and Operations, the Vice President of Academic Affairs, the Vice President of Student Affairs, the Vice President of Strategic Engagement and the Chief Data and Technology Officer, as well as full-time and part-time staff.

The District is governed by an elected seven-member Board and a full-time administrative staff.

## DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

| OFFICIAL | TITLE | YEAR STARTED IN POSITION |
|---|---|---|
| Dr. Ken Trzaska | President | 2020 |
| Jon Lasinski | Vice President of Finance and Operations | 2026 |

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

## BOARD OF TRUSTEES

| OFFICIAL | POSITION | TERM EXPIRES |
|---|---|---|
| Dwight Werts | Chair | April 2027 |
| Larry Trent | Vice Chair | April 2027 |
| Dr. Jill Griffin | Secretary | April 2029 |
| Donna Ware | Vice Secretary | April 2029 |
| Brian Campbell | Member | April 2031 |
| Tammy Smith-Williams | Member | April 2031 |
| Abigail Eilerman | Member | April 2031 |
| Emily Hoge | Non-Voting Student Trustee | April 2027 |

## ENROLLMENT

The Board recently renewed its strategic plan, a significant portion of which focuses on increasing enrollment. The District has launched outreach campaigns, including “Blaze the Trail,” to increase community awareness of the District and its educational offerings. The “Blaze the Trail” campaign also includes “Finish the Trailblazer,” a program designed to encourage students who left the District before completing their degrees to return and complete them. The District has also introduced new programs in avionics, robotics, competency-based education (including welding), information technology, artificial intelligence and workforce development.

| Fiscal Year | Student Enrollment | Annual Full Time Equivalent | Percentage Change in Student Enrollment |
|---|---|---|---|
| 2022 | 5,568 | 2,400.40 | -13.00%[(1)] |
| 2023 | 5,667 | 2,376.50 | +1.80% |
| 2024 | 5,825 | 2,558.40 | +2.80% |
| 2025 | 6,147 | 2,648.00 | +5.50% |
| 2026 | 6,051 | 2,564.30 | -1.60% |

Source: The District.

(1) Based on Student Enrollment for Fiscal Year 2021 of 6,400.

## Credit Hours

| Fiscal Year | Total Credit Hours |
|---|---|
| 2022 | 72,011.50 |
| 2023 | 71,295.00 |
| 2024 | 76,751.50 |
| 2025 | 79,438.50 |
| 2026 | 76,927.50 |

Source: The District.

## Student Tuition and Fees

| Fiscal Year | In District Tuition | Student Activities Fee Per Credit Hour | Total |
|---|---|---|---|
| 2022 | $125 | $23 | $148 |
| 2023 | 125 | 30 | 155 |
| 2024 | 125 | 30 | 155 |
| 2025 | 125 | 30 | 155 |
| 2026 | 132 | 30 | 162 |
| 2027 | 136 | 30 | 166 |

Source: The District.

## EMPLOYEE UNION MEMBERSHIP AND RELATIONS

The District has approximately 78 full-time faculty, 184 part-time faculty, 175 administrative staff and other non-teaching professionals and 101 full-time support staff. Of the total number of employees, approximately 91 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

| EMPLOYEE GROUP | CONTRACT EXPIRES | UNION AFFILIATION | NUMBER OF MEMBERS |
|---|---|---|---|
| Faculty | May 2027 | IEA | 78 |
| Maintenance | * | IUOE Local 18 | 13 |

* The Maintenance Employee Group was recently unionized, and negotiations for its first collective bargaining agreement are underway.

## POPULATION DATA

According to the Illinois Community College Board (*"ICCB"*), the District's current population is approximately 210,868. The estimated populations of the County, Macoupin County, Jersey County and the State at the times of the last three U.S. Census surveys were as follows:

| NAME OF ENTITY | 2000 | 2010 | 2020 | % CHANGE 2010/2020 |
|---|---|---|---|---|
| The County | 258,950 | 269,282 | 265,859 | -1.27% |
| Macoupin County | 49,019 | 47,765 | 44,967 | -5.86% |
| Jersey County | 21,668 | 22,985 | 21,512 | -6.41% |
| The State | 12,419,293 | 12,830,632 | 12,812,508 | -0.14% |

Source: U.S. Census Bureau, Decennial Census for 2000, 2010 and 2020, respectively.

## FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)*

| CALENDAR YEAR | SERIES 2015A BONDS[1] (NOV. 1) | SERIES 2017A BONDS (NOV. 1) | SERIES 2017B BONDS[2] (NOV. 1) | SERIES 2020 BONDS[3] (MAY 1) | SERIES 2022B BONDS[4] (NOV. 1) | PLUS: THE BONDS[5] (NOV. 1) | LESS: THE REFUNDED BONDS[5] (NOV. 1) | TOTAL OUTSTANDING BONDS[5] |
|---|---|---|---|---|---|---|---|---|
| 2027 | $2,940,000 | | $ 250,000 | $ 1,480,000 | $4,620,000 | | | $ 9,290,000 |
| 2028 | | | 850,000 | 1,685,000 | | | | 2,535,000 |
| 2029 | | | 925,000 | 4,805,000 | | | | 5,730,000 |
| 2030 | | | 3,900,000 | 5,145,000 | | | | 9,045,000 |
| 2031 | | $ 3,500,000 | | | | $ 3,270,000 | $ 3,500,000 | 3,270,000 |
| 2032 | | 8,200,000 | | | | 7,960,000 | 8,200,000 | 7,960,000 |
| 2033 | | 2,500,000 | | | | 2,250,000 | 2,500,000 | 2,250,000 |
| TOTAL | $2,940,000 | $14,200,000 | $5,925,000 | $13,115,000 | $4,620,000 | $13,480,000 | $14,200,000 | $40,080,000 |

* As of the closing of the Bonds and the refunding of the Refunded Bonds.

(1) General Obligation Refunding Bonds, Series 2015A, dated May 5, 2015.

(2) Taxable General Obligation Bonds, Series 2017B, dated September 26, 2017.

(3) General Obligation Refunding Bonds, Series 2020, dated February 18, 2020.

(4) Taxable General Obligation Refunding Bonds, Series 2022B, dated February 9, 2022.

(5) Preliminary, subject to change.

OVERLAPPING GENERAL OBLIGATION BONDS

(As of October 30, 2026)

| TAXING BODY | OUTSTANDING[1] | APPLICABLE TO DISTRICT PERCENT | APPLICABLE TO DISTRICT AMOUNT |
|---|---|---|---|
| St. Louis Regional Airport Authority | $ 915,000 | 100.000% | $ 915,000 |
| City of Alton | 3,310,000 | 100.000% | 3,310,000 |
| City of Bunker Hill | 190,000[2] | 100.000% | 190,000 |
| City of Carlinville | 1,955,640[2] | 100.000% | 1,955,640 |
| City of Edwardsville | 44,747,473 | 90.760% | 40,612,889 |
| City of Granite City | 33,630,000 | 0.103% | 34,503 |
| Village of Glen Carbon | 6,340,000 | 99.728% | 6,322,751 |
| Godfrey Fire Protection District | 6,215,000 | 100.000% | 6,215,000 |
| Six Mile Regional Library District | 668,540 | 0.606% | 4,049 |
| Carlinville Park District | 205,800 | 100.000% | 205,800 |
| Collinsville Area Recreation District | 13,465,000[2] | 2.981% | 401,456 |
| Granite City Park District | 970,365 | 0.103% | 999 |
| East Alton School District #13 | 2,865,700 | 100.000% | 2,865,700 |
| Wood River-Hartford School District #15 | 7,044,400 | 100.000% | 7,044,400 |
| East Alton-Wood River Community High School District #14 | 5,270,000 | 100.000% | 5,270,000 |
| Carlinville Community Unit School District #1 | 5,750,000 | 99.859% | 5,741,907 |
| Carrollton Community Unit School District #1 | 3,410,000 | 100.000% | 3,410,000 |
| Roxana Community Unit School District #1 | 12,126,000 | 100.000% | 12,126,000 |
| Winchester Community Unit School District #1 | 10,150,000 | 0.122% | 12,365 |
| Northwestern Community Unit School District #2 | 730,000 | 0.029% | 213 |
| Triad Community Unit School District #2 | 118,170,000 | 0.014% | 16,561 |
| North Greene Community Unit School District #3 | 5,680,000 | 99.933% | 5,676,222 |
| Highland Community Unit School District #5 | 44,774,000 | 0.096% | 43,046 |
| Staunton Community Unit School District #6 | 25,415,000 | 100.000% | 25,415,000 |
| Edwardsville Community Unit School District #7 | 176,242,706 | 99.955% | 176,163,753 |
| Gillespie Community Unit School District #7 | 8,810,000 | 100.000% | 8,810,000 |
| Bethalto Community Unit School District #8 | 23,430,000 | 100.000% | 23,430,000 |
| Bunker Hill Community Unit School District #8 | 453,000 | 100.000% | 453,000 |
| Granite City Community Unit School District #9 | 18,990,000 | 4.641% | 881,276 |
| Southwestern Community Unit School District #9 | 14,328,000 | 100.000% | 14,328,000 |
| Greenfield Community Unit School District #10 | 9,002,000 | 100.000% | 9,002,000 |
| Alton Community Unit School District #11 | 33,390,000 | 100.000% | 33,390,000 |
| Calhoun Community Unit School District #40 | 7,500,000 | 100.000% | 7,500,000 |
| Jersey Community Unit School District #100 | 17,817,200 | 100.000% | 17,817,200 |
| TOTAL OVERLAPPING GENERAL OBLIGATION BONDS | | | $419,564,730 |

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

(2) Includes alternate revenue bonds for which a tax levy was extended for debt service payments for levy year 2025.

SELECTED FINANCIAL INFORMATION

| | | |
|---|---|---|
| 2025 Estimated Full Value of Taxable Property: | | $20,943,274,257 |
| 2025 EAV: | | $ 6,981,091,419[1] |
| Population Estimate: | | 210,868[2] |
| | | |
| General Obligation Bonds: | $ | 40,080,000[3] |
| Other Direct General Obligation Debt: | $ | 0 |
| Total Direct General Obligation Debt: | $ | 40,080,000[3] |
| Percentage to Full Value of Taxable Property: | | 0.57%[3] |
| Percentage to EAV: | | 0.19%[3] |
| Debt Limit (2.875% of EAV): | $ | 200,706,378[4] |
| Percentage of Debt Limit: | | 19.97%[3] |
| Per Capita: | $ | 190[3] |
| | | |
| General Obligation Bonds: | $ | 40,080,000[3] |
| Overlapping General Obligation Bonds: | $ | 419,564,730 |
| General Obligation Bonds and Overlapping General Obligation Bonds: | $ | 459,644,730[3] |
| Percentage to Full Value of Taxable Property: | | 2.19%[3] |
| Percentage to EAV: | | 6.58%[3] |
| Per Capita: | $ | 2,180[3] |

(1) Includes Incremental EAV (as hereinafter defined) and Enterprise Zone EAV in the amount of $299,396,214. See "Tax Increment Financing Districts Located Within the District" herein.

(2) Source: ICCB.

(3) Preliminary, subject to change.

(4) Incremental EAV is included in the calculation of the District's statutory debt limit. The District does not receive property tax revenues with respect to the incremental increase of the EAV of property included in the tax increment financing (*"TIF"*) district. See "Tax Increment Financing Districts Located Within the District" herein.

## COMPOSITION OF EAV

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **By Property Type** | | | | | |
| Residential | $3,002,042,144 | $3,228,184,780 | $3,521,198,885 | $3,874,089,858 | $4,175,722,953 |
| Farm | 540,665,337 | 585,376,248 | 670,145,192 | 742,347,721 | 810,250,027 |
| Commercial | 790,996,967 | 846,422,933 | 921,825,701 | 1,016,907,342 | 1,108,750,352 |
| Industrial | 439,816,224 | 473,105,653 | 510,872,684 | 515,752,613 | 530,072,981 |
| Mineral | 415,806 | 396,371 | 1,680,758 | 2,801,085 | 12,921,373 |
| Pollution Control | 3,233 | 3,143 | 3,054 | 2,474 | 2,885 |
| Railroad | 39,189,656 | 43,079,916 | 46,573,477 | 43,644,285 | 43,974,634 |
| Total EAV[1] | $4,813,129,367 | $5,176,569,044 | $5,672,299,751 | $6,195,545,378 | $6,681,695,205 |

Source: County Clerks' Offices.
(1) Does not include Incremental EAV and Enterprise Zone EAV.

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **By County** | | | | | |
| The County | $3,528,127,711 | $3,788,830,715 | $4,167,542,768 | $4,542,951,651 | $4,887,866,187 |
| Jersey County | 430,310,541 | 460,966,199 | 498,030,983 | 553,174,598 | 603,473,026 |
| Macoupin County | 525,452,695 | 571,005,860 | 617,181,002 | 667,788,385 | 717,848,568 |
| Calhoun County | 81,505,223 | 90,988,703 | 103,061,854 | 125,947,572 | 140,122,222 |
| Morgan County | 67,260 | 69,770 | 71,850 | 73,280 | 89,680 |
| Scott County | 54,835 | 56,644 | 59,573 | 64,859 | 76,001 |
| Greene County | 247,611,102 | 264,651,153 | 286,351,721 | 305,545,033 | 332,219,521 |
| Total EAV[1] | $4,813,129,367 | $5,176,569,044 | $5,672,299,751 | $6,195,545,378 | $6,681,695,205 |

Source: County Clerks' Offices.
(1) Does not include Incremental EAV and Enterprise Zone EAV.

## TREND OF EAV

| LEVY YEAR | EAV[1] | % CHANGE IN EAV FROM PREVIOUS YEAR |
|---|---|---|
| 2021 | $4,813,129,367 | 4.85%[2] |
| 2022 | 5,176,569,044 | 7.55% |
| 2023 | 5,672,299,751 | 9.58% |
| 2024 | 6,195,545,378 | 9.22% |
| 2025 | 6,681,695,205 | 7.85% |

Source: County Clerks' Offices.
(1) Does not include Incremental EAV and Enterprise Zone EAV.
(2) Based on the District's 2020 EAV of $4,590,493,561.

## TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in twenty-seven TIF districts in several of the counties comprising the District, with an Incremental EAV of $159,330,427. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the *"Base EAV"*). Any incremental increases in property tax revenue produced by the increase in EAV (the *"Incremental EAV"*) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the immediate future.

## ENTERPRISE ZONES LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in enterprise zones in several of the counties comprising the District. When an enterprise zone is established, all or a portion of the taxes on real property located within the enterprise zone and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated may be abated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation. The abated enterprise zone EAV is $140,065,787.

## TAXES EXTENDED AND COLLECTED

| TAX LEVY YEAR/ COLLECTION YEAR | TAXES EXTENDED | TAXES COLLECTED AND DISTRIBUTED | PERCENT COLLECTED |
|---|---|---|---|
| 2020/21 | $30,285,847 | $30,238,864 | 99.84% |
| 2021/22 | 30,970,107 | 30,926,903 | 99.86% |
| 2022/23 | 30,905,731 | 30,853,153 | 99.83% |
| 2023/24 | 32,142,237 | 32,064,470 | 99.76% |
| 2024/25 | 32,273,592 | 32,230,602 | 99.87% |
| 2025/26 | 35,418,256 | 22,483,605 | 63.48%(1) |

Source: Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene County Treasurers' Offices.
(1) In process of collection, as of October 21, 2026.

## DISTRICT TAX RATES BY PURPOSE

(Per $100 EAV)

| PURPOSE | 2021 | 2022 | 2023 | 2024 | 2025 | MAXIMUM RATE |
|---|---|---|---|---|---|---|
| Educational | $0.1500 | $0.1500 | $0.1500 | $0.1438 | $0.1500 | $0.1500 |
| Bonds and Interest | 0.2520 | 0.2404 | 0.2242 | 0.1868 | 0.1643 | No Limit |
| Operations & Maintenance | 0.1000 | 0.1000 | 0.1000 | 0.0959 | 0.1000 | 0.1000 |
| Statewide Average Additional Tax(1) | 0.0407 | 0.0000 | 0.0000 | 0.0000 | 0.0280 | Varies |
| Health & Safety | 0.0500 | 0.0500 | 0.0490 | 0.0480 | 0.0500 | 0.0500 |
| Audit | 0.0013 | 0.0012 | 0.0013 | 0.0012 | 0.0011 | 0.0050 |
| Liability Insurance/Tort Judgments | 0.0492 | 0.0573 | 0.0467 | 0.0491 | 0.0425 | No Limit |
| Social Security | 0.0055 | 0.0055 | 0.0049 | 0.0045 | 0.0044 | No Limit |
| Prior Year Adjustment | (0.0034) | (0.0028) | (0.0037) | (0.0069) | (0.0124) | No Limit |
| TOTAL | $0.6453 | $0.6016 | $0.5724 | $0.5224 | $0.5279 | |

Source: Madison County Clerk's Office.

(1) The District receives State funding through the ICCB. In addition to a base operating grant, the District has also received an equalization grant for the past several years. Receipt of the equalization grant, in combination with the District's total tax rate falling below the State average tax rate for all Illinois community colleges, has enabled the District to access additional operating tax levy authority, the equity tax as authorized by Section 3-14.3 of the Act. This equity tax (also known as the Statewide Average Additional Tax) provided approximately $1.8 million to the District in Fiscal Years 2026 and 2027. The District has received the equity tax for over twenty years, with the Board approving it for the past two levy years, and expects that it will continue to do so in the near term.

## REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

| TAXING AUTHORITY | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| The District | $0.6453 | $0.6016 | $0.5724 | $0.5224 | $0.5279 |
| The County | 0.5215 | 0.4809 | 0.4371 | 0.3938 | 0.3633 |
| City of Edwardsville | 1.2506 | 1.2257 | 1.2580 | 1.2822 | 1.2686 |
| Edwardsville Public Library | 0.1656 | 0.1578 | 0.1462 | 0.1434 | 0.1514 |
| Edwardsville Road & Bridge | 0.0910 | 0.0903 | 0.0896 | 0.0866 | 0.0857 |
| Edwardsville CUSD Number 7 | 4.6829 | 4.6921 | 4.6694 | 4.6560 | 4.6451 |
| Edwardsville Township | 0.0775 | 0.0745 | 0.0702 | 0.0547 | 0.0512 |
| TOTAL(1) | $7.4344 | $7.3229 | $7.2429 | $7.1391 | $7.0932 |

Source: Madison County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical resident living in the largest tax code in the City of Edwardsville.

TEN LARGEST TAXPAYERS

| TAXPAYER NAME | DESCRIPTION | 2025 EAV | PERCENT OF DISTRICT'S TOTAL EAV |
|---|---|---|---|
| WRB Refining LLC | Oil refinery | $401,115,436 | 5.75% |
| The Premcor Refining Group Inc. | Inactive oil refinery | 40,787,503 | 0.58% |
| Plymouth 3051 Gateway Center IL LLC | GEODIS (Transport & logistics warehouse) | 30,174,870 | 0.43% |
| Hershey Foods Corp | Warehouse and distribution center | 28,625,800 | 0.41% |
| Union Pacific Railroad | Railroad | 26,528,698 | 0.38% |
| NNN Opp Owner II LLC | World Wide Technology - North American Integration Center Building 1 (Configuration and integration of technology systems) | 25,749,890 | 0.37% |
| Pool 6 Industrial IL LLC | Warehouse and distribution center | 24,638,030 | 0.35% |
| NNN Opp Owner VIII LLC | World Wide Technology - North American Integration Center Building 2 (Configuration and integration of technology systems) | 23,687,870 | 0.34% |
| Sealy Lakeview Corporate Drive II LLC | World Wide Technology - Lakeview Logistic Center (Logistics and distribution center) | 21,861,810 | 0.31% |
| Lex Edwardsville II LP | United Pet Group (Warehouse and distribution center) | 20,778,880 | 0.30% |
| TOTAL | | $643,948,787 | 9.22% |

Source: Madison County Supervisor of Assessments office, and Madison, Jersey and Macoupin County Clerks' Offices, except for taxpayer descriptions which are based on publicly available information available to the District. Values include Incremental EAV and enterprise zone EAV (if any).

The above taxpayers represent 9.22% of the District's 2025 EAV of $6,891,091,419 (includes Incremental EAV and enterprise zone EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the *"Department"*) from retailers within the County, Macoupin County and Jersey County. The table indicates the level of retail activity in the County, Macoupin County and Jersey County.

| CALENDAR YEAR | THE COUNTY | MACOUPIN COUNTY | JERSEY COUNTY |
|---|---|---|---|
| 2021 | $61,097,285 | $5,799,967 | $3,577,097 |
| 2022 | 64,112,921 | 6,100,296 | 3,611,399 |
| 2023 | 66,347,998 | 6,146,976 | 3,748,969 |
| 2024 | 70,657,346 | 6,261,530 | 3,821,832 |
| 2025 | 93,229,351 | 7,699,265 | 4,657,624 |
| 2026[2] | 48,069,617 | 3,941,428 | 2,338,603 |

Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion (collected on behalf of all municipal and unincorporated areas of each county) and the 0.25% county portion (collected on behalf of each county) of the Retailers' Occupation Tax and Service Occupation Tax and Use Tax, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) Through the second quarter of 2026.

## CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

Corporate Personal Property Replacement Taxes (*"CPPRT"*) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the *"Personal Property Tax"*) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the *"Sharing Act"*) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District over the last five years and the estimated amount to be received in Fiscal Year 2027. The District has historically deposited 60% and 40% into the Educational Fund and the Operations and Maintenance Fund, respectively.

| Fiscal Year | CPPRT Receipts |
|---|---|
| 2022 | $3,202,660 |
| 2023 | 3,342,424 |
| 2024 | 2,014,080 |
| 2025 | 1,350,597 |
| 2026 | 1,426,931 |
| 2027 (estimated) | 1,739,780 |

Source: The audited financial statements of the District for Fiscal Years 2022-2025 and the Department for Fiscal Years 2026 and 2027.

## LARGEST EMPLOYERS

Below is a listing of large employers within or near the District.

| EMPLOYER | PRODUCT OR SERVICE | LOCATION | APPROXIMATE NUMBER OF EMPLOYEES |
|---|---|---|---|
| Amazon, Inc. | Amazon fulfillment center/warehouse | Edwardsville | 4,100 |
| Southern Illinois University Edwardsville | Education | Edwardsville | 3,500 |
| Challenge Unlimited, Inc. | Assistance services for persons with disabilities, including vocational training, employment and independent living support services | Alton | 1,200 |
| U.S. Steel | Flat rolled steel and pig iron | Granite City | 1,200 |
| Southwestern Illinois Health Facilities, Inc. | Healthcare | Multiple locations | 1,190 |
| Wieland Rolled Products | Copper and copper-alloy sheet, strip, plate, foil and fabricated components for the automotive, housing, electronics, coinage and ammunition industries | East Alton | 1,118 |
| Phillips 66 Wood River Refinery | Petroleum processing | Roxana | 1,100 |
| Alton Memorial Hospital | Healthcare | Alton | 1,017 |
| Madison County | County government | Edwardsville | 984 |
| Gateway Regional Medical Center | Healthcare | Granite City | 955 |
| ASF Keystone | Manufacturer and supplier of railroad freight car and locomotive components | Granite City | 830 |
| Basler Electric Co. | Protective relays, transformers, voltage regulators, generator controls and static excitation control systems | Highland | 800 |
| Fairmount Park | Horse-racing track and casino | Collinsville | 800 |
| Reynolds Consumer Products | Polyethylene film | Jacksonville | 800 |
| Edwardsville CUSD #7 | Education | Edwardsville | 784 |
| Alton CUSD #11 | Education | Alton | 776 |
| GEODIS | Third-party logistics and supply chain management | Edwardsville/ Granite City | 750 |

Source: Leadership Council Southwestern Illinois, 2026 Illinois Services and 2026 Illinois Manufacturers Directories and the Illinois State Board of Education.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates, as well as the average unemployment rates

for the nine-month period ending September 2026, for the County, Macoupin County, Jersey County and the State.

| | The County | Macoupin County | Jersey County | The State |
|---|---|---|---|---|
| 2021 – Average[1] | 5.0% | 5.0% | 4.5% | 6.1% |
| 2022 – Average | 3.9% | 4.2% | 3.7% | 4.6% |
| 2023 – Average | 4.2% | 4.5% | 4.0% | 4.5% |
| 2024 – Average | 4.3% | 4.5% | 4.1% | 5.0% |
| 2025 – Average | 4.0% | 4.5% | 3.8% | 4.6% |
| 2026 – Average[2] | 3.9% | 4.5% | 3.8% | 4.9% |

Source: State of Illinois Department of Employment Security.

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) Nine-month average unemployment rate.

HOUSING VALUE AND INCOME STATISTICS

The following table sets forth information regarding median home values and various income related statistics for the County, Macoupin County, Jersey County and the State.

| | The County | Macoupin County | Jersey County | The State |
|---|---|---|---|---|
| Median Home Value | $173,000 | $138,200 | $171,900 | $263,300 |
| Median Household Income | 75,793 | 70,805 | 80,361 | 83,390 |
| Median Family Income | 97,683 | 91,250 | 97,951 | 106,018 |
| Per Capita Income | 41,560 | 37,136 | 38,634 | 46,406 |

Source: U.S. Census Bureau 2020-2024 American Community Survey 5-Year Estimates released by the U.S. Census Bureau January 29, 2026.

## SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

## FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

## DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

## WORKING CASH FUND

The Working Cash Fund is established by Section 3-33.1 of the Act. The fund is established for the purpose of enabling the District to have on hand at all times sufficient money to meet the demands for ordinary and necessary expenditures for all community college purposes. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances. Working Cash Fund Bonds may be issued for the purpose of creating or increasing a working cash fund.

Moneys in the Working Cash Fund are not regarded as current assets available for community college purposes and may only be used to provide moneys with which to meet ordinary and necessary disbursements for salaries and other community college purposes. The moneys may be loaned to the educational or operations and maintenance funds in order to avoid the issuance of tax anticipation warrants and notes.

Public Act 103-0278, effective July 28, 2023, provides that a community college district may abate its working cash fund at any time, upon the adoption of a resolution providing for the same, and may direct the transfer at any time of moneys in the Working Cash Fund to any fund or funds of the district most in need of the money, provided that the district maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then-current value, as equalized or assessed by the Department of the taxable property in the District. The legislation provides community colleges additional flexibility in meeting their operational and capital needs.

WORKING CASH FUND SUMMARY

| FISCAL YEAR | END OF YEAR FUND BALANCE |
|---|---|
| 2022 | $12,668,275 |
| 2023 | 13,621,300 |
| 2024 | 15,576,263 |
| 2025 | 17,014,709 |
| 2026 | 18,313,366 |

Source: Compiled from the District's audited financial statements for Fiscal Years 2022-2025, and preliminary, unaudited number for Fiscal Year 2026 provided by the District.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the Counties. There can be no assurance that the procedures described herein will not change.

## TAX LEVY AND COLLECTION PROCEDURES

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year, except for the County where they are payable in four installments.

## UNPAID TAXES AND ANNUAL TAX SALES

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped

out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that Cook County's tax sale system is likewise unconstitutional based on those earlier rulings. In response to these rulings, Public Act 104-0553, which became law on July 10, 2026, makes significant amendments to the Property Tax Code (as hereinafter defined), including: (i) requiring that properties subject to tax deed proceedings be sold at a judicial tax deed auction to the highest bidder, rather than directly to the tax purchaser; (ii) entitling former property owners to receive any surplus proceeds from such auctions that exceed the amount of the tax deed judgment; (iii) establishing a surplus equity fund to compensate former owners who sustained losses from tax deeds recorded in the two years prior to the effective date of the legislation or from outstanding tax certificates issued prior to the effective date; (iv) enhancing notice requirements to property owners regarding tax sales, redemption rights, and tax deed auctions, including multilingual notice requirements in counties with 3,000,000 or more inhabitants; and (v) establishing a pilot program in Cook County under which the county may acquire tax certificates for up to 100 homestead properties with the lowest tax amounts. These provisions apply to tax certificates issued on or after July 10, 2026. The District makes no prediction as to the effect of such rulings or legislation on the State's tax sale process or on the District's receipt of property tax revenues

EXEMPTIONS

The Illinois Property Tax Code, as amended (the *"Property Tax Code"*), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (*"Residential Property"*) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the *"Collar Counties"*) is $8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of $75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is $5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is $8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place

of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index (*"CPI"*). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the *"Natural Disaster Exemption"*) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the

United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

PROPERTY TAX EXTENSION LIMITATION LAW

The Property Tax Extension Limitation Law, as amended (the *"Limitation Law"*), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies (including community college districts) in Cook County, the Collar Counties and numerous other counties.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-510 permits the county boards of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly scheduled election other than the consolidated primary, which is the February election in odd-numbered years. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their equalized assessed valuation in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (a) each county in which the taxing body is located has held a referendum and (b) the proposition is passed in a county or counties containing a majority of the equalized assessed valuation of the taxing body.

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. Greene County, Macoupin County and Morgan County each held a successful referendum on the applicability of the Limitation Law on November 7, 2000, November 5, 1996, and November 5, 1996, respectively. The County and Jersey County each held an unsuccessful referendum on the applicability of the Limitation Law on April 13, 1999, and April 7, 2015, respectively. A referendum on the applicability of the Limitation Law has yet to be initiated in Calhoun County or Scott County. No guarantee exists, however that such a referendum will not be held in the future.

If the Limitation Law were to apply in the future to the District, the limitations set forth therein will not apply to the taxes levied by the District to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

### TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the *"Law"*) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

## STATE AID

### GENERAL

The State provides aid to local community college districts via grant programs administered by the ICCB. Many community college districts rely on such "State Aid" for a significant portion of their budgets. For Fiscal Year 2025, the District received approximately 12.76% of its General Fund revenue from sources at the State, including State Aid. See "EXHIBIT C—General Fund Revenue Sources" herein for additional information.

The State subsidizes the costs of higher education by allocating tax dollars between the following four areas: (a) direct operating support, (b) indirect operating support, (c) institutional grant programs and (d) student financial aid programs.

The Community College System Operating Budget is funded based upon unrestricted and restricted grants. Unrestricted grants have no grant guidelines or expenditure requirements and can be used for any operating purpose. Such grants include but are not limited to the Base Operating Grant, Equalization Grant, Small College Grant and Technical Education Formula Grant (as more fully discussed below). Restricted grants must be spent according to grant and expenditure guidelines and include the Workforce Development Grant, Adult Education Grant and Career and Technical Education Grant (as more fully discussed below).

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

### DIRECT OPERATING SUPPORT

Public community colleges are funded primarily through direct operating support. Most of the funds for operating support are used for meeting general costs such as salaries, contracts for services, energy, supplies, travel and scholarships; however, operating support can also be appropriated to specific activities such as workforce preparation programs, adult basic education, career and technical education or legislative initiatives.

### INDIRECT OPERATING SUPPORT

Public community colleges also benefit from indirect operating support through payments or benefits provided by the State to or for faculty and staff. Rather than being paid to community colleges, such funds are spent by other State entities on behalf of community college employees. Examples of indirect operating support include employee health insurance provided by the State employee benefits plan and funding for community college employees' pensions paid to SURS (as hereinafter defined).

### INSTITUTIONAL GRANT PROGRAMS

Additionally, grant programs provide funds for specific activities undertaken by educational programs. Funding for such programs as Cooperative Work Study and Nursing Grants is appropriated to the Illinois Board of Higher Education (the *"IBHE"*) and then distributed by the IBHE based upon competitive application and program criteria. Private community colleges are also eligible to apply for such grants.

As noted previously, the ICCB also administers grant programs and distributes funding to community colleges. The two principal operating grants for community colleges are the Base Operating Grant and the Equalization Grant, both of which are allocated to each local community college district based upon prescribed formulae. Generally, ICCB grants to community colleges amount to the difference between the total funds needed to offer educational programs and the total funds available from local property taxes and tuition and fees. Rate adjustments are required when State appropriations for ICCB grants fall short of equaling the calculated needs of the system. The funds of both the Base Operating Grant and the Equalization Grant are distributed on a monthly basis. State funding of these grants has been stable in recent years.

In addition to the grants discussed in this section, the State distributes numerous other grants to Illinois community colleges on an annual basis.

STUDENT FINANCIAL AID

State tax dollars support higher education through direct support to students; such financial aid is distributed through the Illinois Student Assistance Commission. The primary source of direct student assistance is need-based. Need-based programs, such as the Monetary Award Program (MAP), cover a portion of the costs of tuition and fees for students at public community colleges. The State also provides several programs that pay some or all of the costs of tuition and fees for students who have served in the military or are preparing for high-demand occupations such as nursing and certain teaching positions. In the event the federal government, the State or any agency pays tuition for any community college student, neither the district of such student's residence nor the student is required to pay that tuition, or any portion thereof, that is otherwise paid.

HISTORY OF STATE FUNDING

| | FISCAL YEAR 2021 | FISCAL YEAR 2022 | FISCAL YEAR 2023 | FISCAL YEAR 2024 | FISCAL YEAR 2025 |
|---|---|---|---|---|---|
| ICCB Base Operating Grant | $ 3,327,395 | $ 3,508,925 | $ 3,408,515 | $ 3,491,905 | $ 3,254,689 |
| ICCB Equalization Grant | 3,309,025 | 3,373,690 | 3,042,510 | 2,307,170 | 239,680 |
| ICCB Career & Technical Education | 349,752 | 332,065 | 343,195 | 316,588 | 313,652 |
| **Total ICCB Operating Funds** | **6,986,172** | **7,214,680** | **6,794,220** | **6,115,663** | **3,808,021** |
| ICCB Adult Education (State Basic & Performance) | 366,721 | 345,477 | 340,675 | 316,230 | 333,548 |
| ICCB Other | 413,307 | 427,732 | 586,089 | 490,140 | 687,943 |
| **Total ICCB Grants** | **780,028** | **773,209** | **926,764** | **806,370** | **1,021,491** |
| **Total ICCB Funds** | **7,766,200** | **7,987,889** | **7,720,984** | **6,922,033** | **4,829,512** |
| Illinois School Board of Education | 0 | 215,492 | 61,969 | 441,710 | 274,576 |
| Other State Revenue | 5,188,157 | 3,008,354 | 4,453,374 | 4,961,739 | 6,381,117 |
| **Total Other State Funds** | **5,188,157** | **3,223,846** | **4,915,343** | **5,403,449** | **6,655,693** |
| **Total State Funds** | **12,954,357** | **11,211,735** | **12,636,327** | **12,324,482** | **11,485,205** |
| MAP Grants | 760,135 | 815,768 | 1,159,470 | 1,265,278 | 1,284,081 |
| **Total State Funds with MAP** | **$13,714,492** | **$12,027,503** | **$13,795,797** | **$13,589,760** | **$12,769,286** |

Source: The District.

## FEDERAL AID

Community colleges, like the District, receive federal funding. Most federal funding for the District goes toward financial aid to students and research grants, not operating funds. The District participates in federal financial aid programs like the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Direct Loan Program. See below for a description of each program.

- Federal Pell Grant: This grant is for students with financial need who are pursuing their first undergraduate degree.

- Federal Supplemental Educational Opportunity Grant: This grant is designed to help students with the lowest expected family contribution with their education costs.

- Federal Direct Loan Program: This program offers different types of student loans, including Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Parent PLUS loans.

FEDERAL COVID-19 FUNDS DISTRIBUTED TO THE DISTRICT

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act, (ii) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and (iii) the American Rescue Plan of 2021, was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District was appropriated Higher Education Emergency Relief Funding *("HEERF")* in the amount of $9,079,883. Of that amount, $137,492 was appropriated to provide emergency financial aid grants to students, $5,669,101 was used to cover lost revenue, and $3,273,290 was used by the District to cover costs at an institutional level that were associated with COVID-19. As of December 31, 2023, the District had disbursed all HEERF funds and no positions funded with HEERF funds have been continued and are now being paid from operational funds.

## RETIREMENT PLAN

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

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined amount. The State's contribution is calculated by an

actuary pursuant to the provisions of the Illinois Pension Code, as amended (the *"Pension Code"*). The Pension Code requires the State to contribute annually the constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045.

FINANCIAL REPORTING UNDER GASB STANDARDS

The Governmental Accounting Standards Board (*"GASB"*) promulgates standards for financial reporting with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SURS's actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State contribution or the District contribution for SURS.

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a "Net Pension Liability" or "Net Pension Asset," which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the *"Total Pension Liability"*) and the fair market value of the pension plan's assets (referred to as the *"Fiduciary Net Position"*).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the *"Discount Rate,"* which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

As of June 30, 2024, SURS reported a Net Pension Liability of $29.5 billion. For the year ended June 30, 2025, the proportionate share of the State's Net Pension Liability associated with the District is $141,610,641 or 1.035%. The amount of the proportionate share of the Net Pension Liability to be recognized for the District as of the measurement date is $0. For purposes of financial reporting, the State and participating employers (such as the District) are considered to be under a special funding situation.

The District's proportionate share of collective pension expense is recognized similarly to on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. As a result, the District recognized on-behalf revenue and pension expense of $9,3512,201 for Fiscal Year 2025.

Additional information regarding the District's pension plan is described in Note 7 of the District's Annual Financial Report for Fiscal Year 2025 (the *"Audit"*), which is included in APPENDIX A to this Official Statement.

## BOND RATINGS

S&P is expected to assign the Bonds an insured rating of AA (Stable Outlook) based on the Policy to be issued and delivered by AG at the time of issuance and delivery of the Bonds. S&P has assigned the Bonds an underlying rating of "AA-" (Stable Outlook). These ratings reflect only the views of S&P. An explanation of the methodology for such ratings may be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P and AG by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings will not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE", the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the ratings or to oppose any such revision or withdrawal.

## TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the *"OID Bonds"*) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of

the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

The District will implement disclosure policies and procedures which specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

For Fiscal Years 2021 and 2022, the District failed to timely file its audited financial statements and for Fiscal Year 2021, the District failed to timely file its annual financial information. The District also failed to file notice of a rating upgrade. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## AUDITED FINANCIAL STATEMENTS

The Audit contained in APPENDIX A, including the independent auditor's report accompanying the Audit, has been prepared by Scheffel Boyle, Alton, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

## BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or

regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

## CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

## NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

## UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the *"Underwriter"* or *"Stifel"*), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $_____. The purchase price will produce an underwriting spread of ____% of the principal amount of the Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

## AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

Vice President of Finance and Operations
Community College District No. 536,
Counties of Madison, Jersey, Macoupin,
Calhoun, Morgan, Scott and Greene and State
of Illinois

_____, 2026

## EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2022-2026

| | ED | O&M | O&M (RESTRICTED) | BOND & INTEREST | AUXILIARY ENTERPRISES | RESTRICTED PURPOSES | AUDIT | LIABILITY, PROTECTION & SETTLEMENT | WORKING CASH | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $11,975,617 | $7,796,203 | $14,341,900 | $ 6,921,298 | $1,325,197 | $12,652,701 | $11,040 | $1,150,069 | $15,146,922 | $71,320,947 |
| Prior Period Adjustment | 0 | 0 | 0 | 0 | 0 | (588,520) | 0 | 0 | 0 | (588,520) |
| Beginning Balance, Restated | $11,975,617 | $7,796,203 | $14,341,900 | $ 6,921,298 | $1,325,197 | $12,064,181 | $11,040 | $1,150,069 | $15,146,922 | $70,732,427 |
| Revenues | 24,719,639 | 7,157,095 | 2,645,056 | 11,922,900 | 1,181,610 | 35,682,639 | 56,097 | 2,714,070 | (389,823) | 85,689,283 |
| Expenditures | 21,169,661 | 5,242,826 | 502,523 | 27,150,902 | 1,631,376 | 33,510,361 | 56,970 | 2,934,671 | 0 | 92,199,290 |
| Net Transfers | 862,951 | 1,198,191 | 2,107,952 | 1,548,550 | 96,030 | (3,724,850) | 0 | 0 | (2,088,824) | 0 |
| Other Sources (Uses) | 0 | 0 | 8,129,385 | 13,900,000 | 0 | 0 | 0 | 0 | 0 | 22,029,385 |
| Ending Balance, 6/30/22 | $16,388,546 | $10,908,663 | $26,721,770 | $ 7,141,846 | $ 971,461 | $10,511,609 | $10,167 | $ 929,468 | $12,668,275 | $86,251,805 |
| Beginning Balance | $16,388,546 | $10,908,663 | $26,721,770 | $ 7,141,846 | $ 971,461 | $10,511,609 | $10,167 | $ 929,468 | $12,668,275 | $86,251,805 |
| Revenues | 25,108,422 | 7,197,661 | 3,504,262 | 12,185,233 | 1,263,243 | 29,655,314 | 59,588 | 2,915,607 | 953,025 | 82,842,355 |
| Expenditures | 24,440,354 | 5,905,739 | 1,125,369 | 14,603,098 | 1,987,960 | 30,976,102 | 61,500 | 3,059,783 | 0 | 82,159,905 |
| Net Transfers | (1,362,768) | (272,843) | 2,107,825 | 206,075 | 584,054 | (1,262,343) | 0 | 0 | 0 | 0 |
| Other Sources (Uses) | 2,282,968 | 0 | 0 | 0 | 0 | 859,182 | 0 | 0 | 0 | 3,142,150 |
| Ending Balance, 6/30/23 | $17,976,814 | $11,927,742 | $31,208,488 | $ 4,930,056 | $ 830,798 | $ 8,787,660 | $ 8,255 | $ 785,292 | $13,621,300 | $90,076,405 |
| Beginning Balance | $17,976,814 | $11,927,742 | $31,208,488 | $ 4,930,056 | $ 830,798 | $ 8,787,660 | $ 8,255 | $ 785,292 | $13,621,300 | $90,076,405 |
| Revenues | 24,515,792 | 7,216,818 | 4,056,376 | 12,399,243 | 1,353,858 | 28,827,293 | 67,168 | 3,058,648 | 1,954,963 | 83,450,159 |
| Expenditures | 23,422,657 | 6,936,779 | 1,561,470 | 14,734,024 | 1,948,042 | 28,866,654 | 67,163 | 3,009,121 | 0 | 80,545,910 |
| Net Transfers | 234,231 | (101,011) | (4,516,900) | 4,593,025 | 588,392 | (797,737) | 0 | 0 | 0 | 0 |
| Other Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance, 6/30/24 | $19,304,180 | $12,106,770 | $29,186,494 | $ 7,188,300 | $ 825,006 | $ 7,950,562 | $ 8,260 | $ 834,819 | $15,576,263 | $92,980,654 |
| Beginning Balance | $19,304,180 | $12,106,770 | $29,186,494 | $ 7,188,300 | $ 825,006 | $ 7,950,562 | $ 8,260 | $ 834,819 | $15,576,263 | $92,980,654 |
| Revenues | 22,928,057 | 6,905,540 | 4,922,752 | 11,885,847 | 1,452,016 | 30,348,224 | 73,157 | 3,059,552 | 2,088,446 | 83,663,591 |
| Expenditures | 24,078,869 | 7,324,880 | 2,441,208 | 14,398,671 | 2,346,709 | 31,398,466 | 70,638 | 3,077,155 | 0 | 85,136,596 |
| Net Transfers | 641,687 | 292,120 | (2,307,300) | 2,307,300 | 839,958 | (1,123,765) | 0 | 0 | (650,000) | 0 |
| Other Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 649,208 | 0 | 0 | 0 | 649,208 |
| Ending Balance, 6/30/25 | $18,795,055 | $11,979,550 | $29,360,738 | $ 6,982,776 | $ 770,271 | $ 6,425,763 | $10,779 | $ 817,216 | $17,014,709 | $92,156,857 |
| Beginning Balance | $18,795,055 | $11,979,550 | $29,360,738 | $ 6,982,776 | $ 770,271 | $ 6,425,763 | $10,779 | $ 817,216 | $17,014,709 | $92,156,857 |
| Revenues | 24,438,907 | 7,659,170 | 5,194,203 | 11,036,119 | 1,310,192 | 18,750,955 | 73,668 | 3,157,989 | 1,298,657 | 72,919,860 |
| Expenditures | 23,288,181 | 6,665,941 | 4,941,094 | 12,346,397 | 2,372,363 | 18,814,570 | 74,019 | 3,198,932 | 0 | 71,701,497 |
| Net Transfers | 171,787 | 0 | (1,484,100) | 1,484,100 | 1,060,571 | (1,232,358) | 0 | 0 | 0 | 0 |
| Other Sources (Uses) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance, 6/30/26[1] | $20,117,568 | $12,972,779 | $28,129,747 | $ 7,156,598 | $ 768,671 | $ 5,129,790 | $10,428 | $ 776,273 | $18,313,366 | $93,375,220 |

Source: The audited financial statements of the District for Fiscal Years 2022-2025, and preliminary, unaudited results for Fiscal Year 2026 provided by the District.

(1) The District reported results more favorable than its Fiscal Year 2026 budget, primarily because of approval of the Statewide Average Additional Tax Levy and CPPRT receipts exceeding budgeted amounts (more than $1.4 million received, compared with $850,000 budgeted). Vacant positions also resulted in salary savings. The District had budgeted a $3 million deficit in its O&M Fund because the Statewide Average Additional Tax Levy had not yet been approved. Following approval of the levy, the District received an additional $1.8 million in revenues, and the O&M Fund ended Fiscal Year 2026 with a $993,000 surplus. See "FINANCIAL INFORMATION and Economic Characteristics of the District—District Tax Rates by Purpose" herein.

## EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2027

| | ED | O&M | O&M RESTRICTED | BOND & INTEREST | AUXILIARY ENTERPRISES | RESTRICTED PURPOSES | AUDIT | LIABILITY, PROTECTION & SETTLEMENT | WORKING CASH | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| FUND BALANCE AS OF 7/1/26 | $20,430,305 | $13,266,399 | $26,415,561 | $ 2,230,717 | $ 766,499 | $ 4,688,155 | ($23,323) | $ 591,955 | $18,313,666 | $ 86,679,934 |
| ESTIMATED REVENUE | 25,942,346 | 8,492,094 | 44,165,116 | 10,814,407 | 1,353,467 | 17,056,870 | 74,117 | 3,086,079 | 1,300,000 | 112,284,496 |
| ESTIMATED EXPENDITURES | 26,382,697 | 7,728,656 | 60,271,172 | 10,740,068 | 2,709,049 | 17,221,811 | 80,000 | 3,355,686 | 0 | 128,489,139 |
| OTHER/BOND PROCEEDS | 440,351 | (763,438) | 0 | 0 | 1,305,738 | 203,282 | 0 | 0 | (41,969) | 1,143,964 |
| ESTIMATED FUND BALANCE 6/30/27 | $20,430,305 | $13,266,399 | $10,309,505 | $ 2,305,056 | $ 716,655 | $ 4,726,496 | ($29,206) | $ 322,348 | $19,571,397 | $ 71,618,955 |

Source: Budget for the District for Fiscal Year 2027. The beginning fund balances were estimated by the District at the time the budget was adopted.

Note: Since the Fiscal Year 2027 Budget was approved by the Board, the estimated CPPRT was released from the State. The District budgeted for $1.2 million and is estimated to receive $1.7 million. As long as expenditures hold, the District expects to see a surplus. Based on the first quarter, the District currently has a $700,000 surplus.

## EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2021-2025

| | YEAR ENDED JUNE 30, 2021 | YEAR ENDED JUNE 30, 2022 | YEAR ENDED JUNE 30, 2023 | YEAR ENDED JUNE 30, 2024 | YEAR ENDED JUNE 30, 2025 |
|---|---|---|---|---|---|
| Local Sources | 46.69% | 51.78% | 51.30% | 48.44% | 52.10% |
| State Sources | 23.13% | 22.63% | 21.03% | 19.27% | 12.76% |
| Federal Sources | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Tuition & Fees | 29.29% | 25.82% | 26.01% | 28.57% | 30.74% |
| Other Sources | 0.90% | (0.24%) | 1.66% | 3.72% | 4.40% |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

# APPENDIX A

## AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

# LEWIS & CLARK COMMUNITY COLLEGE
# GODFREY, ILLINOIS

## ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED JUNE 30, 2025

# FINANCIAL SECTION

LEWIS AND CLARK COMMUNITY COLLEGE
JUNE 30, 2025

**Table of Contents** Page


**FINANCIAL SECTION**

Independent Auditor's Report 1-3
Management's Discussion and Analysis 4-10

**Basic Financial Statements**

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

**Required Supplementary Information**

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

**SPECIAL REPORTS SECTION**

**Supplemental Financial Information**

Supplemental Financial Information Section 62
Uniform Financial Statements 63-71
Certification of Per Capita Cost 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

**Table of Contents (Continued)**

| | Page |
|---|---|
| **ICCB State Grant Financial Compliance Section** | |
| Independent Auditor's Report on Compliance with State Requirements for Adult Education and Family Literacy Grants | 83-85 |
| 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 |
| **ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION** | |
| 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 *Government Auditing Standards* | 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 | 100-102 |
| Notes to Schedule of Expenditures of Federal Awards | 103 |
| Schedule of Findings and Questioned Costs | 104-108 |
| Corrective Action Plan for Current Year Findings | 109-113 |
| Summary Schedule of Prior Year Audit Findings | 114 |

# 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, 2025, 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, 2025, and the 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, 2025, 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 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 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 the 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 15, 2025, 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.

Scheffel Boyle

Alton, Illinois
December 15, 2025

# 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, 2025. 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 College's basic financial statements. 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, tuition, federal and state 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 14 to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

### Implementation of New Accounting Standards

For fiscal year ended June 30, 2025, the College implemented GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The College has restated its beginning net position for the cumulative effect of adopting this standard. See Note 12, Change in Accounting Principle, for further information.

For fiscal year ended June 30, 2025, the College implemented GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the College has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

**Financial Analysis of the College as a Whole**

The College's financial position is summarized as follows:

**Net Position**
**As of June 30**
**(in millions)**

| | 2025 | 2024 *As Restated | Increase (Decrease) 2025-2024 |
|---|---|---|---|
| Current Assets | $ 90.9 | $ 92.6 | $ (1.7) |
| Non-Current Assets | | | |
| Capital Assets, Net of Depreciation | 125.3 | 126.6 | (1.3) |
| Right of Use Assets - SBITAs, Net of Amortization | 2.0 | 2.0 | $ - |
| Other | 30.3 | 29.5 | 0.8 |
| Total Assets | 248.5 | 250.7 | $ (2.2) |
| Total Deferred Outflows of Resources | 1.3 | 1.6 | (0.3) |
| Total Assets and Deferred Outflows of Resources | 249.8 | 252.3 | $ (2.5) |
| Current Liabilities | 25.1 | 26.3 | (1.2) |
| Non-Current Liabilities | 59.5 | 71.9 | (12.4) |
| Total Liabilities | 84.6 | 98.2 | (13.6) |
| Total Deferred Inflows of Resources | 25.0 | 27.7 | (2.7) |
| Total Liabilities and Deferred Inflows of Resources | 109.6 | 125.9 | (16.3) |
| Net Position | | | |
| Net Investment in Capital Assets | 87.5 | 84.7 | 2.8 |
| Restricted | 42.7 | 44.3 | (1.6) |
| Unrestricted | 10.0 | (2.6) | 12.6 |
| Total Net Position | 140.2 | 126.4 | 13.8 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | $ 249.8 | $ 252.3 | $ (2.5) |

*Restated for implementation of GASB 101

**Fiscal Year 2025 Compared to 2024**

Current assets decreased $1.7 million primarily due to a decrease in short-term investments.

Non-current assets decreased $0.5 million due to an overall decrease in capital assets, offset by an overall increase in long-term investments.

Current liabilities decreased $1.2 million primarily due to a decrease in the current portion of debt certificates and bonds payable, as well as a decrease in unearned grants.

Non-current liabilities decreased $12.4 million primarily due to the paydown of long-term debt. There was no new borrowed debt during fiscal year 2025. For more detailed information on debt activity, refer to Note 5 – Long-Term Debt, in the Notes to Financial Statements.

Deferred inflows of resources decreased $2.7 million due to a decrease 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, 2025 increased by $13.8 million. The restricted net position of $42.7 million is restricted for capital projects, grants, and debt service payments.

**Fiscal Year 2025 Compared to 2024 (Continued)**

The College's operating results are summarized as follows:

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

| | 2025 | 2024 *As Restated | Increase (Decrease) 2025-2024 |
|---|---|---|---|
| Operating Revenue | | | |
| Tuition and Fees | $ 5.6 | $ 6.2 | $ (0.6) |
| Sales and Service Fees | 0.5 | 0.5 | - |
| Facilities Revenue | 0.4 | 0.3 | 0.1 |
| Other | 0.5 | 0.9 | (0.4) |
| Total Operating Revenue | 7.0 | 7.9 | $ (0.9) |
| Less Operating Expenses | 62.0 | 59.4 | 2.6 |
| Operating Income (Loss) | (55.0) | (51.5) | (3.5) |
| Non-Operating Revenue (Expense) | | | |
| Local Taxes | 33.4 | 33.5 | (0.1) |
| State Government | 10.6 | 12.2 | (1.6) |
| State On-Behalf - SURS and CIP | 9.9 | 9.4 | 0.5 |
| Federal Government | 11.2 | 11.0 | 0.2 |
| Nongovernmental grants | 0.9 | 0.6 | 0.3 |
| Investment Income | 4.5 | 4.2 | 0.3 |
| Interest Expense | (2.6) | (3.6) | 1.0 |
| Total Net Non-Operating Revenue | 67.9 | 67.3 | 0.6 |
| Capital Contributions | 0.9 | 0.1 | 0.8 |
| Change in Net Position | 13.8 | 15.9 | (2.1) |
| Net Position, Beginning of Year | 126.4 | 110.5 | 15.9 |
| Net Position, End of Year | $ 140.2 | $ 126.4 | $ 13.8 |

*Restated for implementation of GASB 101

**Fiscal Year 2025 Compared to 2024 (Continued)**

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2025 were $78.4 million and $64.6 million, respectively. Fiscal year 2024 were $78.9 million and $63.0 million, respectively.

Operating revenue decreased $0.9 million over the prior year, which is primarily from tuition and fees revenue including a higher scholarship allowance, which offsets revenue. Net non-operating revenue increased by $0.6 million over the prior year. This is the net result of decreases in interest expense combined with decreases in state grants from the Illinois Community College Board.

Operating expenses increased by $2.6 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: | 2025 | 2025 Percent | 2024 *As Restated | 2024 Percent | Increase (Decrease) 2025-2024 |
|---|---|---|---|---|---|
| Instruction | $ 16.7 | 26.94% | $ 16.1 | 27.10% | $ 0.6 |
| Academic Support | 3.5 | 5.65% | 3.5 | 5.89% | - |
| Student Services | 4.0 | 6.45% | 3.8 | 6.40% | 0.2 |
| Public Services | 7.0 | 11.29% | 7.0 | 11.78% | - |
| Organized Research | 0.1 | 0.16% | - | 0.00% | 0.1 |
| Auxiliary Services | 2.1 | 3.39% | 1.7 | 2.86% | 0.4 |
| Operation & Maintenance of Plant | 8.9 | 14.35% | 8.5 | 14.31% | 0.4 |
| Institutional Support | 11.4 | 18.39% | 10.7 | 18.01% | 0.7 |
| Scholarships, Grants, Waivers | 3.3 | 5.32% | 3.2 | 5.39% | 0.1 |
| Depreciation | 5.0 | 8.06% | 4.9 | 8.25% | 0.1 |
| Total | $ 62.0 | 100.00% | $ 59.4 | 100.00% | 2.6 |

*Restated for implementation of GASB 101

As in the prior year, the largest portion of the College's operating expenses was dedicated to instruction. Instruction costs were $16.7 million, or 26.94 percent, of the total operating expenses.

Institutional support of $11.4 million is the next largest category of operating expenses making up 18.39 percent of the total operating expenses, followed by operation & maintenance of plant of $8.9 million, or 14.35 percent of total operating expenses.

**Fiscal Year 2025 Compared to 2024 (Continued)**

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

**Capital Assets, Net**
**June 30,**
**(in millions)**

| | 2025 | 2024 | Increase (Decrease) 2025-2024 |
|---|---|---|---|
| Capital Assets | | | |
| Land & Improvements | $ 24.1 | $ 23.6 | $ 0.5 |
| Buildings & Improvements | 186.0 | 184.0 | 2.0 |
| Equipment | 14.0 | 13.6 | 0.4 |
| Sculptures and Art | 2.5 | 2.5 | - |
| Construction in Progress | 2.0 | 2.5 | (0.5) |
| Subscription Assets | 3.5 | 3.3 | 0.2 |
| Total | 232.1 | 229.5 | 2.6 |
| Less Accumulated Depreciation and Amortization | (104.8) | (100.9) | (3.9) |
| Net Capital Assets | $ 127.3 | $ 128.6 | $ (1.3) |

As of June 30, 2025, the College had recorded $232.1 million invested in capital assets, $104.8 million in accumulated depreciation and amortization, and $127.3 million in net capital assets. For more detailed information on capital asset activity, refer to Note 4 - Capital Assets, in the Notes to Financial Statements.

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

**Long-Term Debt**
**June 30,**
**(in millions)**

| | 2025 | 2024 *As Restated | Increase (Decrease) 2025-2024 |
|---|---|---|---|
| General Obligation Bonds, Net | $ 59.8 | $ 70.4 | $ (10.6) |
| Debt Certificates, Net | 1.6 | 3.9 | (2.3) |
| Subscription Liability | 1.9 | 1.9 | - |
| Compensated Absences | 1.4 | 1.3 | 0.1 |
| Total | $ 64.7 | $ 77.5 | $ (12.8) |

*Restated for implementation of GASB 101

**Fiscal Year 2025 Compared to 2024 (Continued)**

During fiscal year 2025, 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. 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, 2025

ASSETS

| | COLLEGE | FOUNDATION |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash and Invested Cash | $ 1,030,968 | $ 946,640 |
| Investments | 50,373,302 | 15,637,316 |
| Taxes Receivable, Net of Allowance | 31,940,804 | - |
| Other Accounts Receivable, Net of Allowance | 7,078,947 | 20,033 |
| Prepaid Expenses & Other | 486,645 | 2,908 |
| Total Current Assets | 90,910,666 | 16,606,897 |
| NON-CURRENT ASSETS: | | |
| Long-Term Investments | 30,285,871 | 11,486 |
| Right of Use Assets - SBITAs, Net of Amortization | 2,015,745 | - |
| Nondepreciable Capital Assets | 5,912,713 | 3,117,923 |
| Depreciable Capital Assets | 222,659,767 | - |
| Less: Accumulated Depreciation | (103,273,285) | - |
| Total Non-Current Assets, Net | 157,600,811 | 3,129,409 |
| Total Assets | 248,511,477 | 19,736,306 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows Related to OPEB | 343,138 | - |
| Deferred Outflows Related to Pension | 479,199 | - |
| Deferred Loss on Refunding Bonds | 494,881 | - |
| Total Deferred Outflow of Resources | 1,317,218 | - |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | 249,828,695 | 19,736,306 |

LIABILITIES AND NET POSITION

| | | |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Accounts Payable | 2,555,115 | 15,048 |
| Accrued Expenses & Compensated Absences | 2,959,829 | - |
| Unearned Tuition and Fees | 4,241,783 | - |
| Unearned Grants and Other Deferred Revenue | 3,529,155 | - |
| SBITA Liability, Current | 590,628 | - |
| Bonds Payable, Current | 9,658,041 | - |
| Debt Certificates, Current | 1,529,395 | - |
| Total Current Liabilities | 25,063,946 | 15,048 |
| LONG-TERM LIABILITIES: | | |
| SBITA Liability | 1,351,798 | - |
| Bonds Payable | 50,115,097 | - |
| Debt Certificates | 75,548 | - |
| Compensated Absences | 1,068,554 | - |
| OPEB Liability | 6,888,009 | - |
| Total Long-Term Liabilities | 59,499,006 | - |
| Total Liabilities | 84,562,952 | 15,048 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Property Taxes | 16,020,936 | - |
| Deferred Inflows of OPEB Resources | 9,026,924 | - |
| Total Deferred Inflows of Resources | 25,047,860 | - |
| NET POSITION: | | |
| Net Investment in Capital Assets | 87,481,298 | - |
| Restricted: | | |
| Capital Projects | 29,360,738 | - |
| Grants | 6,425,763 | - |
| Debt Service | 6,982,776 | - |
| Donor Restricted | - | 17,615,952 |
| Unrestricted | 9,967,308 | 2,105,306 |
| Total Net Position | 140,217,883 | 19,721,258 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | $ 249,828,695 | $ 19,736,306 |

See Accompanying Notes to Financial Statements

LEWIS AND CLARK COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

| | COLLEGE | FOUNDATION |
|---|---|---|
| OPERATING REVENUES: | | |
| Student Tuition and Fees, Net of Scholarship Allowance | $ 5,642,847 | $ - |
| Sales and Service Fees | 550,959 | - |
| Facilities Revenue | 395,125 | - |
| Other Revenue | 459,887 | 995,561 |
| Total Operating Revenues | 7,048,818 | 995,561 |
| OPERATING EXPENSES: | | |
| Instruction | 16,654,634 | - |
| Academic Support | 3,563,789 | - |
| Student Services | 3,980,753 | - |
| Public Services | 7,052,967 | - |
| Auxiliary Services | 2,082,375 | - |
| Operation and Maintenance of Plant Services | 8,893,758 | - |
| Institutional Support | 11,409,518 | 1,011,524 |
| Scholarships, Student Grants, and Waivers | 3,341,735 | 311,986 |
| Depreciation Expense | 5,048,661 | - |
| Total Operating Expenses | 62,028,190 | 1,323,510 |
| INCOME (LOSS) FROM OPERATIONS | (54,979,372) | (327,949) |
| NON-OPERATING REVENUES (EXPENSES): | | |
| Local Taxes | 33,372,592 | - |
| State Government | 10,617,171 | - |
| State On-Behalf - SURS and CIP | 9,881,980 | - |
| Federal Government | 11,222,272 | - |
| Nongovernmental Grants | 941,916 | - |
| Investment Income | 4,442,032 | 1,454,860 |
| Interest, Service Charges, and Issuance Costs | (2,584,069) | - |
| Total Non-Operating Revenues (Expenses) | 67,893,894 | 1,454,860 |
| CAPITAL CONTRIBUTIONS | 868,034 | - |
| INCREASE (DECREASE) IN NET POSITION | 13,782,556 | 1,126,911 |
| NET POSITION, BEGINNING OF YEAR, AS RESTATED | 126,435,327 | 18,594,347 |
| NET POSITION, END OF YEAR | $ 140,217,883 | $ 19,721,258 |

See Accompanying Notes to Financial Statements

LEWIS AND CLARK COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

| | COLLEGE | FOUNDATION |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and Fees | $ 11,287,399 | $ - |
| Payments to Suppliers | (15,514,445) | (1,315,111) |
| Payments to Employees for Salaries & Fringe Benefits | (30,528,038) | - |
| Payments to Students for Scholarships | (8,610,511) | - |
| Auxiliary Enterprise Changes | 550,468 | - |
| Other | 744,243 | 986,048 |
| Net Cash From Operating Activities | (42,070,884) | (329,063) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Proceeds from Property Taxes | 31,282,610 | - |
| Proceeds from Grants | 22,614,794 | - |
| Proceeds from Other Taxes | 1,458,814 | - |
| Net Cash From Non-Capital Financing Activities | 55,356,218 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchases of Capital Assets | (4,393,718) | - |
| Principal Paid on Bonds Payable and Other Long-Term Obligations | (12,690,028) | - |
| Proceeds from Issuance of Long-Term Debt | 649,208 | - |
| Interest Paid on Bonds Payable and Other Long-Term Obligations | (3,380,303) | - |
| Capital Contributions | 868,034 | - |
| Net Cash From Capital and Related Financing Activities | (18,946,807) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received | 3,985,749 | 477,334 |
| Proceeds from Maturities of Investment Securities | 25,866,408 | 9,026,998 |
| Purchases of Investment Securities | (24,569,220) | (9,233,962) |
| Net Cash From Investing Activities | 5,282,937 | 270,370 |
| Net Change in Cash and Cash Equivalents | (378,536) | (58,693) |
| Cash and Invested Cash, Beginning of Year | 1,409,504 | 1,005,333 |
| Cash and Invested Cash, End of Year | $ 1,030,968 | $ 946,640 |

See Accompanying Notes to Financial Statements

LEWIS AND CLARK COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025

| | COLLEGE | FOUNDATION |
|---|---|---|
| Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities: | | |
| Operating Income (Loss) | $ (54,979,372) | $ (327,949) |
| Adjustment to Reconcile Operating Income (Loss) to Net Cash From Operating Activities: | | |
| Depreciation | 5,048,661 | - |
| Amortization | 675,374 | - |
| State On-Behalf Payments for Fringe Benefits | 9,881,980 | - |
| Non-Cash Gift of Stock included in Contributions | | (10,191) |
| Change in Assets and Liabilities: | | |
| Other Accounts Receivable | 125,972 | 678 |
| Prepaid Expenses & Other | 24,458 | 1,233 |
| Deferred Outflows Related to OPEB and Pension | (75,631) | - |
| Accounts Payable | 128,614 | 7,166 |
| Accrued Expenses & Compensated Absences | 331,839 | - |
| Unearned Tuition and Fees | 137,577 | - |
| Unearned Grants and Other Deferred Revenue | 967 | - |
| OPEB Liability | (727,856) | - |
| Deferred Inflows of OPEB Resources | (2,643,467) | - |
| Net Cash From Operating Activities | $ (42,070,884) | $ (329,063) |
| Noncash Investing, Capital, and Financial: | | |
| Revenue from State On-Behalf Payments | $ 9,881,980 | $ - |

See Accompanying 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 $311,986 for scholarships and awards during the year ended June 30, 2025.

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.

**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.

**Adoption of New Accounting Pronouncements**

Effective for fiscal year ended June 30, 2025, the College adopted the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee's rate of pay as of the statement of net position date. The College has restated its beginning net position for the cumulative effect of adopting this standard. See Note 12, Change in Accounting Principle, for further information.

Effective for fiscal year ended June 30, 2025, the College adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the College has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

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

**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 reported as invested cash.

Investments, consisting of money markets and certificates of deposit through financial institutions, are reported at cost which approximates fair value. Investments, consisting of the Illinois Institutional Investors Trust (IIIT), Illinois Funds local government investment pool, and Illinois Trust Term, are reported at amortized cost. Investments, consisting of certificates of deposit through the Illinois Trust CD Program, commercial paper, corporate notes, supra-national agency bond/notes, federal agency bond/notes, and US Treasuries, are reported at fair value, as listed in the leveling table.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The IIIT is a diversified, open-end, actively managed investment trust designed to address short-term cash investment needs of Illinois public investors managed by a Board of Trustees elected from the participating members. The IIIT offers two investment options: Illinois Portfolio (rated AAAm by Standard and Poor's) and Illinois TERM (rated AAAf by Fitch).

Illinois Funds and the Illinois Portfolio meet the criteria contained in GASB Statement No. 79, Certain Investment Pools and Pool Participants. This allows these investments and those local governments investing in these funds to measure its investment at amortized cost. The criteria contained in GASB Statement No. 79 address (1) how the pool interacts with participants, (2) requirements for portfolio maturity, quality, diversification and liquidity, and (3) calculation and requirements of a shadow price.

**Prepaid Expenses**

Prepaid expenses represent payments made by the College for which benefits extend beyond June 30, 2025. The costs of prepaid expenses are recorded as expenses when consumed rather than when purchased.

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

**Inventory**

Inventory is stated at lower of 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 $10,000 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, sculptures and art, 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.

**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 and compensatory time based upon completed years of service as of the employment anniversary date, which can be paid out upon separation from the college. In accordance with the implementation of GASB 101, *Compensated Absences,* accrued compensated absences also consists of leave that is more likely than not to be used for time off, which includes personal leave, adjunct leave, part-time leave, floating holiday, and sick leave that is in excess of the conversion amount allowed by the State Universities Retirement System (SURS) for pension credit. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate at the statement of net position date. 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.

**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.

**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 2025, the State made on-behalf contributions of $9,881,980.

### Related Party Transactions

The College had no transactions with related parties for the year ended June 30, 2025.

### 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 2024 levy on December 10, 2024. 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:

| | | Tax Levy Years | |
|---|---|---|---|
| | Limit | 2024 | 2023 |
| Education | 0.1500 | 0.1438 | 0.1500 |
| Operations & Maintenance | 0.1000 | 0.0959 | 0.1000 |
| Liability/Judgments | No Limit | 0.0491 | 0.0467 |
| Health & Safety | 0.0500 | 0.0480 | 0.0490 |
| Audit | 0.0050 | 0.0012 | 0.0013 |
| Bond and Interest | No Limit | 0.1868 | 0.2242 |
| Social Security | No Limit | 0.0045 | 0.0049 |
| Prior Year Adjustment | | (0.0069) | (0.0037) |
| | | 0.5224 | 0.5724 |

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

The College's cash and invested cash throughout the year and at year-end consisted of cash on hand and demand deposit accounts, which included checking and savings accounts. The College classified these accounts as cash and invested cash on the statement of net position according to liquidity and intended use.

Cash and invested cash as of June 30, 2025 consist of the following:

| | |
|---|---|
| Cash on Hand | $ 1,500 |
| Invested Cash - Deposits with Financial Institutions | 1,029,468 |
| Total | $ 1,030,968 |

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.

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

Interest Rate Risk

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

Investments at June 30, 2025 consist of the following:

| | |
|---|---|
| Money Market - Financial Institutions | $ 199,029 |
| Certificates of Deposit - Financial Institutions | 326,352 |
| Certificates of Deposit - Illinois Trust CD Program | 7,723,000 |
| Illinois Funds - Local Government Investment Pool | 257,086 |
| Illinois Trust Term | 13,533,086 |
| Money Market - Illinois Institutional Investors Trust | 2,481,320 |
| Commercial Paper | 3,759,202 |
| Corporate Notes | 9,384,649 |
| Supra-National Agency Bond/Note | 424,469 |
| US Treasuries | 42,570,980 |
| Total | $ 80,659,173 |

As of June 30, 2025, the College had the following investments with stated maturities:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 | 1-5 | 6-10 | More than 10 |
| Money Market - Financial Institutions | $ 199,029 | $ 199,029 | $ - | $ - | $ - |
| Certificates of Deposit - Financial Institutions | 326,352 | 326,352 | - | - | - |
| Certificates of Deposit - Illinois Trust CD Program | 7,723,000 | 7,723,000 | - | - | - |
| Illinois Funds - Local Government Investment Pool | 257,086 | 257,086 | - | - | - |
| Illinois Trust Term | 13,533,086 | 13,533,086 | - | - | - |
| Money Market - Illinois Institutional Investors Trust | 2,481,320 | 2,481,320 | - | - | - |
| Commercial Paper | 3,759,202 | 3,759,202 | - | - | - |
| Corporate Notes | 9,384,649 | 1,600,821 | 7,783,828 | - | - |
| Supra-National Agency Bond/Note | 424,469 | - | 424,469 | - | - |
| US Treasuries | 42,570,980 | 20,493,406 | 22,077,574 | - | - |
| | $ 80,659,173 | $ 50,373,302 | $ 30,285,871 | $ - | $ - |

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

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.

The College currently invests in several types of securities with different credit ratings. Certificates of deposits and money market funds held by the College are unrated. Commercial paper securities held have a rating of A-1, corporate notes held range from AAA to BBB+, local government investment pool securities are rated at AAAm, and Illinois Trust Term securities are rated at AAAf. INB Illinois Funds are rated at AAAm, Supra-national agency bonds and notes are rated at AAA, and U.S. Treasuries 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. 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, 2025, the College had investments in excess of the SIPC insurance amounts. The College followed established policies in directing and monitoring the investment management of the College's investments during the year.

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 $1,554,849, of which $1,029,468 is cash and invested cash and $525,381 is investments, and the bank balance was $2,130,794. Of the bank balance, $778,141 was covered by federal depository insurance and $1,352,653 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.

**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, 2025:

| | | Fair Value Measurements at Reporting Date Using | | |
|---|---|---|---|---|
| | **Total** | **(Level 1)** | **(Level 2)** | **(Level 3)** |
| Assets measured at fair value on a recurring basis: | | | | |
| Certificates of Deposit - Illinois Trust CD Program | $ 7,723,000 | $ - | $ 7,723,000 | $ - |
| Commercial Paper | 3,759,202 | - | 3,759,202 | - |
| Corporate Notes | 9,384,649 | - | 9,384,649 | - |
| Supra-National Agency Bond/Note | 424,469 | - | 424,469 | - |
| US Treasuries | 42,570,980 | - | 42,570,980 | - |
| | $ 63,862,300 | $ - | $ 63,862,300 | $ - |

**Note 4: Capital Assets**

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

| | Balance 7/1/2024 | Additions | Disposals | Balance 6/30/2025 |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,393,634 | $ - | $ - | $ 1,393,634 |
| Construction in progress | 2,455,667 | 1,273,571 | (1,745,664) | 1,983,574 |
| Sculptures & art | 2,535,505 | - | - | 2,535,505 |
| Total capital assets, not being depreciated | $ 6,384,806 | $ 1,273,571 | $(1,745,664) | $ 5,912,713 |
| Capital Assets, being depreciated: | | | | |
| Land improvements | $ 22,224,293 | $ 1,355,798 | $ (920,837) | $ 22,659,254 |
| Buildings and improvements | 184,046,566 | 1,908,629 | - | 185,955,195 |
| Equipment | 13,551,560 | 952,176 | (458,418) | 14,045,318 |
| Total capital assets, being depreciated | $ 219,822,419 | $ 4,216,603 | $(1,379,255) | $ 222,659,767 |
| Right-of-Use Assets, being amortized: | | | | |
| Subscription software | $ 3,346,150 | $ 649,208 | $ (449,388) | $ 3,545,970 |
| Total right-of-use assets, being amortized | $ 3,346,150 | $ 649,208 | $ (449,388) | $ 3,545,970 |
| Accumulated Depreciation and Amortization: | | | | |
| Land improvements | $ (14,882,438) | $ (799,554) | $ 920,837 | $ (14,761,155) |
| Buildings and improvements | (73,850,425) | (3,732,857) | - | (77,583,282) |
| Equipment | (10,871,016) | (516,250) | 458,418 | (10,928,848) |
| Total accumulated depreciation | $ (99,603,879) | $ (5,048,661) | $ 1,379,255 | $(103,273,285) |
| Subscription Software | $ (1,304,239) | $ (675,374) | $ 449,388 | $ (1,530,225) |
| Total accumulated amortization | $ (1,304,239) | $ (675,374) | $ 449,388 | $ (1,530,225) |
| Total accumulated depreciation and amortization | $(100,908,118) | $ (5,724,035) | $ 1,828,643 | $(104,803,510) |
| Total capital assets, being depreciated, net | $ 122,260,451 | $ (858,224) | $ - | $ 121,402,227 |
| Business-type activities capital assets, net | $ 128,645,257 | $ 415,347 | $(1,745,664) | $ 127,314,940 |

Depreciation expense was $5,048,661 for the year ended June 30, 2025. Amortization expense was $675,374 for the year ended June 30, 2025, and is recorded in Interest, Service Charges, and Issuance Costs in the Statement of Revenues, Expenses, and Changes in Net Position.

**Note 5: Long-Term Debt**

The following is a summary of the College's long-term debt for the year ended June 30, 2025:

| | Balance 7/1/2024 (As Restated) | Additions | Accretion | Retirements /Refunding | Balance 6/30/2025 | Current Portion | Long-Term Portion |
|---|---|---|---|---|---|---|---|
| Long-Term Debt: | | | | | | | |
| General Obligation Bonds | $ 66,449,479 | $ - | $ - | $ (9,109,479) | $ 57,340,000 | $ 9,070,000 | $ 48,270,000 |
| Accreted Interest on Capital Appreciation Bonds | 716,767 | - | 53,754 | (770,521) | - | - | - |
| Bond Premiums | 3,213,208 | - | - | (780,070) | 2,433,138 | 588,042 | 1,845,096 |
| Debt Certificates | 3,660,000 | - | - | (2,205,000) | 1,455,000 | 1,455,000 | - |
| Debt Certificate Premiums | 242,520 | - | - | (92,577) | 149,943 | 74,395 | 75,548 |
| Subscription Liability | 1,898,246 | 649,208 | - | (605,028) | 1,942,426 | 590,628 | 1,351,798 |
| Compensated Absences | 1,297,121 | 38,571 | - | - | 1,335,692 | 267,138 | 1,068,554 |
| Totals | $ 77,477,341 | $ 687,779 | $ 53,754 | $ (13,562,675) | $ 64,656,199 | $ 12,045,203 | $ 52,610,996 |

Details on the debt as of June 30, 2025, along with the applicable required payment schedules, are as follows:

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 $2,795,000 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. The bonds were sold at a premium of $3,156,845, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $2,892,905. 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 |
|---|---|---|---|
| 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 | $ 9,055,000 | $ 660,125 | $ 9,715,125 |

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

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. The bonds were sold at a premium of $24,079, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $22,791. These bonds were issued to refund the Series 2015D Bonds.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 105,000 | $ 37,737 | $ 142,737 |
| 2027 | 920,000 | 17,556 | 937,556 |
| Total | $ 1,025,000 | $ 55,293 | $ 1,080,293 |

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 $900,000 to $930,000 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. The bonds were sold at a premium of $395,873, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $379,069. These bonds were issued for working cash purposes.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 900,000 | $ 55,200 | $ 955,200 |
| 2027 | 930,000 | 18,600 | 948,600 |
| Total | $ 1,830,000 | $ 73,800 | $ 1,903,800 |

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 $0 to $14,200,000 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. The bonds were sold at a premium of $2,177,870, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $1,101,084.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ - | $ 710,000 | $ 710,000 |
| 2027 | - | 710,000 | 710,000 |
| 2028 | - | 710,000 | 710,000 |
| 2029 | - | 710,000 | 710,000 |
| 2030 | - | 710,000 | 710,000 |
| 2031-2034 | 14,200,000 | 1,725,000 | 15,925,000 |
| Total | $ 14,200,000 | $ 5,275,000 | $ 19,475,000 |

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

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 3.35% to 3.80%. The issue provides for retirement of principal on November 1 of each year, with interest payable May 1 and November 1. The bonds were sold at a premium of $485,291, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $367,398.

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 was paid upon maturity on November 1, 2024. The accretion expense recognized in the current fiscal year was $53,754, which is reflected in interest expense and long-term bonds payable.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 450,000 | $ 249,113 | $ 699,113 |
| 2027 | 575,000 | 231,800 | 806,800 |
| 2028 | 250,000 | 217,525 | 467,525 |
| 2029 | 850,000 | 197,725 | 1,047,725 |
| 2030 | 925,000 | 165,313 | 1,090,313 |
| 2031-2034 | 3,900,000 | 74,100 | 3,974,100 |
| Total | $ 6,950,000 | $ 1,135,576 | $ 8,085,576 |

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. The bonds were sold at a premium of $3,178,328, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $2,221,901. These bonds were issued to refund a portion of the Series 2010B General Obligation Bonds, the Series 2010C General Obligation Bonds and the Series 2012 General Obligation Bonds.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 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 | 4,805,000 | 398,000 | 5,203,000 |
| 2030 | 5,145,000 | 205,800 | 5,350,800 |
| Total | $ 14,560,000 | $ 2,176,200 | $ 16,736,200 |

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

On February 9, 2022, the College issued $7,650,000 of General Obligation Debt Certificates Series 2022A. The remaining maturity is due in an annual payment of $1,455,000 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. The certificates were sold at a premium of $479,385, which is being amortized over the life of the bonds. Accumulated amortization as of June 30, 2025, was $329,442.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 1,455,000 | $ 29,100 | $ 1,484,100 |
| Total | $ 1,455,000 | $ 29,100 | $ 1,484,100 |

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 1.45% 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.

| During the year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 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 | $ 9,720,000 | $ 347,250 | $ 10,067,250 |

The annual requirements to amortize all debt outstanding as of June 30, 2025, 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 |
|---|---|---|---|---|---|
| 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 | 5,655,000 | - | 5,655,000 | 1,305,725 | 6,960,725 |
| 2030 | 6,070,000 | - | 6,070,000 | 1,081,113 | 7,151,113 |
| 2031-2034 | 18,100,000 | - | 18,100,000 | 1,799,100 | 19,899,100 |
| Total | $ 57,340,000 | $ 1,455,000 | $ 58,795,000 | $ 9,752,344 | $ 68,547,344 |

**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 2029.

The following is a schedule by year of principal and interest required under the SBITAs as of June 30, 2025:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 590,628 | $ 95,830 | $ 686,458 |
| 2027 | 641,135 | 68,238 | 709,373 |
| 2028 | 567,020 | 38,183 | 605,203 |
| 2029 | 143,643 | 10,706 | 154,349 |
| | $1,942,426 | $212,957 | $2,155,383 |

**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.

*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, 2024, can be found in the Financial Section of SURS ACFR.

**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 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% 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, 2024. At June 30, 2024, SURS defined benefit plan reported a NPL of $30,230,907,727.

*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 $141,610,641 or 0.4684%. The College's proportionate share changed by (0.0047%) from 0.4732% since the last measurement date on June 30, 2023. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2024, was determined based on the June 30, 2023, 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 2023.

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

*Defined Benefit Pension Expense*

For the year ending June 30, 2024, SURS defined benefit plan reported a collective net pension expense of $1,996,285,670.

*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 2023. As a result, the College recognized on-behalf revenue and defined benefit pension expense of $9,351,201 from this special funding situation during the year ended June 30, 2025.

*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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 305,114,071 | - |
| Changes in assumptions | 483,809,428 | - |
| Net difference between projected and actual earnings on pension plan investments | - | $ 27,577,324 |
| Total | $ 788,923,499 | $ 27,577,324 |

**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

| Year Ending June 30 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2025 | $ 126,531,380 |
| 2026 | 756,545,086 |
| 2027 | (49,545,529) |
| 2028 | (72,184,762) |
| 2029 | - |
| Thereafter | - |
| Total | $ 761,346,175 |

**College's Deferral of Fiscal Year 2025 Contributions**

The College paid $479,199 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024, and are recognized as deferred outflows of resources as of June 30, 2025.

**Assumptions and Other Inputs**

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period June 30, 2020, through June 30, 2023. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.40 percent |
| Salary Increases | 3.15 to 15.00 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.

**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, 2024, these best estimates are summarized in the following table:

| Defined Benefit Plan | Strategic Policy Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| **Traditional Growth** | | |
| Global Public Equity | 36.0% | 7.13% |
| **Stabilized Growth** | | |
| Core Real Assets | 8.0% | 5.06% |
| Public Credit Fixed Income | 6.5% | 4.10% |
| Private Credit | 2.5% | 7.36% |
| **Non-Traditional Growth** | | |
| Private Equity | 11.0% | 10.92% |
| Non-Core Real Assets | 4.0% | 9.09% |
| **Inflation Sensitive** | | |
| U.S. TIPS | 5.0% | 2.12% |
| **Principal Protection** | | |
| Core Fixed Income | 10.0% | 1.34% |
| **Crisis Risk Offset** | | |
| Systematic Trend Following | 10.0% | 2.90% |
| Alternative Risk Premia | 3.0% | 2.62% |
| Long Duration | 2.0% | 2.84% |
| Long Volatility/Tail Risk | 2.0% | -1.22% |
| **Total** | 100.00% | 5.63% |
| **Inflation** | | 2.80% |
| **Expected Arithmetic Return** | | **8.43%** |

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

*Discount Rate.* A single discount rate of 6.35% 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 3.97% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity of 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 6.35%, 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:

| 1% Decrease 5.35% | Current Single Discount Rate Assumption 6.35% | 1% Increase 7.35% |
|---|---|---|
| $ 36,700,168,358 | $ 30,230,907,727 | $ 24,839,790,537 |

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.

**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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

**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, 2024, 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, 2024, the State's contributions to the RSP on behalf of individual employers totaled $96,741,887. Of this amount, $89,857,115 was funded via an appropriation from the State and $6,884,772 was funded from previously forfeited contributions.

**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 2024. The College's share of pensionable contributions was 0.3474%. As a result, the College recognized revenue and defined contribution pension expense of $336,060 from this special funding situation during the year ended June 30, 2025, of which $23,916 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 financial statements of the Department may be obtained by accessing the website at www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

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

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

*Contributions* – Beginning July 1, 2023 and through June 30, 2024, 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 0.75% 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 0.75% of the salary paid to its full-time employees who participate in the plan. Beginning July 1, 2024 and through June 30, 2026, the contribution rate shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed a 0.1 percentage point increase in the amount of salary actually required to be contributed for the previous fiscal year. Beginning July 1, 2026, the active member and employer contribution rates shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be contributed for the previous fiscal year. The State Pension Funds Continuing Appropriation 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, 2024. CIP reported a net OPEB liability on June 30, 2024 of $665,190,300.

*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 2025 is $6,888,009 or 1.035%. This amount is recognized in the financial statements. The change in the College's proportionate net OPEB liability was a decrease of 0.043%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2024, was $6,888,009. The total proportionate share of the net OPEB liability associated with the College on June 30, 2024, was $13,776,018. The net OPEB liability and total OPEB liability as of June 30, 2024, was determined based on the June 30, 2023, 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 2024.

*OPEB Expense*

On June 30, 2024, CIP reported a collective net OPEB expense (income) of ($252,150,464).

**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 2024. As a result, the College recognized on-behalf revenue and expense of $194,719 for the fiscal year ended June 30, 2025. Additionally, the College recognized OPEB income of $3,425,708 for the fiscal year ended June 30, 2025.

*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, and thus will not be recognized as an outflow (expense) until the future periods.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 87,323 | $ 2,075,324 |
| Changes of assumptions | 50,935 | 5,004,555 |
| Net difference between projected and actual investment earnings on OPEB plan investments | - | 3,415 |
| Changes in proportion and differences between employer contributions and share of contributions | 10,161 | 1,943,630 |
| Total deferred amounts to be recognized in pension expense in future periods | 148,419 | 9,026,924 |
| OPEB contributions made subsequent to the measurement date | 194,719 | - |
| Total | $ 343,138 | $ 9,026,924 |

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

The College reported $194,719 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, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

| Year Ending June 30 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2026 | $ (1,775,701) |
| 2027 | (1,775,701) |
| 2028 | (1,775,701) |
| 2029 | (1,775,701) |
| 2030 | (1,775,701) |
| Total | $ (8,878,505) |

**Assumptions and Other Inputs**

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, 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 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trends rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041. |

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

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-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 and PubT-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, 2023 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 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023. The increase in the single discount rate from 3.86% to 3.97% caused the total OPEB liability to decrease by approximately $6.3 million from 2023 to 2024.

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.

**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 3.97%, 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 (4.97%) or lower (2.97%) than the current rate:

**Sensitivity of Net OPEB Liability as of June 30, 2024 to the Single Discount Rate Assumption**

| | 1% Decrease (2.97%) | Current Single Discount Rate Assumption (3.97%) | 1% Increase (4.97%) |
|---|---|---|---|
| Net OPEB liability | $ 7,521,655 | $ 6,888,009 | $ 6,339,421 |

**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, 2024 to the Healthcare Cost Trend Rate Assumption**

| | 1% Decrease (b) | Healthcare Cost Trend Rates Assumption (a) | 1% Increase (c) |
|---|---|---|---|
| Net OPEB liability | $ 6,185,885 | $ 6,888,009 | $ 7,731,306 |

(a) Current healthcare trend rates – Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

(b) One percentage point decrease in current healthcare trend rates – Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate rate of 3.25% in 2041.

(c) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate rate of 5.25% in 2041.

### 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

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College is in the process of completing its assessment of the impact of these requirements.

### Note 12: Change in Accounting Principle

The implementation of GASB Statement No. 101, *Compensated Absences*, had the following effect on fund balance as reported at July 1, 2024:

| | GASB 35 Entries |
|---|---|
| Fund Balance, as previously reported | $ (452,637) |
| GASB Statement No. 101 | (386,531) |
| Restated Fund Balance, at July 1, 2024 | $ (839,168) |

The implementation of GASB Statement No. 101, *Compensated Absences*, had the following effect on net position as reported at July 1, 2024:

| | College |
|---|---|
| Net Position, as previously reported | $ 126,821,858 |
| GASB Statement No. 101 | (386,531) |
| Restated Net Position, at July 1, 2024 | $ 126,435,327 |

### Note 13: Subsequent Events

The College has evaluated subsequent events through December 15, 2025, which is the date the financial statements were available to be issued.

**Note 14: 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.

**Note 14: 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.

**Note 14: 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, 2025.

**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, 2025. 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, 2025.

**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 $139,579 for fiscal year ended June 30, 2025.

**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, 2025, 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, 2022.

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.

**Note 14: 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, 2025, was as follows:

| | Without Donor Restrictions | With Donor Restrictions | June 30, 2025 |
|---|---|---|---|
| Investment Income | $ 107,735 | $ 600,997 | $ 708,732 |
| Net Realized Gain in Investments | 94,199 | 501,631 | 595,830 |
| Net Unrealized Gain on Investments | 61,224 | 330,831 | 392,055 |
| Administrative and Investment Fee | (25,201) | (216,556) | (241,757) |
| Net Investment Income | $ 237,957 | $ 1,216,903 | $ 1,454,860 |

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 $102,178 for fiscal year ended June 30, 2025.

Investments cost and fair values are comprised of the following at June 30, 2025:

| | Cost | Value | Unrealized Gains | Unrealized Losses |
|---|---|---|---|---|
| U.S.Government Securities | $ 1,075,610 | $ 1,058,035 | $ 7,157 | $ (24,732) |
| U.S. Government Agencies | 34,914 | 34,924 | 10 | - |
| Corporate Bonds | 934,759 | 942,261 | 21,856 | (14,354) |
| Common Stock | 3,972,147 | 4,830,243 | 969,503 | (111,407) |
| Mutual Funds | 4,801,716 | 5,642,188 | 882,080 | (41,608) |
| Alternative Investments | 3,013,184 | 3,129,665 | 129,513 | (13,032) |
| | $ 13,832,330 | $ 15,637,316 | $ 2,010,119 | $ (205,133) |

**Note 14: 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 I 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.

**Note 14: 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, 2025:

| | Fair Value | Active Markets For Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| U.S.Government Securities | $ 1,058,035 | $ 1,058,035 | $ - | $ - |
| U.S. Government Agencies | 34,924 | 34,924 | - | - |
| Corporate Bonds | 942,261 | 942,261 | - | - |
| Common Stock | 4,830,243 | 4,830,243 | - | - |
| Mutual Funds | 5,642,188 | 5,642,188 | - | - |
| Alternative Investments | 3,129,665 | - | - | 3,129,665 |
| | $ 15,637,316 | $ 12,507,651 | $ - | $ 3,129,665 |

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, 2025.

**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 aid educational programs on the great rivers and river ecology.

**Note 14: 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.

**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, 2025 amounted to $11,486. The total decrease in the values of the policies during fiscal year 2025 was $591.

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

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

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

*Investments* - Investments with brokers are insured by the Securities Investor Protection Corporation (SIPC) up to $500,000 of which $250,000 may be cash. Insurance protects assets in the case of broker-dealer insolvency and not against declines in market valuation. As of June 30, 2025, 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.

**Note 14: Component Unit** (Continued)

**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 2025 are summarized as follows:

| | | |
|---|---|---|
| Scholarships | $ | 153,520 |
| Program Support | | 555,084 |
| Student Support | | 45,714 |
| Landscaping | | 3,980 |
| Other | | 1,986 |
| | $ | 760,284 |

**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.

*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.

**Note 14: Component Unit (Continued)**

**ENDOWMENT** (CONTINUED)

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.

**Note 14: 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, 2025, is as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 14,065,516 | $ 14,065,516 |
| Board-designated endowment funds | 841,977 | - | 841,977 |
| | $ 841,977 | $ 14,065,516 | $ 14,907,493 |

The endowment net assets and activity for the year ended June 30, 2025, consisted of the following:

| | Net Assets | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment net assets, beginning of year | $ 776,508 | $ 13,044,619 | $ 13,821,127 |
| Investment return: | | | |
| Investment income | 35,249 | 599,733 | 634,982 |
| Net realized and unrealized appreciation | 51,413 | 830,616 | 882,029 |
| Total investment return | 86,662 | 1,430,349 | 1,517,011 |
| Contributions and grants | - | 324,492 | 324,492 |
| Other income | 29 | - | 29 |
| Fund transfers | - | - | - |
| Appropriation of endowment funds for expenditure | (21,222) | (733,944) | (755,166) |
| Endowment net assets, end of year | $ 841,977 | $ 14,065,516 | $ 14,907,493 |

**Note 14: 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, 2025, the sum of the deficiencies in the individual donor-restricted endowment funds was $53,236.

**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, 2025:

| | |
|---|---|
| Cash and cash equivalents | $ 946,640 |
| Investments | 15,637,316 |
| Interest receivable | 17,073 |
| Total financial assets available within one year | 16,601,029 |
| Less: | |
| Amounts unavailable for general expenditures within one year, due to: | |
| Restricted by donors with purpose restrictions | 14,727,529 |
| Amounts unavailable to management without Board's approval: | |
| Board designated for endowment | 841,977 |
| Total financial assets available to management for expenditures within one year | $ 1,031,523 |

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

| Measurement Date June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Proportion percentage of the collective net pension liability | 0% | 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 | $ 141,610,641 | $ 139,323,310 | $ 148,076,791 | $ 153,745,383 | $ 165,014,939 | $ 158,391,193 | $ 150,175,269 | $ 141,445,619 | $ 145,139,292 | $ 132,382,465 |
| Employer covered payroll | $ 19,262,538 | $ 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 |
| Proportion of collective net pension liability associated with the College as a percentage of covered payroll | 7.35% | 7.42% | 8.18% | 8.08% | 8.21% | 7.92% | 7.67% | 7.19% | 7.17% | 6.54% |
| SURS plan net position as a percentage of total pension liability | 44.60% | 44.06% | 43.65% | 45.45% | 39.05% | 40.71% | 41.27% | 42.04% | 39.57% | 42.37% |

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

| Measurement Date June 30, | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Federal, trust, grant and other contribution | $ 479,199 | $ 457,953 | $ 426,782 | $ 310,383 | $ 314,241 | $ 313,493 | $ 295,512 | $ 237,228 | $ 291,172 | $ 250,765 |
| Contribution in relation to required contribution | 479,199 | 457,953 | 426,782 | 310,383 | 314,241 | 313,493 | 295,512 | 237,228 | 291,172 | 250,765 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Employer covered payroll | $ 20,057,644 | $ 19,262,538 | $ 18,770,669 | $ 18,097,459 | $ 19,037,527 | $ 20,093,933 | $ 20,001,937 | $ 19,582,481 | $ 19,663,007 | $ 20,252,966 |
| Contribution as a percentage of covered payroll | 2.39% | 2.38% | 2.27% | 1.72% | 1.65% | 1.56% | 1.48% | 1.21% | 1.48% | 1.24% |

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, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Proportion percentage of the collective net OPEB liability | 1.04% | 1.08% | 1.09% | 1.16% | 1.20% | 1.21% | 1.22% | | | |
| Proportion amount of the collective net OPEB liability | $ 6,888,009 | $ 7,615,865 | $ 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 | $ 6,888,009 | $ 7,615,865 | $ 7,477,336 | $ 20,130,047 | $ 21,885,197 | $ 22,816,742 | $ 22,910,966 | | | |
| Total collective net OPEB liability associated with the College | $ 13,776,018 | $ 15,231,730 | $ 14,954,672 | $ 40,260,094 | $ 43,770,394 | $ 45,633,484 | $ 45,821,932 | | | |
| District's covered payroll | $ 19,262,538 | $ 18,770,669 | $ 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 | 71.52% | 81.15% | 82.63% | 211.48% | 217.83% | 228.15% | 233.99% | | | |
| College insurance plan net position as a percentage of total OPEB liability | (18.45%) | (17.87%) | (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

| Measurement Date June 30, | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contribution | $ 194,719 | $ 164,635 | $ 106,644 | $ 103,007 | $ 107,844 | $ 110,421 | $ 108,451 | $ 106,126 | $ 105,183 | $ 106,824 |
| Contribution in relation to required statutorily | 194,719 | 164,635 | 106,644 | 103,007 | 107,844 | 110,421 | 108,451 | 106,126 | 105,183 | 106,824 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 20,057,644 | $ 19,262,538 | $ 18,770,669 | $ 18,097,459 | $ 19,037,527 | $ 20,093,933 | $ 20,001,937 | $ 19,582,481 | $ 19,663,007 | $ 20,252,966 |
| Contribution as a percentage of covered payroll | 0.97% | 0.85% | 0.57% | 0.57% | 0.57% | 0.55% | 0.54% | 0.54% | 0.53% | 0.53% |

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**

Public Act 103-0548, effective August 11, 2023, made changes to the calculation of service and eliminated the part-time adjustment for participants on or after September 1, 2024. This change was first reflected in the Total Pension Liability as of June 30, 2024.

**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, 2020 to June 30, 2023, was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below.

- Salary increase. The overall assumed rates of salary increase range from 3.15 percent to 15.00 percent based on years of service, with an underlying wage inflation of 2.40 percent.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return to 4.10 percent and assumed price inflation of 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts is 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, non-academic positions, and public safety positions. Rates are generally highest for public safety positions and lowest for academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and non-academic positions. Rates are generally higher for non-academic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase, with separate rates for academic and non-academic positions.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2021 scale, with separate rates for academic, non-academic, and public safety members.
- Disability rates. Separate rates are assumed for members in academic positions, non-academic positions, and public safety positions, as well as for males and females. Public safety disability incidence is assumed to be 50 percent line-of-duty related and 50 percent ordinary.
- Plan election. For non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For new academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for RSP.
- Cost of living adjustment. Annual annuity increases are assumed to be 3.00 percent for Tier 1 members and 1.20 percent for Tier 2 members.

**Note 3: Changes of OPEB Benefit Terms**

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2024.

**Note 4: Changes of OPEB Assumptions**

| | |
|---|---|
| Valuation Date | June 30, 2023 |
| Measurement Date | June 30, 2024 |
| Sponsor's Fiscal Year End | June 30, 2025 |

**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, 2024, contribution rates are 0.75% of pay for active members, 0.75% of pay for community colleges and 0.75% 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. |
| Mortality | Retirement and Beneficiary Annuitants: Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. |
| Healthcare Cost Trend Rates | Trend used plan year end 2025 and are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041. |
| 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

**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

**Per Capita Cost**

No. 6 - Certification of Per Capita Cost

See Independent Auditor's Report on Supplementary Information

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

| *Year Ended June 30, 2025* | EDUCATION FUND | OPERATIONS AND MAINTENANCE FUND | OPERATIONS AND MAINTENANCE RESTRICTED FUND | BOND AND INTEREST FUND | AUXILIARY FUND |
|---|---|---|---|---|---|
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | $ 19,304,180 | $ 12,106,770 | $ 29,186,494 | $ 7,188,300 | $ 825,006 |
| REVENUES: | | | | | |
| Local Tax Revenue | 9,325,179 | 6,218,385 | 2,815,573 | 11,885,847 | - |
| ICCB State Grants | 3,802,021 | 6,000 | - | - | - |
| All Other State Revenue | - | - | 868,034 | - | - |
| Federal Revenue | - | - | - | - | - |
| Student Tuition and Fees | 9,048,052 | 122,314 | - | - | 988,691 |
| On-Behalf CIP | - | - | - | - | - |
| On-Behalf SURS | - | - | - | - | - |
| Other Revenue | 752,805 | 558,841 | 1,239,145 | - | 463,325 |
| Total Revenues | 22,928,057 | 6,905,540 | 4,922,752 | 11,885,847 | 1,452,016 |
| EXPENDITURES: | | | | | |
| Instruction | 12,460,402 | - | - | - | - |
| Academic Support | 2,494,634 | - | - | - | - |
| Student Services | 2,966,064 | - | - | - | - |
| Public Services | - | - | - | - | - |
| Auxiliary Services | - | - | - | - | 1,532,511 |
| Operation and Maintenance of Plant Services | - | 7,225,033 | - | - | - |
| Institutional Support | 5,414,160 | 99,847 | 2,441,208 | 2,544 | - |
| Scholarships, Student Grants, and Waivers | 341,259 | - | - | - | 814,198 |
| Debt Service: | | | | | |
| Principal Retirement | 352,462 | - | - | 12,085,000 | - |
| Interest, Service Charges, and Issurance Costs | 49,888 | - | - | 2,311,127 | - |
| Total Expenditures | 24,078,869 | 7,324,880 | 2,441,208 | 14,398,671 | 2,346,709 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 1,729,736 | 292,120 | 141,600 | 2,307,300 | 1,014,434 |
| Transfers Out | (1,088,049) | - | (2,448,900) | - | (174,476) |
| SBITA Proceeds | - | - | - | - | - |
| Total other financing sources (uses) | 641,687 | 292,120 | (2,307,300) | 2,307,300 | 839,958 |
| NET CHANGE IN FUND BALANCE | (509,125) | (127,220) | 174,244 | (205,524) | (54,735) |
| FUND BALANCE (DEFICIT), END OF YEAR | $ 18,795,055 | $ 11,979,550 | $ 29,360,738 | $ 6,982,776 | $ 770,271 |

See Independent Auditor's Report on Supplementary Information

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

| *Year Ended June 30, 2025* | RESTRICTED PURPOSE FUND | WORKING CASH FUND | AUDIT FUND | LIABILITY PROTECTION SETTLEMENT FUND | TOTAL |
|---|---|---|---|---|---|
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | $ 7,950,562 | $ 15,576,263 | $ 8,260 | $ 834,819 | $ 92,980,654 |
| REVENUES: | | | | | |
| Local Tax Revenue | - | - | 73,157 | 3,054,451 | 33,372,592 |
| ICCB State Grants | 1,021,491 | - | - | - | 4,829,512 |
| All Other State Revenue | 5,787,659 | - | - | - | 6,655,693 |
| Federal Revenue | 11,222,272 | - | - | - | 11,222,272 |
| Student Tuition and Fees | 752,566 | - | - | - | 10,911,623 |
| On-Behalf CIP | 194,719 | - | - | - | 194,719 |
| On-Behalf SURS | 9,687,261 | - | - | - | 9,687,261 |
| Other Revenue | 1,682,256 | 2,088,446 | - | 5,101 | 6,789,919 |
| Total Revenues | 30,348,224 | 2,088,446 | 73,157 | 3,059,552 | 83,663,591 |
| EXPENDITURES: | | | | | |
| Instruction | 5,802,150 | - | - | - | 18,262,552 |
| Academic Support | 1,966,343 | - | - | - | 4,460,977 |
| Student Services | 1,370,693 | - | - | - | 4,336,757 |
| Public Services | 7,734,182 | - | - | - | 7,734,182 |
| Auxiliary Services | 669,953 | - | - | - | 2,202,464 |
| Operation and Maintenance of Plant Services | 555,302 | - | - | 1,666,513 | 9,446,848 |
| Institutional Support | 5,557,076 | - | 70,638 | 1,410,642 | 14,996,115 |
| Scholarships, Student Grants, and Waivers | 7,455,054 | - | - | - | 8,610,511 |
| Debt Service: | | | | | |
| Principal Retirement | 252,566 | - | - | - | 12,690,028 |
| Interest, Service Charges, and Issurance Costs | 35,147 | - | - | - | 2,396,162 |
| Total Expenditures | 31,398,466 | - | 70,638 | 3,077,155 | 85,136,596 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 1,821,565 | - | - | - | 7,306,755 |
| Transfers Out | (2,945,330) | (650,000) | - | - | (7,306,755) |
| SBITA Proceeds | 649,208 | - | - | - | 649,208 |
| Total other financing sources (uses) | (474,557) | (650,000) | - | - | 649,208 |
| NET CHANGE IN FUND BALANCE | (1,524,799) | 1,438,446 | 2,519 | (17,603) | (823,797) |
| FUND BALANCE (DEFICIT), END OF YEAR | $ 6,425,763 | $ 17,014,709 | $ 10,779 | $ 817,216 | $ 92,156,857 |

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

| *Year Ended June 30, 2025* | BALANCE JUNE 30, 2024 (AS RESTATED) | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2025 |
|---|---|---|---|---|
| Capital Assets: | | | | |
| Site and Improvements | $ 23,617,927 | $ 1,355,798 | $ 920,837 | $ 24,052,888 |
| Buildings, Additions, and Improvements | 184,046,566 | 1,908,629 | - | 185,955,195 |
| Equipment | 13,551,560 | 952,176 | 458,418 | 14,045,318 |
| Sculptures and Art | 2,535,505 | - | - | 2,535,505 |
| Construction in Progress | 2,455,667 | 1,273,571 | 1,745,664 | 1,983,574 |
| Subscription Software | 3,346,150 | 649,208 | 449,388 | 3,545,970 |
| Total Capital Assets | 229,553,375 | 6,139,382 | 3,574,307 | 232,118,450 |
| Accumulated Depreciation and Amortization | 100,908,118 | 5,724,035 | 1,828,643 | 104,803,510 |
| Total Net Capital Assets | 128,645,257 | 415,347 | 1,745,664 | 127,314,940 |
| Long-Term Debt: | | | | |
| Bonds Payable | 67,166,246 | 53,754 | 9,880,000 | 57,340,000 |
| Bond Premium | 3,213,208 | - | 780,070 | 2,433,138 |
| Subscription Liability | 1,898,246 | 649,208 | 605,028 | 1,942,426 |
| OPEB Liability | 7,615,865 | - | 727,856 | 6,888,009 |
| Accrued Compensated Absences | 1,297,121 | 38,571 | - | 1,335,692 |
| Debt Certificates | 3,660,000 | - | 2,205,000 | 1,455,000 |
| Debt Certificates Premium | 242,520 | - | 92,577 | 149,943 |
| Total Long-term Debt | $ 85,093,206 | $ 741,533 | $ 14,290,531 | $ 71,544,208 |

See Auditor's Report on Supplementary Information

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

| *Year Ended June 30, 2025* | EDUCATION FUND | OPERATIONS AND MAINTENANCE FUND | TOTAL OPERATING FUNDS |
|---|---|---|---|
| Operating Revenues by Source | | | |
| Local Government: | | | |
| Local Taxes | $ 8,514,821 | $ 5,678,146 | $ 14,192,967 |
| Corporate Personal Property Replacement Taxes | 810,358 | 540,239 | 1,350,597 |
| Tuition Chargeback Revenue | - | - | - |
| Total Local Government | 9,325,179 | 6,218,385 | 15,543,564 |
| State Government: | | | |
| ICCB Base Operating Grant | 3,248,689 | 6,000 | 3,254,689 |
| ICCB Equalization Grant | 239,680 | - | 239,680 |
| ICCB Career & Technical Education | 313,652 | - | 313,652 |
| Total State Government | 3,802,021 | 6,000 | 3,808,021 |
| Student Tuition and Fees: | | | |
| Tuition | 7,387,908 | 6,000 | 7,393,908 |
| Student Fees | 1,660,144 | 116,314 | 1,776,458 |
| Total Student Tuition and Fees | 9,048,052 | 122,314 | 9,170,366 |
| Other Sources: | | | |
| Sales and Service Fees | 63,733 | - | 63,733 |
| Facilities Revenue | - | 183,922 | 183,922 |
| Investment Income | 565,820 | 364,504 | 930,324 |
| Nongovernmental Grants | 20,000 | - | 20,000 |
| Other Revenues | 103,252 | 10,415 | 113,667 |
| Total Other Sources | 752,805 | 558,841 | 1,311,646 |
| Total Revenue | 22,928,057 | 6,905,540 | 29,833,597 |
| Less nonoperating items: | | | |
| Tuition Chargeback Revenue | - | - | - |
| Adjusted Revenue | $ 22,928,057 | $ 6,905,540 | $ 29,833,597 |

See Auditor's Report on Supplementary Information

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

| *Year Ended June 30, 2025* | EDUCATION FUND | OPERATIONS AND MAINTENANCE FUND | TOTAL OPERATING FUNDS |
|---|---|---|---|
| Operating Expenditures | | | |
| By Program: | | | |
| Instruction | $ 12,460,402 | $ - | $ 12,460,402 |
| Academic Support | 2,695,809 | - | 2,695,809 |
| Student Services | 2,966,064 | - | 2,966,064 |
| Operation and Maintenance of Plant Services | - | 7,225,033 | 7,225,033 |
| Institutional Support | 5,615,335 | 99,847 | 5,715,182 |
| Scholarships, Student Grants, and Waivers | 341,259 | - | 341,259 |
| Total Expenditures | 24,078,869 | 7,324,880 | 31,403,749 |
| Less nonoperating items: | | | |
| Tuition Chargeback | - | - | - |
| Adjusted Expenditures | 24,078,869 | 7,324,880 | 31,403,749 |
| By Object: | | | |
| Salaries | 18,499,463 | 1,255,715 | 19,755,178 |
| Employee Benefits | 2,183,625 | 213,516 | 2,397,141 |
| Contractual Services | 583,961 | 2,805,755 | 3,389,716 |
| General Materials and Supplies | 1,590,939 | 706,109 | 2,297,048 |
| Travel, Conference, and Meeting Expense | 259,556 | 5,935 | 265,491 |
| Fixed Charges | 22,464 | 100,343 | 122,807 |
| Utilities | - | 1,883,286 | 1,883,286 |
| Capital Outlay | - | 354,221 | 354,221 |
| Debt Service | 402,350 | - | 402,350 |
| Other | 536,511 | - | 536,511 |
| Total Expenditures | 24,078,869 | 7,324,880 | 31,403,749 |
| Less nonoperating items: | | | |
| Tuition Chargeback | - | - | - |
| Adjusted Expenditures | $ 24,078,869 | $ 7,324,880 | $ 31,403,749 |

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, 2025* | RESTRICTED PURPOSES FUND |
|---|---|
| Revenue by Source: | |
| Local Government: | |
| Property Taxes | $ - |
| State Government: | |
| ICCB: | |
| Adult Education | 333,548 |
| Other | 687,943 |
| Illinois School Board of Education | 274,576 |
| On-Behalf CIP | 194,719 |
| On-Behalf SURS | 9,687,261 |
| Other State Government | 5,513,083 |
| Total State Government | 16,691,130 |
| Federal Government: | |
| Department of Education: | |
| Adult Education | 247,944 |
| FSEOG | 148,626 |
| Federal Work Study | 124,311 |
| Pell Grant | 5,296,412 |
| Federal Direct Student Loans | 1,691,981 |
| TRIO - Talent Search | 379,237 |
| TRIO - Upward Bound | 404,265 |
| Career & Technical Education | 355,517 |
| Department of Labor: | |
| YouthBuild | 346,918 |
| WIOA - Youth Employment Enhancement | 66,190 |
| Other Federal Government Sources: | |
| Americorps | 140,606 |
| Illinois Department of Natural Resources | 588,563 |
| Natural Resources Conservation Service | 1,164,813 |
| Other | 266,889 |
| Total Federal Government | $ 11,222,272 |

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, 2025* | RESTRICTED PURPOSES FUND |
|---|---|
| Revenue by Source (Continued): | |
| Other Sources: | |
| Student Tuition and Fees | $ 752,566 |
| Sales and Service Fees | 257,162 |
| Facilities Revenue | 4,988 |
| Investment Income | 184,117 |
| Nongovernmental Grants | 921,916 |
| Miscellaneous Revenue | 314,073 |
| Total Other Sources | 2,434,822 |
| Total Restricted Purposes Fund Revenues | 30,348,224 |
| Expenditures by Program: | |
| Instruction | 5,802,150 |
| Academic Support | 2,254,056 |
| Student Services | 1,370,693 |
| Public Services | 7,734,182 |
| Auxiliary Services | 669,953 |
| Operating and Maintenance of Plant Services | 555,302 |
| Institutional Support | 5,557,076 |
| Scholarships, Student Grants, and Waivers | 7,455,054 |
| Total Restricted Purposes Fund Expenditures by Program | 31,398,466 |
| Expenditures by Object: | |
| Salaries | 5,522,439 |
| Employee Benefits | 11,376,954 |
| Contractual Services | 2,570,762 |
| General Materials and Supplies | 1,538,306 |
| Travel, Conference, and Meeting Expense | 420,051 |
| Fixed Charges | 30,682 |
| Utilities | 127,726 |
| Capital Outlay | 1,568,558 |
| Debt Service | 287,713 |
| Other | 7,955,275 |
| Total Restricted Purposes Fund Expenditures by Object | $ 31,398,466 |

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, 2025* | CURRENT FUNDS |
|---|---|
| Instruction: | |
| Instructional Programs | $ 13,901,004 |
| Other | 4,361,548 |
| Total Instruction | 18,262,552 |
| Academic Support: | |
| Library Center | 518,159 |
| Instructional Materials Center | 171,283 |
| Academic Computing Support | 2,060,605 |
| Debt Service | 488,888 |
| Academic Administration and Planning | 774,960 |
| Other Academic Support | 935,970 |
| Total Academic Support | 4,949,865 |
| Student Services: | |
| Admissions and Records | 1,005,360 |
| Counseling & Career Guidance | 1,191,186 |
| Health Services | - |
| Financial Aid Administration | 528,012 |
| Social and Cultural Development | 191,363 |
| Other Student Services | 1,420,836 |
| Total Student Services | 4,336,757 |
| Public Service/Continuing Education: | |
| Community Education | 606,681 |
| Customized Training | 1,164,966 |
| Community Services | 144,880 |
| Other Public Services | 5,817,655 |
| Total Public Service/Continuing Education | 7,734,182 |
| Auxiliary | 2,202,464 |
| Operations and Maintenance of Plant: | |
| Maintenance | 2,478,737 |
| Custodial Services | 1,214,361 |
| Grounds | 569,080 |
| Campus Security | 2,164,746 |
| Transportation | 96,750 |
| Plant Utilities | 1,967,106 |
| Administration | 102,855 |
| Other Operations and Maintenance | 853,213 |
| Total Operations and Maintenance of Plant | $ 9,446,848 |

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, 2025* | CURRENT FUNDS |
|---|---|
| Institutional Support: | |
| Executive Management | $ 1,146,164 |
| Fiscal Operations | 1,034,466 |
| Community Relations | 435,457 |
| Administrative Support Services | 757,403 |
| Board of Trustees | 23,592 |
| General Institution | 3,202,876 |
| Institutional Research | 104,634 |
| Administrative Data Processing | 1,710,751 |
| Other Institutional Support | 4,338,195 |
| Total Institutional Support | 12,753,538 |
| Scholarships, Grants, Waivers | 8,610,511 |
| Total Current Funds Expenditures | $ 68,296,717 |

* 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
CERTIFICATION OF PER CAPITA COST
FOR FISCAL YEAR 2026

All fiscal year 2025 noncapital audited operating expenditures from the following funds:

| | | | |
|---|---|---|---|
| 1. | Education Fund | $ 23,676,519 | |
| 2. | Operations and Maintenance Fund | 6,970,659 | |
| 3. | Bond and Interest Fund | 8,877,358 | |
| 5. | Public Building Commision Rental Fund | - | |
| 6. | Restricted Purposes Fund | 19,660,217 | |
| 7. | Audit Fund | 70,638 | |
| 8. | Liability, Protection, and Settlement Fund | 3,077,155 | |
| 9. | Auxiliary Enterprises Fund (subsidy only) | - | |
| 10. | Total noncapital expenditures (sum of lines 1-9) | | 62,332,546 |
| 11. | Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds | 3,234,464 | |
| 12. | Total costs included (line 10 plus line 11) | | 65,567,010 |
| 13. | Total certified semester credit hours for FY 2025 | 70,145 | |
| 14. | Per capita cost (line 12 divided by line 13) | | 934.74 |

Approved: _____ 12-15-25
President Date

Mary Schulte 12-15-25
Vice President Date

See Independent Auditor's Report on Supplementary Information

# Other Financial Information

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

| | EDUCATION FUND | OPERATIONS AND MAINTENANCE FUND | OPERATIONS AND MAINTENANCE RESTRICTED FUND | BOND AND INTEREST FUND |
|---|---|---|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Cash and Cash Equivalents | $ 72,318 | $ - | $ 952,815 | $ - |
| Investments | 10,277,212 | 6,794,080 | 25,548,326 | - |
| Receivables, net: | | | | |
| Taxes Receivable | 8,676,111 | 5,784,074 | 2,898,152 | 11,274,664 |
| Government Claims Receivable | 139,740 | 93,160 | - | - |
| Student Tuition Receivable (net) | 3,484,427 | - | - | - |
| Accrued Interest | 134,253 | 91,591 | 231,276 | - |
| Other Receivables | 15,485 | 23,000 | - | - |
| Prepaid Expenses & Other | 253,821 | 0 | - | - |
| Interfund Receivables | 6,297,925 | 3,224,302 | 1,566,262 | 1,750,258 |
| Right of Use Assets - SBITAs, Net of Amortization | - | - | - | - |
| Capital Assets, Net of Accumulated Depreciation | - | - | - | - |
| Total Assets | 29,351,292 | 16,010,207 | 31,196,831 | 13,024,922 |
| Deferred Outflows of Resources: | | | | |
| Deferred Outflows Related to OPEB | - | - | - | - |
| Deferred Outflows Related to Pension | - | - | - | - |
| Deferred Loss on Refunding Bonds | - | - | - | - |
| Total Deferred Outflow of Resources | - | - | - | - |
| Total Assets and Deferred Outflow of Resources | 29,351,292 | 16,010,207 | 31,196,831 | 13,024,922 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | |
| Accounts Payable | 299,497 | 1,036,193 | 382,432 | 318 |
| Accrued Expenses & Compensated Absences | 2,273,184 | - | - | 386,658 |
| Unearned Tuition and Fees | 3,631,774 | 44,139 | - | - |
| Unearned Grants and Other Deferred Revenue | - | 49,137 | - | - |
| SBITA Liability | - | - | - | - |
| Bonds Payable | - | - | - | - |
| Debt Certificates | - | - | - | - |
| OPEB Liability | - | - | - | - |
| Total Liabilities | 6,204,455 | 1,129,469 | 382,432 | 386,976 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Property Taxes | 4,351,782 | 2,901,188 | 1,453,661 | 5,655,170 |
| Deferred Inflows of OPEB Resources | - | - | - | - |
| Total Deferred Inflows of Resources | 4,351,782 | 2,901,188 | 1,453,661 | 5,655,170 |
| Total Liabilites and Deferred Inflows of Resources | 10,556,237 | 4,030,657 | 1,836,093 | 6,042,146 |
| FUND BALANCE (DEFICIT) | | | | |
| Net Investment in Capital Assets | - | - | - | - |
| Restricted Fund Balance | - | - | 29,360,738 | 6,982,776 |
| Unrestricted | 18,795,055 | 11,979,550 | - | - |
| Total Fund Balance | 18,795,055 | 11,979,550 | 29,360,738 | 6,982,776 |
| Total Liabilities, Deferred Inflows or Resources and Fund Balances | $ 29,351,292 | $ 16,010,207 | $ 31,196,831 | $ 13,024,922 |

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

| | AUXILIARY FUND | RESTRICTED PURPOSE FUND | WORKING CASH FUND | AUDIT FUND |
|---|---|---|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Cash and Cash Equivalents | $ - | $ 5,835 | $ - | $ - |
| Investments | - | 3,282,930 | 34,756,625 | - |
| Receivables, net: | | | | |
| Taxes Receivable | - | - | - | 73,372 |
| Government Claims Receivable | - | 2,293,544 | - | - |
| Student Tuition Receivable (net) | - | - | - | - |
| Accrued Interest | - | 24,115 | 361,187 | - |
| Other Receivables | 181,171 | - | - | - |
| Prepaid Expenses & Other | - | 201,401 | - | - |
| Interfund Receivables | 1,001,586 | 4,912,080 | (18,101,306) | (25,791) |
| Right of Use Assets - SBITAs, Net of Amortization | - | - | - | - |
| Capital Assets, Net of Accumulated Depreciation | - | - | - | - |
| Total Assets | 1,182,757 | 10,719,905 | 17,016,506 | 47,581 |
| Deferred Outflows of Resources: | | | | |
| Deferred Outflows Related to OPEB | - | - | - | - |
| Deferred Outflows Related to Pension | - | - | - | - |
| Deferred Loss on Refunding Bonds | - | - | - | - |
| Total Deferred Outflow of Resources | - | - | - | - |
| Total Assets and Deferred Outflow of Resources | 1,182,757 | 10,719,905 | 17,016,506 | 47,581 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | |
| Accounts Payable | 13,764 | 614,127 | 1,797 | - |
| Accrued Expenses & Compensated Absences | 4,763 | 28,086 | - | - |
| Unearned Tuition and Fees | 375,149 | 190,721 | - | - |
| Unearned Grants and Other Deferred Revenue | 18,810 | 3,461,208 | - | - |
| SBITA Liability | - | - | - | - |
| Bonds Payable | - | - | - | - |
| Debt Certificates | - | - | - | - |
| OPEB Liability | - | - | - | - |
| Total Liabilities | 412,486 | 4,294,142 | 1,797 | - |
| Deferred Inflows of Resources: | | | | |
| Unavailable Property Taxes | - | - | - | 36,802 |
| Deferred Inflows of OPEB Resources | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | 36,802 |
| Total Liabilites and Deferred Inflows of Resources | 412,486 | 4,294,142 | 1,797 | 36,802 |
| FUND BALANCE (DEFICIT) | | | | |
| Net Investment in Capital Assets | - | - | - | - |
| Restricted Fund Balance | - | 6,425,763 | - | - |
| Unrestricted | 770,271 | - | 17,014,709 | 10,779 |
| Total Fund Balance | 770,271 | 6,425,763 | 17,014,709 | 10,779 |
| Total Liabilities, Deferred Inflows or Resources and Fund Balances | $ 1,182,757 | $ 10,719,905 | $ 17,016,506 | $ 47,581 |

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

| | LIABILITY PROTECTION SETTLEMENT FUND | FUND TOTALS BEFORE GASB ADJUSTMENTS |
|---|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Cash and Cash Equivalents | $ - | $ 1,030,968 |
| Investments | - | 80,659,173 |
| Receivables, net: | | |
| Taxes Receivable | 3,234,431 | 31,940,804 |
| Government Claims Receivable | - | 2,526,444 |
| Student Tuition Receivable (net) | - | 3,484,427 |
| Accrued Interest | - | 842,422 |
| Other Receivables | 5,998 | 225,654 |
| Prepaid Expenses & Other | 31,423 | 486,645 |
| Interfund Receivables | (625,316) | - |
| Right of Use Assets - SBITAs, Net of Amortization | - | - |
| Capital Assets, Net of Accumulated Depreciation | - | - |
| Total Assets | 2,646,536 | 121,196,537 |
| Deferred Outflows of Resources: | | |
| Deferred Outflows Related to OPEB | - | - |
| Deferred Outflows Related to Pension | - | - |
| Deferred Loss on Refunding Bonds | - | - |
| Total Deferred Outflow of Resources | - | - |
| Total Assets and Deferred Outflow of Resources | 2,646,536 | 121,196,537 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | |
| Accounts Payable | 206,987 | 2,555,115 |
| Accrued Expenses & Compensated Absences | - | 2,692,691 |
| Unearned Tuition and Fees | - | 4,241,783 |
| Unearned Grants and Other Deferred Revenue | - | 3,529,155 |
| SBITA Liability | - | - |
| Bonds Payable | - | - |
| Debt Certificates | - | - |
| OPEB Liability | - | - |
| Total Liabilities | 206,987 | 13,018,744 |
| Deferred Inflows of Resources: | | |
| Unavailable Property Taxes | 1,622,333 | 16,020,936 |
| Deferred Inflows of OPEB Resources | - | - |
| Total Deferred Inflows of Resources | 1,622,333 | 16,020,936 |
| Total Liabilites and Deferred Inflows of Resources | 1,829,320 | 29,039,680 |
| FUND BALANCE (DEFICIT) | | |
| Net Investment in Capital Assets | - | - |
| Restricted Fund Balance | - | 42,769,277 |
| Unrestricted | 817,216 | 49,387,580 |
| Total Fund Balance | 817,216 | 92,156,857 |
| Total Liabilities, Deferred Inflows or Resources and Fund Balances | $ 2,646,536 | $ 121,196,537 |

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

| | GASB ADJUSTMENTS | | | |
|---|---|---|---|---|
| | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | GASB 35 ENTRIES | ADJUSTED FUND TOTALS |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Cash and Cash Equivalents | $ - | $ - | $ - | $ 1,030,968 |
| Investments | - | - | - | 80,659,173 |
| Receivables, net: | | | | |
| Taxes Receivable | - | - | - | 31,940,804 |
| Government Claims Receivable | - | - | - | 2,526,444 |
| Student Tuition Receivable (net) | - | - | - | 3,484,427 |
| Accrued Interest | - | - | - | 842,422 |
| Other Receivables | - | - | - | 225,654 |
| Prepaid Expenses & Other | - | - | - | 486,645 |
| Interfund Receivables | - | - | - | 0 |
| Right of Use Assets - SBITAs, Net of Amortization | | 2,015,745 | - | 2,015,745 |
| Capital Assets, Net of Accumulated Depreciation | 125,299,195 | - | - | 125,299,195 |
| Total Assets | 125,299,195 | 2,015,745 | - | 248,511,477 |
| Deferred Outflows of Resources: | | | | |
| Deferred Outflows Related to OPEB | - | 343,138 | - | 343,138 |
| Deferred Outflows Related to Pension | - | - | 479,199 | 479,199 |
| Deferred Loss on Refunding Bonds | - | 494,881 | - | 494,881 |
| Total Deferred Outflow of Resources | - | 838,019 | 479,199 | 1,317,218 |
| Total Assets and Deferred Outflow of Resources | 125,299,195 | 2,853,764 | 479,199 | 249,828,695 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | |
| Accounts Payable | - | - | - | 2,555,115 |
| Accrued Expenses & Compensated Absences | - | - | 1,335,692 | 4,028,383 |
| Unearned Tuition and Fees | - | - | - | 4,241,783 |
| Unearned Grants and Other Deferred Revenue | - | - | - | 3,529,155 |
| SBITA Liability | - | 1,942,426 | - | 1,942,426 |
| Bonds Payable | - | 59,773,138 | - | 59,773,138 |
| Debt Certificates | - | 1,604,943 | - | 1,604,943 |
| OPEB Liability | - | 6,888,009 | - | 6,888,009 |
| Total Liabilities | - | 70,208,516 | 1,335,692 | 84,562,952 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Property Taxes | - | - | - | 16,020,936 |
| Deferred Inflows of OPEB Resources | - | 9,026,924 | - | 9,026,924 |
| Total Deferred Inflows of Resources | - | 9,026,924 | - | 25,047,860 |
| Total Liabilites and Deferred Inflows of Resources | - | 79,235,440 | 1,335,692 | 109,610,812 |
| FUND BALANCE (DEFICIT) | | | | |
| Net Investment in Capital Assets | 125,299,195 | (37,817,897) | - | 87,481,298 |
| Restricted Fund Balance | - | - | - | 42,769,277 |
| Unrestricted | - | (38,563,779) | (856,493) | 9,967,308 |
| Total Fund Balance | 125,299,195 | (76,381,676) | (856,493) | 140,217,883 |
| Total Liabilities, Deferred Inflows or Resources and Fund Balances | $ 125,299,195 | $ 2,853,764 | $ 479,199 | $ 249,828,695 |

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

| | EDUCATION FUND | OPERATIONS AND MAINTENANCE FUND | OPERATIONS AND MAINTENANCE RESTRICTED FUND | BOND AND INTEREST FUND |
|---|---|---|---|---|
| REVENUES: | | | | |
| Local Government | $ 9,325,179 | $ 6,218,385 | $ 2,815,573 | $ 11,885,847 |
| State Government | 3,802,021 | 6,000 | 868,034 | - |
| State On-Behalf - SURS and CIP | - | - | - | - |
| Federal Government | - | - | - | - |
| Student Tuition and Fees | 9,048,052 | 122,314 | - | - |
| Sales and Service Fees | 63,733 | - | - | - |
| Facilities Revenue | - | 183,922 | - | - |
| Investment Income | 565,820 | 364,504 | 1,239,145 | - |
| Nongovernmental Grants | 20,000 | - | - | - |
| Other Revenue | 103,252 | 10,415 | - | - |
| Total Revenues | 22,928,057 | 6,905,540 | 4,922,752 | 11,885,847 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Instruction | 12,460,402 | - | - | - |
| Academic Support | 2,494,634 | - | - | - |
| Student Services | 2,966,064 | - | - | - |
| Public Services | - | - | - | - |
| Auxiliary Services | - | - | - | - |
| Operation and Maintenance of Plant Services | - | 7,225,033 | - | - |
| Institutional Support | 5,414,160 | 99,847 | 2,441,208 | 2,544 |
| Scholarships, Student Grants, and Waivers | 341,259 | - | - | - |
| Depreciation Expense | - | - | - | - |
| Debt Service: | | | | |
| Principal Retirement | 352,462 | - | - | 12,085,000 |
| Interest, Service Charges, and Issuance Costs | 49,888 | - | - | 2,311,127 |
| Total Expenditures | 24,078,869 | 7,324,880 | 2,441,208 | 14,398,671 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,150,812) | (419,340) | 2,481,544 | (2,512,824) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 1,729,736 | 292,120 | 141,600 | 2,307,300 |
| Transfers Out | (1,088,049) | - | (2,448,900) | - |
| SBITA Proceeds | - | - | - | - |
| Total Other Financing Sources (Uses) | 641,687 | 292,120 | (2,307,300) | 2,307,300 |
| NET CHANGE IN FUND BALANCE | (509,125) | (127,220) | 174,244 | (205,524) |
| FUND BALANCE, BEGINNING OF YEAR, AS RESTATED | 19,304,180 | 12,106,770 | 29,186,494 | 7,188,300 |
| FUND BALANCE, END OF YEAR | $ 18,795,055 | $ 11,979,550 | $ 29,360,738 | $ 6,982,776 |

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

| | AUXILIARY FUND | RESTRICTED PURPOSE FUND | WORKING CASH FUND | AUDIT FUND |
|---|---|---|---|---|
| REVENUES: | | | | |
| Local Government | $ - | $ - | $ - | $ 73,157 |
| State Government | - | 6,809,150 | - | - |
| State On-Behalf - SURS and CIP | - | 9,881,980 | - | - |
| Federal Government | - | 11,222,272 | - | - |
| Student Tuition and Fees | 988,691 | 752,566 | - | - |
| Sales and Service Fees | 230,064 | 257,162 | - | - |
| Facilities Revenue | 206,215 | 4,988 | - | - |
| Investment Income | - | 184,117 | 2,088,446 | - |
| Nongovernmental Grants | - | 921,916 | - | - |
| Other Revenue | 27,046 | 314,073 | - | - |
| Total Revenues | 1,452,016 | 30,348,224 | 2,088,446 | 73,157 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Instruction | - | 5,802,150 | - | - |
| Academic Support | - | 1,966,343 | - | - |
| Student Services | - | 1,370,693 | - | - |
| Public Services | - | 7,734,182 | - | - |
| Auxiliary Services | 1,532,511 | 669,953 | - | - |
| Operation and Maintenance of Plant Services | - | 555,302 | - | - |
| Institutional Support | - | 5,557,076 | - | 70,638 |
| Scholarships, Student Grants, and Waivers | 814,198 | 7,455,054 | - | - |
| Depreciation Expense | - | - | - | - |
| Debt Service: | | | | |
| Principal Retirement | - | 252,566 | - | - |
| Interest, Service Charges, and Issuance Costs | - | 35,147 | - | - |
| Total Expenditures | 2,346,709 | 31,398,466 | - | 70,638 |
| Excess (Deficiency) of Revenues Over Expenditures | (894,693) | (1,050,242) | 2,088,446 | 2,519 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 1,014,434 | 1,821,565 | - | - |
| Transfers Out | (174,476) | (2,945,330) | (650,000) | - |
| SBITA Proceeds | - | 649,208 | - | - |
| Total Other Financing Sources (Uses) | 839,958 | (474,557) | (650,000) | - |
| NET CHANGE IN FUND BALANCE | (54,735) | (1,524,799) | 1,438,446 | 2,519 |
| FUND BALANCE, BEGINNING OF YEAR, AS RESTATED | 825,006 | 7,950,562 | 15,576,263 | 8,260 |
| FUND BALANCE, END OF YEAR | $ 770,271 | $ 6,425,763 | $ 17,014,709 | $ 10,779 |

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 | $ 3,054,451 | $ 33,372,592 |
| State Government | - | 11,485,205 |
| State On-Behalf - SURS and CIP | - | 9,881,980 |
| Federal Government | - | 11,222,272 |
| Student Tuition and Fees | - | 10,911,623 |
| Sales and Service Fees | - | 550,959 |
| Facilities Revenue | - | 395,125 |
| Investment Income | - | 4,442,032 |
| Nongovernmental Grants | - | 941,916 |
| Other Revenue | 5,101 | 459,887 |
| Total Revenues | 3,059,552 | 83,663,591 |
| EXPENDITURES: | | |
| Current: | | |
| Instruction | - | 18,262,552 |
| Academic Support | - | 4,460,977 |
| Student Services | - | 4,336,757 |
| Public Services | - | 7,734,182 |
| Auxiliary Services | - | 2,202,464 |
| Operation and Maintenance of Plant Services | 1,666,513 | 9,446,848 |
| Institutional Support | 1,410,642 | 14,996,115 |
| Scholarships, Student Grants, and Waivers | - | 8,610,511 |
| Depreciation Expense | - | - |
| Debt Service: | | |
| Principal Retirement | - | 12,690,028 |
| Interest, Service Charges, and Issuance Costs | - | 2,396,162 |
| Total Expenditures | 3,077,155 | 85,136,596 |
| Excess (Deficiency) of Revenues Over Expenditures | (17,603) | (1,473,005) |
| OTHER FINANCING SOURCES (USES): | | |
| Transfers In | - | 7,306,755 |
| Transfers Out | - | (7,306,755) |
| SBITA Proceeds | - | 649,208 |
| Total Other Financing Sources (Uses) | - | 649,208 |
| NET CHANGE IN FUND BALANCE | (17,603) | (823,797) |
| FUND BALANCE, BEGINNING OF YEAR, AS RESTATED | 834,819 | 92,980,654 |
| FUND BALANCE, END OF YEAR | $ 817,216 | $ 92,156,857 |

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

| | GASB ADJUSTMENTS | | | |
|---|---|---|---|---|
| | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | GASB 35 ENTRIES | ADJUSTED TOTALS |
| REVENUES: | | | | |
| Local Government | $ - | $ - | $ - | $ 33,372,592 |
| State Government | - | - | - | 11,485,205 |
| State On-Behalf - SURS and CIP | - | - | - | 9,881,980 |
| Federal Government | - | - | - | 11,222,272 |
| Student Tuition and Fees | - | - | (5,268,776) | 5,642,847 |
| Sales and Service Fees | - | - | - | 550,959 |
| Facilities Revenue | - | - | - | 395,125 |
| Investment Income | - | - | - | 4,442,032 |
| Nongovernmental Grants | - | - | - | 941,916 |
| Other Revenue | - | - | - | 459,887 |
| Total Revenues | - | - | (5,268,776) | 78,394,815 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Instruction | (152,171) | (1,468,427) | 12,680 | 16,654,634 |
| Academic Support | - | (875,715) | (21,473) | 3,563,789 |
| Student Services | (25,533) | (327,848) | (2,623) | 3,980,753 |
| Public Services | (268,497) | (411,866) | (852) | 7,052,967 |
| Auxiliary Services | (29,731) | (112,917) | 22,559 | 2,082,375 |
| Operation and Maintenance of Plant Services | (350,101) | (192,502) | (10,487) | 8,893,758 |
| Institutional Support | (2,918,477) | (685,641) | 17,521 | 11,409,518 |
| Scholarships, Student Grants, and Waivers | - | - | (5,268,776) | 3,341,735 |
| Depreciation Expense | 5,048,661 | - | - | 5,048,661 |
| Debt Service: | | | | |
| Principal Retirement | - | (12,690,028) | - | - |
| Interest, Service Charges, and Issuance Costs | - | 187,907 | - | 2,584,069 |
| Total Expenditures | 1,304,151 | (16,577,037) | (5,251,451) | 64,612,259 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (1,304,151) | $ 16,577,037 | $ (17,325) | $ 13,782,556 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | - | - | - | 7,306,755 |
| Transfers Out | - | - | - | (7,306,755) |
| SBITA Proceeds | - | (649,208) | - | - |
| Total Other Financing Sources (Uses) | - | (649,208) | - | - |
| NET CHANGE IN FUND BALANCE | (1,304,151) | 15,927,829 | (17,325) | 13,782,556 |
| FUND BALANCE, BEGINNING OF YEAR, AS RESTATED | 126,603,346 | (92,309,505) | (839,168) | 126,435,327 |
| FUND BALANCE, END OF YEAR | $ 125,299,195 | $ (76,381,676) | $ (856,493) | $ 140,217,883 |

LEWIS AND CLARK COMMUNITY COLLEGE

ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS

| *Levy Years* | 2024 | 2023 |
|---|---|---|
| Assessed Valuations: | | |
| Madison | $ 4,542,951,651 | $ 4,167,542,768 |
| Macoupin | 667,788,385 | 617,181,002 |
| Jersey | 553,174,598 | 498,030,983 |
| Greene | 305,545,033 | 286,351,721 |
| Calhoun | 125,947,572 | 103,061,854 |
| Morgan | 73,280 | 71,850 |
| Scott | 64,859 | 59,573 |
| Total Assessed Valuations | 6,195,545,378 | 5,672,299,751 |
| Tax Rates (per $100 Assessed Valuation): | | |
| Education | 0.1438 | 0.1500 |
| Operations and Maintenance | 0.0959 | 0.1000 |
| Bond and Interest | 0.1868 | 0.2242 |
| Liability/Judgements | 0.0491 | 0.0467 |
| Social Security/Medicare | 0.0045 | 0.0049 |
| Health & Safety | 0.0480 | 0.0490 |
| Audit | 0.0012 | 0.0013 |
| Prior Year Adjustment | -0.0069 | -0.0037 |
| Total Tax Rate | 0.5224 | 0.5724 |
| Taxes Extended: | | |
| Education | 8,791,479 | 8,446,054 |
| Operations and Maintenance | 5,860,986 | 5,632,594 |
| Bond and Interest | 11,424,586 | 12,637,884 |
| Liability/Judgements | 3,004,840 | 2,648,964 |
| Social Security/Medicare | 272,604 | 277,943 |
| Protection Health Safety | 2,936,689 | 2,762,410 |
| Audit | 74,347 | 73,740 |
| Total Taxes Extended | 32,365,531 | 32,479,589 |
| Tax Collections to June 30: | | |
| Education | 27,453 | 8,344,454 |
| Operations and Maintenance | 18,302 | 5,564,837 |
| Bond and Interest | 35,676 | 12,485,859 |
| Liability/Judgements | 9,383 | 2,605,891 |
| Social Security/Medicare | 851 | 274,599 |
| Protection Health Safety | 9,171 | 2,729,180 |
| Audit | 232 | 72,853 |
| Total Tax Collections | $ 101,068 | $ 32,077,673 |
| Percent of Extensions Collected | 0.31% | 98.76% |

LEWIS AND CLARK COMMUNITY COLLEGE

SCHEDULE OF LEGAL DEBT MARGIN

*Year Ended June 30, 2025*

| | |
|---|---|
| Estimated total equalized assessed valuation - 2024 Levy | $ 6,195,545,378 |
| Debt limit, 2.875% of assessed valuation | 178,121,930 |
| Outstanding general obligation indebtedness | |
| Bonds | 57,340,000 |
| Debt Certificates | 1,455,000 |
| Legal Debt Margin | $ 119,326,930 |

# ICCB State Grants Section

SCHEFFEL BOYLE
Certified Public Accountants

ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

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

Board of Trustees
Lewis & Clark Community College
Godfrey, Illinois

## Report on the Financial Statements

### *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, 2025, 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, 2025, 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, 2025, 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.

AN INDEPENDENT MEMBER
BDO
ALLIANCE USA

***Responsibilities of Management for the Financial Statements and Compliance***

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 the financial reporting provisions of the ICCB. Management is also responsible 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. Management is also responsible for compliance with the requirements of the ICCB.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

***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.

***Report on Compliance***

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with terms, covenants, provisions, or conditions of the Adult Education and Family Literacy grants as presented in the policy guidelines of the ICCB's *Fiscal Management Manual*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance.

Scheffel Boyle

Alton, Illinois
December 15, 2025

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

| *June 30, 2025* | State Basic | State Performance | Total (Memorandum Only) |
|---|---|---|---|
| **Assets** | | | |
| Cash & Cash Equivalents | $ - | $ - | $ - |
| Government Receivable | - | - | - |
| Total Assets | - | - | - |
| **Liabilities and Fund Balance** | | | |
| 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

| *Year Ended June 30, 2025* | State Basic | State Performance | Total (Memorandum Only) |
|---|---|---|---|
| Revenues: | | | |
| Grant Revenue | $ 257,013 | $ 76,535 | $ 333,548 |
| Total Revenue | 257,013 | 76,535 | 333,548 |
| Expenditures | | | |
| Instruction | 136,328 | - | 136,328 |
| Contractual Services | 11,540 | 13,890 | 25,430 |
| Social Work Services | 64,095 | 30,724 | 94,819 |
| Guidance Services | - | - | - |
| Student Transportation Services | 4,256 | - | 4,256 |
| Literacy Services | - | - | - |
| Subtotal Instructional and Student Services | 216,219 | 44,614 | 260,833 |
| Improvement | 2,647 | 1,675 | 4,322 |
| General Administration | 2,480 | 18,334 | 20,814 |
| Data and Information Services | 12,689 | 4,954 | 17,643 |
| Subtotal Program Support | 17,816 | 24,963 | 42,779 |
| Indirect Costs | 22,978 | 6,958 | 29,936 |
| Total Expenditures | 257,013 | 76,535 | 333,548 |
| Net Change in Fund Balance | - | - | - |
| Fund Balance, Beginning of Year | - | - | - |
| Fund Balance, End of Year | $ - | $ - | $ - |

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

| *Year Ended June 30, 2025* | Audited Expenditure Amount | Actual Expenditure Percentage |
|---|---|---|
| **State Basic** | | |
| Instruction (45% minimum required) | $ 136,328 | 53.04% |

# 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, 2025. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2025, 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.

**Restricted Grants/Statewide Initiatives**

Special Incentive Grants - The Special Incentive Grants are restricted grants that provide financial support for community colleges across Illinois with the aim of fostering innovative programs and projects that address important needs within the higher education system. The funding may be distributed through a competitive application or Request for Proposal (RFP) process, which invites community colleges (and other eligible applicants) to submit detailed proposals for projects that align with key higher education priorities. These priorities include accessibility, affordability, productivity, partnerships, quality, and responsiveness. By focusing on these areas, the initiative aims to improve both the educational experience for students and the broader economic outcomes for the state. The accessibility aspect of the initiative seeks to remove barriers that prevent many students from enrolling in or completing college.

Other Grants - These other grants are additional restricted grants provided for special or specific system-related initiatives that serve particular needs within the educational framework. Unlike general-purpose funding, these grants are tied to clearly defined goals and are governed by signed agreements between the college and the State of Illinois. These agreements ensure that the funds are allocated and utilized for particular projects or services that align with the state priorities or legislative mandates.

**Restricted Adult Education Grants/State**

State Basic - This grant is specifically designed to support Adult Education and Family Literacy providers in offering specialized classes for adults aged 21 and older, as well as individuals under 21 who are not enrolled in public schools. The primary goal of the grant is to help adults in the community improve their qualifications for employment, enhance their ability to achieve self-sufficiency, and strengthen their role as responsible citizens. The courses funded by this grant include general education programs that help adults earn diplomas or meet the requirements for graduation from elementary or high schools, as well as classes aimed at Americanization and General Education Development (GED) preparation. These classes are tailored to address the needs of adult learners who may not have completed their formal education and who seek to improve their literacy, language, and academic skills.

State Performance - The grant is awarded to Adult Education and Family Literacy providers based on their ability to meet specific performance outcomes, which are typically tied to measurable goals such as student progress, graduation rates, and successful completion of courses.

SCHEFFEL BOYLE
Certified Public Accountants

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, 2024, through June 30, 2025. 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 15, 2025



AN INDEPENDENT MEMBER
BDO
ALLIANCE USA

LEWIS AND CLARK COMMUNITY COLLEGE
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2025

Total Reimbursable Semester Credit Hours by Term

| | Summer Term | | Fall Term | | Spring Term | | Total All Terms | |
|---|---|---|---|---|---|---|---|---|
| **Credit Hour Categories** | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours |
| Baccalaureate | 2,910.0 | 12.0 | 21,633.5 | 16.0 | 22,721.0 | 1.0 | 47,264.5 | 29.0 |
| Business Occupational | 371.0 | 0.0 | 2,039.0 | 0.0 | 1,887.0 | 0.0 | 4,297.0 | 0.0 |
| Technical Occupational | 226.0 | 0.0 | 3,509.0 | 242.0 | 3,545.0 | 141.0 | 7,280.0 | 383.0 |
| Health Occupational | 459.0 | 0.0 | 3,192.0 | 0.0 | 2,745.0 | 66.0 | 6,396.0 | 66.0 |
| Remedial/Developmental | 84.0 | 0.0 | 1,147.0 | 0.0 | 586.0 | 0.0 | 1,817.0 | 0.0 |
| Adult Education | 12.5 | 408.0 | 0.0 | 152.5 | 0.0 | 2,039.5 | 12.5 | 2,600.0 |
| | 4,062.5 | 420.0 | 31,520.5 | 410.5 | 31,484.0 | 2,247.5 | 67,067.0 | 3,078.0 |

| | In-District (All Terms) | | Dual Credit (All Terms) | | Dual Enrollment (All Terms) | |
|---|---|---|---|---|---|---|
| | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours |
| Reimbursable Credit Hours: | 62,502.5 | 2,831.5 | 16,357.0 | 0.0 | 2,597.0 | 20.0 |

Credit Hours on Chargeback or Contractual Agreement: 3,888.0

District Equalized Assessed Valuation $6,195,545,378

Correctional Semester Credit Hours by Term

| | Summer | Fall | Spring | Total |
|---|---|---|---|---|
| **Credit Hour Categories** | Correctional Hours | Correctional Hours | Correctional Hours | Correctional Hours |
| 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 |
| | 0.0 | 0.0 | 0.0 | 0.0 |

Signature: _____ President

Signature: Mary Schutte 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, 2025

Total Reimbursable Semester Credit Hours

| Credit Hour Categories | Total Reported in Audit Unrestricted Hours | Total Certified to ICCB Unrestricted Hours | Difference | Total Reported in Audit Restricted Hours | Total Certified to ICCB Restricted Hours | Difference |
|---|---|---|---|---|---|---|
| Baccalaureate | 47,264.5 | 47,264.5 | 0.0 | 29.0 | 29.0 | 0.0 |
| Business Occupational | 4,297.0 | 4,297.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Technical Occupational | 7,280.0 | 7,280.0 | 0.0 | 383.0 | 383.0 | 0.0 |
| Health Occupational | 6,396.0 | 6,396.0 | 0.0 | 66.0 | 66.0 | 0.0 |
| Remedial/Developmental | 1,817.0 | 1,817.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Adult Education | 12.5 | 12.5 | 0.0 | 2,600.0 | 2,600.0 | 0.0 |
| Total: | 67,067.0 | 67,067.0 | 0.0 | 3,078.0 | 3,078.0 | 0.0 |

| | Total Reported in Audit Unrestricted Hours | Total Certified to ICCB Unrestricted Hours | Difference | Total Reported in Audit Restricted Hours | Total Certified to ICCB Restricted Hours | Difference |
|---|---|---|---|---|---|---|
| In-District Credit Hours: | 62,502.5 | 62,502.5 | 0.0 | 2,831.5 | 2,831.5 | 0.0 |
| Dual Credit Hours: | 16,357.0 | 16,357.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dual Enrollment Hours: | 2,597.0 | 2,597.0 | 0.0 | 20.0 | 20.0 | 0.0 |

Total Correctional Semester Credit Hours

| Credit Hour Categories | Total Reported in Audit Unrestricted Hours | Total Certified to ICCB Restricted Hours | Difference | Total Reported in Audit Restricted Hours | Total Certified to ICCB Restricted Hours | Difference |
|---|---|---|---|---|---|---|
| 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 |
| Total: | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

# 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 are 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

SCHEFFEL BOYLE
Certified Public Accountants

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, 2025 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 15, 2025. 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.

AN INDEPENDENT MEMBER
BDO
ALLIANCE USA

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.

Schiffel Boyle

Alton, Illinois
December 15, 2025

# 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, 2025. 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, 2025.

### *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.

AN INDEPENDENT MEMBER OF BDO ALLIANCE USA

***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 items 2025-001, 2025-002, 2025-003, and 2025-004. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Lewis & Clark Community College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lewis & Clark Community 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.

**Report on Internal Control Over Compliance**

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Schaffer Boyle

Alton, Illinois
December 15, 2025

Lewis & Clark Community College
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2025

| *Federal Grantor/Program or Cluster Title* | *Federal ALN Number* | *Subreceipients* | *Pass-through Grantor* | *Contract/Project Number* | *Federal Expenditures* |
|---|---|---|---|---|---|
| ***Student Financial Assistance Cluster-Cluster*** | | | | | |
| Department of Education | | | | | |
| Federal Supplemental Educational Opportunity Grants | | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | | P007A241200 | $ 165,875 |
| Total Federal Supplemental Educational Opportunity Grants | | | | | $ 165,875 |
| Federal Work-Study Program | | | | | |
| Federal Work-Study Program | 84.033 | | | P033A241200 | $ 120,005 |
| Total Federal Work-Study Program | | | | | $ 120,005 |
| Federal Pell Grant Program | | | | | |
| Federal Pell Grant Program | 84.063 | | | Pell Admin--P063Q223282 | $ 5,930 |
| Federal Pell Grant Program | 84.063 | | | PELL--P063P223282 | 5,290,482 |
| Total Federal Pell Grant Program | | | | | $ 5,296,412 |
| Federal Direct Student Loans | | | | | |
| Federal Direct Student Loans | 84.268 | | | P268K253282 | $ 1,691,981 |
| Total Federal Direct Student Loans | | | | | $ 1,691,981 |
| *Total Department of Education* | | | | | $ 7,274,273 |
| ***Total Student Financial Assistance Cluster-Cluster*** | | | | | $ 7,274,273 |
| ***CSBG Cluster-Cluster*** | | | | | |
| Department of Health and Human Services | | | | | |
| Community Services Block Grant | | | | | |
| Community Services Block Grant | 93.569 | | Madison County Community Development | Madison County CSBG Scholarship and Support -- 2024-CSBG-003 | $ 7,529 |
| Community Services Block Grant | 93.569 | | Madison County Community Development | Madison County CSBG Scholarship and Support-- 2025-CSBG-014 | 18,418 |
| Total Community Services Block Grant | | | | | $ 25,947 |
| *Total Department of Health and Human Services* | | | | | $ 25,947 |
| ***Total CSBG Cluster-Cluster*** | | | | | $ 25,947 |
| ***Fish and Wildlife Cluster-Cluster*** | | | | | |
| Department of the Interior | | | | | |
| Wildlife Restoration and Basic Hunter Education | | | | | |
| Wildlife Restoration and Basic Hunter Education | 15.611 | | IL Department of Natural Resources | Bolstering Relevance & Public Understanding of IL Hunting & Trapping Regula-- RC24W-209-R-4 | $ 95,031 |
| Wildlife Restoration and Basic Hunter Education | 15.611 | | IL Department of Natural Resources | Living with Wildlife segment 16--RC24W147T17 | 410,517 |
| Total Wildlife Restoration and Basic Hunter Education | | | | | $ 505,548 |
| *Total Department of the Interior* | | | | | $ 505,548 |
| ***Total Fish and Wildlife Cluster-Cluster*** | | | | | $ 505,548 |
| ***TRIO Cluster-Cluster*** | | | | | |
| Department of Education | | | | | |
| TRIO Talent Search | | | | | |
| TRIO Talent Search | 84.044 | | | Talent Search-- P044A210145-24 | $ 302,613 |
| TRIO Talent Search | 84.044 | | | Talent Search-- P044A210145-23 | 76,624 |
| Total TRIO Talent Search | | | | | $ 379,237 |
| TRIO Upward Bound | | | | | |
| TRIO Upward Bound | 84.047 | | | Upward Bound-- P047A220836-24 | $ 297,399 |
| TRIO Upward Bound | 84.047 | | | Upward Bound-- P047A220836-23 | 106,866 |
| Total TRIO Upward Bound | | | | | $ 404,265 |
| *Total Department of Education* | | | | | $ 783,502 |
| ***Total TRIO Cluster-Cluster*** | | | | | $ 783,502 |

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, 2025

| *Federal Grantor/Program or Cluster Title* | *Federal ALN Number* | *Subrecipients* | *Contract/Project Number* | *Federal Expenditures* |
|---|---|---|---|---|
| ***WIA Cluster-Cluster*** | | | | |
| Department of Labor | | | | |
| WIOA Youth Activities | | | | |
| WIOA Youth Activities | 17.259 | MCETD IL DCEO DOL | WIOA Youth Program - YEEP | $ 66,190 |
| Total WIOA Youth Activities | | | | $ 66,190 |
| *Total Department of Labor* | | | | $ 66,190 |
| ***Total WIA Cluster-Cluster*** | | | | $ 66,190 |
| ***Other Programs*** | | | | |
| Corporation for National and Community Service | | | | |
| AmeriCorps | | | | |
| AmeriCorps | 94.006 | YouthBuild Global Inc. | Youthbuild USA 24-25--22NDFMA0090027 | $ 54,827 |
| AmeriCorps | 94.006 | YouthBuild Global Inc. | Youthbuild USA 23-24--22NDFMA0090027 | 85,779 |
| Total AmeriCorps | | | | $ 140,606 |
| *Total Corporation for National and Community Service* | | | | $ 140,606 |
| Department of Defense | | | | |
| Basic, Applied, and Advanced Research in Science and Engineering | | | | |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630 | | UMRS Forest Resources Inventory & Analysis--W912HZ-25-2-0005 | $ 8,018 |
| Total Basic, Applied, and Advanced Research in Science and Engineering | | | | $ 8,018 |
| *Total Department of Defense* | | | | $ 8,018 |
| Department of the Interior | | | | |
| State Wildlife Grants | | | | |
| State Wildlife Grants | 15.634 | Illinois Dept of Natural Resources | Status Assessment of odonates in IL--RC21T132R1 | $ 83,016 |
| Total State Wildlife Grants | | | | $ 83,016 |
| Endangered Species Recovery Implementation | | | | |
| Endangered Species Recovery Implementation | 15.657 | | Assessment of populations and management techniques for Boltonia decurrents--F24AP02362-00 | $ 63,922 |
| Total Endangered Species Recovery Implementation | | | | $ 63,922 |
| Assistance to State Water Resources Research Institutes | | | | |
| Assistance to State Water Resources Research Institutes | 15.805 | University of Illinois | Annual Water Resources Research Act Program--106053-202500-00 | $ 5,372 |
| Total Assistance to State Water Resources Research Institutes | | | | $ 5,372 |
| U.S. Geological Survey Research and Data Collection | | | | |
| U.S. Geological Survey Research and Data Collection | 15.808 | | CESU Hydrology & Soil--G24AC00470-00 | $ 4,389 |
| Total U.S. Geological Survey Research and Data Collection | | | | $ 4,389 |
| *Total Department of the Interior* | | | | $ 156,699 |
| Department of Labor | | | | |
| YouthBuild | | | | |
| YouthBuild | 17.274 | | Youth Build--24A60YB000112 | $ 314,668 |
| YouthBuild | 17.274 | | Youth Build--YB310721760A17 | 32,250 |
| Total YouthBuild | | | | $ 346,918 |
| *Total Department of Labor* | | | | $ 346,918 |

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, 2025

| *Federal Grantor/Program or Cluster Title* | *Federal ALN Number* | *Subreceipients* | *Contract/Project Number* | *Federal Expenditures* |
|---|---|---|---|---|
| Department of Education | | | | |
| Adult Education - Basic Grants to States | | | | |
| Adult Education - Basic Grants to States | 84.002 | | Federal IELCE--IELCE-53601-25 | $ 41,689 |
| Adult Education - Basic Grants to States | 84.002 | ICCB | Federal Basics--AE-53601-25 | 194,344 |
| Adult Education - Basic Grants to States | 84.002 | ICCB | IELCE Supplemental--CIVS-536-25 | 11,911 |
| Total Adult Education - Basic Grants to States | | | | $ 247,944 |
| Career and Technical Education -- Basic Grants to States | | | | |
| Career and Technical Education -- Basic Grants to States | 84.048 | ICCB | CTE Perkins | $ 355,517 |
| Total Career and Technical Education -- Basic Grants to States | | | | $ 355,517 |
| *Total Department of Education* | | | | $ 603,461 |
| United States Environmental Protection Agency | | | | |
| Regional Wetland Program Development Grants | | | | |
| Regional Wetland Program Development Grants | 66.461 | | CD-00E03734-0 | $ 12,394 |
| Total Regional Wetland Program Development Grants | | | | $ 12,394 |
| *Total United States Environmental Protection Agency* | | | | $ 12,394 |
| National Science Foundation | | | | |
| Geosciences | | | | |
| Geosciences | 47.050 | | 201850 (101348-18066) | $ 97,743 |
| Total Geosciences | | | | $ 97,743 |
| Biological Sciences | | | | |
| Biological Sciences | 47.074 | | REU Site: Wetland Science in the modern world--2050400 | $ 24,647 |
| Total Biological Sciences | | | | $ 24,647 |
| *Total National Science Foundation* | | | | $ 122,390 |
| United States Department of Agriculture | | | | |
| Conservation Reserve Program | | | | |
| Conservation Reserve Program | 10.069 | | NGRREC Land Conservation Specialist Program--NRCS-ADS-093 | $ 1,165,598 |
| Conservation Reserve Program | 10.069 | | Conservation Reserve Program--FSA24CPT0014380 | 23,177 |
| Total Conservation Reserve Program | | | | $ 1,188,775 |
| *Total United States Department of Agriculture* | | | | $ 1,188,775 |
| ***Total Other Programs*** | | | | $ 2,579,261 |
| ***Total Expenditures of Federal Awards*** | | $ 0 | | $ 11,234,721 |

See Notes to Schedule of Expenditures of Federal Awards

# Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

## 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, 2025. 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, 2025, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of $1,691,981.

## Note 4: Indirect Cost Rate

The College has developed and used an indirect cost rate of 41% for On-campus programs and 21% 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, 2025.

Lewis & Clark Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

## 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? | ____ Yes | X 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)** | **Federal Program or Cluster** |
|---|---|
| 84.007; 84.033; 84.063; 84.268 | Student Financial Assistance Cluster |

| | | |
|---|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 750,000 | |
| Auditee qualified as low-risk auditee? | X Yes | ____ No |

## Section II - Financial Statement Findings

None

## Section III - Federal Award Findings and Questioned Costs

**Finding 2025-001: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $37

**Condition:** Each year, the Department of Education requires the College to verify information on student aid applications. While doing so, an incorrect parent AGI was used that was higher than the actual AGI amount on a particular student.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirements "Verification", the College has many requirements pertaining to verifying financial aid information provided by students and parents. Specifically, the College must match information on the verification documentation to the student aid application.

**Cause:** The incorrect higher AGI amount was due to a data entry error.

**Effect:** The College was not in compliance with the verification requirements under Special Tests.

**Recommendation:** We recommend the College implement internal control procedures to ensure that all verification information is entered correctly.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

## Section III - Federal Award Findings and Questioned Costs

**Finding 2025-002: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $0

**Condition:** The College had one instance out of the 13 tested where a student's verification form was not signed off on by the verifying financial aid advisor.

**Criteria:** The College has implemented a control for the compliance requirement verification that requires the verifying employee to sign off on the verification sheet to indicate that the verification was complete.

**Cause:** The missing signature was an inadvertent omission.

**Effect:** The implemented control did not function as designed in this instance.

**Recommendation:** We suggest that the College emphasize the importance of consistent application of established controls.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

## Section III - Federal Award Findings and Questioned Costs

**Finding 2025-003: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $64

**Condition:** A student's first disbursement date was 10/25/24 but their award letter date appears to be 5/30/25. Upon further investigation, the student's unsubsidized loan needed to be prorated based on how many hours the student was taking as it was their last term before graduation. When the loan amount granted was prorated, the calculation was rounded instead of the required truncating which resulted in the loan amount awarded being too high by $64.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirement "disbursements to or on behalf of students", the College must provide notification to the student of the amount and type of Title IV funds they are expected to receive and how and when disbursements will be made before the disbursement is made and that the disbursement amount complied with the requirements for allowable current year and prior year charges.

**Cause:** The discrepancy was caused by an oversight during the percentage calculation process (rounding vs truncating).

**Effect:** The College awarded a student $64 more in unsubsidized loans than was allowable.

**Recommendation:** We recommend that supplemental training be provided to financial aid employees.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

## Section III - Federal Award Findings and Questioned Costs

**Finding 2025-004: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $0

**Condition:** The College has one instance out of 25 tested where a student's direct loan notification letter was sent out 14 days after the first disbursement date.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirement "disbursements to or on behalf of students", the College must send the direction notification letter to students no later than seven days after crediting the student's account.

**Cause:** The late notification was caused by an inadvertent oversight.

**Effect:** The College was seven days late in sending the direct notification letter.

**Recommendation:** We recommend the College implement processes to ensure that all direct notification letters are sent timely.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

LEWIS & CLARK COMMUNITY COLLEGE
DISCOVER

5800 Godfrey Road
Godfrey, IL 62035-2466
lc.edu

Lewis & Clark Community College
Schedule of Findings and Questioned Costs
For the Ended June 30, 2025

Corrective Action Plans
December 5, 2025

**Section II - Financial Statement Findings**

None

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

**Finding 2025-001: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $37

**Condition:** Each year, the Department of Education requires the College to verify information on student aid applications. While doing so, an incorrect parent AGI was used that was higher than the actual AGI amount on a particular student.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirements "Verification", the College has many requirements pertaining to verifying financial aid information provided by students and parents. Specifically, the College must match information on the verification documentation to the student aid application.

**Cause:** The incorrect higher AGI amount was due to a data entry error.

**Effect:** The College was not in compliance with the verification requirements under Special Tests.

**Recommendation:** We recommend the College implement internal control procedures to ensure that all verification information is entered correctly.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

**CORRECTIVE ACTION PLAN:**

Although Financial Aid Administrators pride themselves on their attention to federal guidelines and the administration of student aid, errors can occur. To reinforce our shared commitment, management has expanded quality assurance reviews and incorporated additional training into regular staff meetings.

As a result of a verification compliance review, a misread number resulted in a higher Student Aid Index (SAI). A student received Direct Subsidized Loan funds in excess of financial need. Since the student is no longer enrolled during the loan period, according to federal aid guidelines, the institution is not required to take any action to eliminate the excess **subsidized** loan amount.

*In contrast if, due to an error, a student borrower who was eligible for a Direct Subsidized Loan instead received a Direct Unsubsidized Loan, the institution would have to correct the error, even if the loan period had ended, by submitting a downward adjustment to reduce or eliminate the Direct Unsubsidized Loan, as appropriate, and replacing it with the same amount of Direct Subsidized Loan funds.*

**Person(s) Responsible:** Angela Weaver
**Timing for Implementation:** November 21, 2025

Angela Weaver, Financial Aid Director
Lewis & Clark Community College

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

**Finding 2025-002: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $0

**Condition:** The College had one instance out of the 13 tested where a student's verification form was not signed off on by the verifying financial aid advisor.

**Criteria:** The College has implemented a control for the compliance requirement verification that requires the verifying financial aid advisor to sign off on the verification sheet to indicate that the verification was complete.

**Cause:** The missing signature was an inadvertent omission.

**Effect:** The implemented control did not function as designed in this instance.

**Recommendation:** We suggest that the College emphasize the importance of consistent application of established controls.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

**CORRECTIVE ACTION PLAN:**

Management will remind financial aid administrators of their responsibility to maintain internal controls and sign off on all quality assurance measures. Continued reinforcement of these standards will occur during regular department meetings.

**Person(s) Responsible:** Angela Weaver
**Timing for Implementation:** November 21, 2025

Angela Weaver, Financial Aid Director
Lewis & Clark Community College

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

**Finding 2025-003: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $64

**Condition:** A student's first disbursement date was 10/25/24 but their award letter date appears to be 5/30/25. Upon further investigation, the student's unsubsidized loan needed to be prorated based on how many hours the student was taking as it was their last term before graduation. When the loan amount granted was pro-rated, the calculation was rounded instead of the required truncating which resulted in the loan amount awarded being too high by $64.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirement "disbursements to or on behalf of students", the College must provide notification to the student of the amount and type of Title IV funds they are expected to receive and how and when disbursements will be made before the disbursement is made and that the disbursement amount complied with the requirements for allowable current year and prior year charges.

**Cause:** The discrepancy was caused by an oversight during the percentage calculation process (rounding vs truncation).

**Effect:** The College awarded a student $64 more in unsubsidized loans than was allowable.

**Recommendation:** We recommend that supplemental training be provided to financial aid employees.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

**CORRECTIVE ACTION PLAN:**

The Financial Aid office conducted a comprehensive internal review in Spring 2025 to verify that our procedures were consistently followed. As a result, management corrected a student's loan proration calculation to be consistent with current practices, regarding truncating rather than rounding the fractional percentage (decimal) of loan eligibility for students receiving one-semester loans in their last semester of study. Management corrected the loan proration calculation in accordance with current procedures, and the loan amount was adjusted accordingly, resulting in the institution returning $64 in Federal Unsubsidized loan funds to Federal Student Aid. The student was eligible only for unsubsidized loans.

**Person(s) Responsible:** Angela Weaver
**Timing for Implementation:** November 21, 2025

Angela Weaver, Financial Aid Director
Lewis & Clark Community College

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

**Finding 2025-004: Special Tests**

Student Financial Aid Cluster
ALN No. 84.007; 84.033; 84.063; 84.268
Department of Education Direct Award

**Questioned Costs:** $0

**Condition:** The College has one instance out of 25 tested where a student's direct loan notification letter was sent out 14 days after the first disbursement date.

**Criteria:** Per the Student Financial Assistance Program Compliance Supplement, November 2025, the Special Test compliance requirement "disbursements to or on behalf of students", the College must send the direction notification letter to students no later than seven days after crediting the student's account.

**Cause:** The late notification was caused by an inadvertent oversight.

**Effect:** The College was seven days late in sending the direct notification letter.

**Recommendation:** We recommend the College implement processes to ensure that all direct notification letters are sent timely.

**View of Responsible Officials:** Management acknowledges the finding and has prepared a corrective action plan.

**Anticipated Date of Completion:** June 30, 2026

**CORRECTIVE ACTION PLAN:**

Procedures are currently in place to comply with the requirement to send Direct Loan notifications within the regulatory time frame. To support this, the responsible team member will have a weekly reminder added to their Lewis & Clark Outlook work calendar to prompt timely notifications. Management will also add a weekly reminder to one of the office managers' calendars to assist with ongoing monitoring and compliance checks.

**Person(s) Responsible:** Angela Weaver
**Timing for Implementation:** November 7, 2025

Angela L. Weaver

Angela Weaver, Financial Aid Director
Lewis & Clark Community College

Lewis & Clark Community College
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

| Reference Number | Summary of Finding | Status |
|---|---|---|
| 2024-001 | For the Student Financial Aid Cluster, the College sent out Direct Loan notification letters that only gave the students 14 days to cancel their loans when the cancellation period is required to be 30 days. There was an instance where the College did not send out a direct loan notification email to a student as required. There was one instance where the post-withdrawal disbursement was calculated correctly but paid out before the federal funds letter was returned by the student authorizing the payment of this disbursement. | Not a current year finding |
| 2024-002 | For the Student Financial Aid Cluster, the College had five instances out of the twenty-five tested where a student's enrollment change was not updated within the required sixty days. The College had another instance where the student had graduated but the NSLDS records showed the student went straight from full time to withdrawn. The Department of Education never received a report of the student's graduation. | Not a current year finding |
| 2024-003 | For the Student Financial Aid Cluster, the College's information security program included all seven required elements. However, the Design and Implementation required element included eight minimum safeguards that must be addressed within that element and those were not included in the policy. | Not a current year finding |
| 2024-004 | For the Conservation Reserve Program, the College requested $785 of reimbursement for expenses that were out of the period of performance. | Not a current year finding |

## APPENDIX B

## PROPOSED FORM OF OPINION OF BOND COUNSEL

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

Community College District No. 536
Counties of Madison, Jersey, Macoupin, Calhoun,
Morgan, Scott and Greene and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Trustees of Community College District No. 536, Counties of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene and State of Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding Bonds, Series 2026 (the *"Bonds"*), to the amount of $_____, dated _____, 2026, due serially on November 1 of the years and in the amounts and bearing interest as follows:

| | | |
|---|---|---|
| 2031 | $ | % |
| 2032 | | % |
| 2033 | | % |

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## APPENDIX C

## PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Community College District No. 536, Counties of Madison, Jersey, Macoupin, Calhoun, Morgan, Scott and Greene and State of Illinois (the *"District"*), in connection with the issuance of $_____ General Obligation Refunding Bonds, Series 2026 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on the 13th day of October, 2026 (as supplemented by a notification of sale, the *"Resolution"*).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT
—Direct General Obligation Bonds (Principal Only)
—Selected Financial Information (only as it relates to direct debt)
—Composition of EAV
—Trend of EAV
—Taxes Extended and Collected
—District Tax Rates by Purpose
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit C—General Fund Revenue Sources

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Official Statement, dated _____, 2026, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding,

to the extent the District remains legally liable for the payment of such Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this

Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY COLLEGE DISTRICT NO. 536,
COUNTIES OF MADISON, JERSEY, MACOUPIN,
CALHOUN, MORGAN, SCOTT AND GREENE
AND STATE OF ILLINOIS

By _____
Chair, Board of Trustees

Date: _____, 2026

## EXHIBIT I
## ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

## EXHIBIT II
## EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III**
**CUSIP NUMBERS**

| MATURITY (NOVEMBER 1) | CUSIP NUMBER (557738) |
|---|---|
| 2031 | |
| 2032 | |
| 2033 | |

# APPENDIX D

## SPECIMEN MUNICIPAL BOND INSURANCE POLICY



**MUNICIPAL BOND INSURANCE POLICY**

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)

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