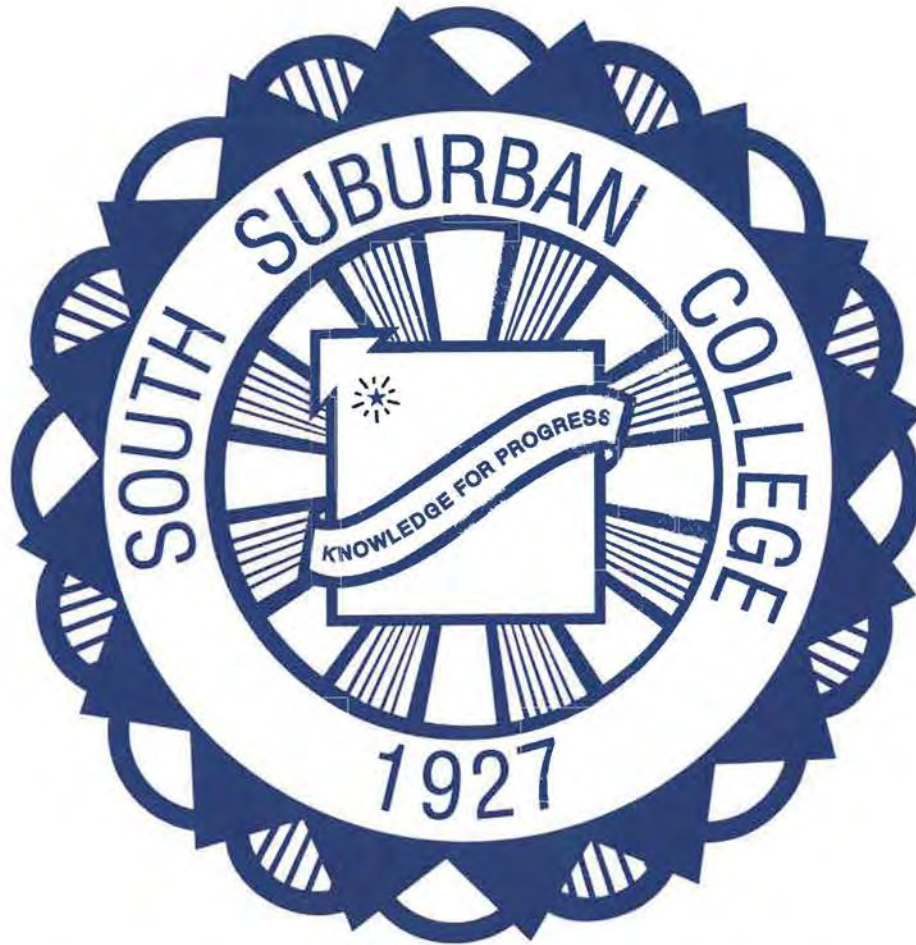


# COMPREHENSIVE Annual Financial Report



*Fiscal Year Ended June 30, 2012*

**South Suburban College**  
Community College District No. 510  
South Holland, Illinois

**SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
SOUTH HOLLAND, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended June 30, 2012

Prepared By:  
Business and Accounting Office  
Don Manning – Vice President of Administrative Services  
Tim Pollert – Controller/Treasurer

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
June 30, 2012

CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal .....	i
ASBO Certificate of Excellence in Financial Reporting.....	xiv
Organizational Chart .....	xv
Principal Officials.....	xvi

FINANCIAL SECTION

Independent Auditors' Report .....	1
------------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Management Discussion and Analysis .....	3
--	---

BASIC FINANCIAL STATEMENTS

Statement of Net Assets .....	11
Statement of Revenues, Expenses and Changes in Net Assets .....	12
Statement of Cash Flows .....	13
Notes to the Financial Statements .....	14

STATISTICAL SECTION (UNAUDITED)

Detail of Expenses by Function and Object .....	29
Schedule of Expenditures for Tort Immunity Purposes.....	30
Financial Trends - Net Assets by Component .....	31
Financial Trends - Changes in Net Assets .....	32
Revenue Capacity - Assessed Value and Actual Value of Taxable Property.....	33
Revenue Capacity - Schedule of Property Taxes – Assessed Valuations, Rates, Extensions and Collections.....	34
Property Tax Rates – Direct and Overlapping Governments .....	35
Principal Taxpayers – 2010 compared to 2001 .....	36
Revenue Capacity - Property Tax Levies and Collections .....	37
Revenue Capacity - Enrollment, Tuition, and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated .....	38
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita .....	39
Computation of Direct and Overlapping General Bonded Debt.....	40

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
June 30, 2012

CONTENTS

STATISTICAL SECTION (UNAUDITED) (Continued)

Legal Debt Margin Information.....	41
Employee Data.....	42
Student Enrollment Demographic Statistics - Head Count and Full Time Equivalents.....	43
Student Enrollment Demographic Statistics - Credit Hours .....	44
District Demographics .....	45
Operating Information - Capital Asset Statistics – Volume .....	46
Operating Information - Capital Asset Statistics – Value .....	47
Schedule of Ratios of Outstanding Debt – Last Nine Fiscal Years.....	48

SPECIAL REPORTS SECTION

State Supplemental Reports

Uniform Financial Statements .....	49
Certification of Chargeback Reimbursement .....	56

State Grant Activity and Schedule of Enrollment Data

Independent Auditors' Report .....	57
Independent Auditors' Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Grant Program Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	59
Workforce Development – Business/Industry Grant Program	
Balance Sheet.....	61
Statement of Revenues, Expenditures and Changes in Fund Balance .....	62
ICCB Compliance Statement for the Workforce Development – Business/Industry Grant .....	63
State Adult Education Grant Program	
Balance Sheet.....	64
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	65
ICCB Compliance Statement for the Adult Education Grant .....	66
Career and Technical Education – Program Improvement Grant Program	
Balance Sheet.....	67
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	68
Student Success Grant	
Balance Sheet.....	69
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	70



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
June 30, 2012

CONTENTS

SPECIAL REPORTS SECTION (Continued)

Notes to the Financial Statements .....	71
Independent Accountants' Report.....	72
Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed .....	74
Reconciliation of Total Reimbursable Semester Credit Hours.....	75
Residency Policy (Unaudited) .....	76
Summary of Assessed Valuation (Unaudited) .....	77
Background Information on State Grant Activity (Unaudited) .....	78



# **Introductory Section**



## **SOUTH SUBURBAN COLLEGE**

15800 S. State St.  
South Holland, IL  
60473-1200  
(708) 596-2000

### **Board of Trustees**

Frank M. Zuccarelli,  
**Chairman**  
John A. Daly,  
Vice-Chair  
Anthony P. DeFilippo  
Katie Jackson Booker  
Jacqueline Martin  
Terry R. Wells  
Joseph Whittington, Jr.  
Don Manning,  
College President

*Our Mission Is  
to **Serve** our  
**Students** and  
the **Community**  
Through Lifelong  
Learning.*

October 15, 2012

To the Board of Trustees &  
The Constitutions of the District  
South Suburban College  
Community School District No. 510  
South Holland, Illinois 60473

The Comprehensive Annual Financial Report (CAFR) of South Suburban College, Community School District No. 510, South Holland, Illinois for the fiscal year ended June 30, 2012 is hereby submitted.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of the operations of the College as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the financial affairs of the College have been included.

The CAFR is presented in four sections: introductory, financial, statistical and special reports. The introductory section includes this transmittal letter, the College's organizational chart and a list of principal officials. The financial section includes the basic financial statements as well as the auditor's report on the basic financial statements. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section contains grant and enrollment information as required by the Illinois Community College Board (ICCB) and the related auditor's reports.

The College is required to undergo an annual single audit in accordance with provisions of the Single Audit Act of 1984, the Single Audit amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Information related to this single audit is included in a separate single audit report, which is available for review at South Suburban College, 15800 South State Street, South Holland, Illinois 60473.

This report includes all funds and account groups of South Suburban College.

## BACKGROUND INFORMATION

South Suburban College, a public two-year college, was founded in 1927 as Thornton Junior College, servicing 20 communities in the south suburban region of Chicago, Illinois. On September 19, 1927, Thornton Junior College, under the jurisdiction of the Board of Education of Cook County High School District 205, began classes for forty-seven students with a faculty of fifteen.

Although Thornton Junior College was the fifth junior college established in Illinois, there was at the time no specific legal sanction for such an institution. In 1931 enabling legislation was enacted in order to establish the legality of the junior college in the public school system. In 1937, additional legislation validated existing junior colleges outside of Chicago and permitted the founding of others. With passage of the Illinois Public Community College Act in 1965, the College District 510 was established and was enlarged to include high school districts 205, 215, and 228 (Thornton, Thornton Fractional, and Bremen.) District 510 is comprised of twenty communities in the south suburban area of Chicago.

In 1969, the name of the institution was changed to Thornton Community College, partly as an attempt to reflect more accurately its mission as a comprehensive community college and to dispel the notion that the College was merely an extension of the local high schools. With plans to construct a permanent campus facility, the College moved in 1971 to an interim campus in South Holland, Illinois, and the first phase of the main campus facility was completed in 1972. By 1976, with the exception of a few classes held at local high schools, Thornton Community College was offering all of its programs and courses at its new, 437,596 square-foot campus facility.

In June of 1988, the Board of Trustees unanimously voted to change the name of the institution to South Suburban College. This action was partly the result of the Trustees' decision that since the College serves more than just Thornton Township (Bremen and parts of Bloom and Calumet Townships as well), a more "generic" name for the College should be used; thus, the name South Suburban College of Cook County was chosen. For day-to-day purposes, the shortened name South Suburban College is used.

In 1992, the College opened the University and College Center in Oak Forest, Illinois, in an effort to serve the western portion of the district and to provide opportunities for district residents to complete a four-year degree.

## MISSION & GOALS

The mission of South Suburban College is to Serve our Students and the Community through lifelong learning.

### SSC is dedicated to:

1. High quality education, training, and services for all individuals who have the ability to benefit from our programs which are shaped by multiple societal and economic trends. The delivery of these courses and programs will utilize current technology and provide students with access to vital technology experience.
2. Programs that are accessible and affordable provided to a diverse community of learners. These courses and programs will also provide students with the technology skills that a competitive workforce requires.
3. Training delivered in collaboration with local businesses.
4. A diverse community of staff, faculty, and students that create an environment and resources for learning.
5. Up-to-date facilities and technology, based upon the needs of the constituencies we serve, which help prepare students for transfer to baccalaureate programs or placement directly into the job market.

### Goals:

1. Provide credit courses and associate degree programs for academically prepared student body to assist them in preparing for effective transfer to a four-year college or university. The College will be accountable for the quality of academic programs and utilization of assessment data for effective programming and instructional changes.

2. Provide high quality, accessible, and affordable credit courses and associate degree and certificate programs for academically prepared students to assist them in preparing for occupations that require career education beyond the high school level.
3. Provide developmental instruction in reading, writing, mathematics, adult basic education, adult secondary education, and English as a Second Language skills to students requiring such in order to succeed in other college programs or to complete a high school equivalency or General Education Development (GED) Program, and to expand adult education to include bridging to a college credit program or immediate employment.
4. Support the diversity of our student population who complete training and educational programs by providing academic advising, learning resources, and supportive services, such as specialized learning assistance and English as a Second Language instruction for students with a wide range of academic needs.
5. Partner with local businesses and industry to sustain strong economic growth and to maintain a competitive workforce. The College will provide universal technical skills training to qualify community residents for employment, and will assist businesses in workforce development.
6. Complement classroom instruction with student opportunities through workplace internships, cooperative education and other work-based learning approaches which will help in employability and to prepare for certification exams.
7. Offer activities, services, and programs that enhance student life and enrich the educational experience of the student to increase knowledge of societal and civic responsibilities in a complex society. Design and implement programs that develop student leadership, ethical decision-making, and international cultural understanding.
8. Collaborate with area elementary and secondary school districts to develop and provide educational services to their students and staff.
9. Provide high quality educational programs by utilizing quality measures such as input from advisory committees, assessment of student learning outcomes, and recommendations from our accrediting agencies.
10. Maintain fiscal responsibility by continually improving productivity, cost effectiveness, and accountability.
11. Demonstrate social justice and inclusion by embracing educational and cultural opportunities that generate support for historically marginalized groups, including, but not limited to: physically challenged, underprivileged, ethnic minorities, and women.
12. Create a climate where diversity of beliefs, intellectual abilities, style, ethnic background, individual needs, and culture is to be encouraged, respected, developed, shared and celebrated. Demonstrate proper representation of these concepts.
13. Design and implement programs that develop student leadership, ethical decision-making, and international cultural understanding. Incorporate proper ethical decision making ideas into the college community by opening the lines of communication with student, faculty, and staff on the idea of ethics in the college setting.

## **ECONOMIC CONDITION AND OUTLOOK**

The College is located approximately 25 miles south of downtown Chicago, Illinois and services an area of 94 square miles. The population served is estimated to be 363,736 and is encompassed in twenty Chicago suburbs: Blue Island, Burnham, Calumet City, Country Club Hills, Dixmoor, Dolton, East Hazel Crest, Harvey, Hazel Crest, Lansing, Lynwood, Markham, Midlothian, Oak Forest, Phoenix, Posen, Riverdale, South Holland,



Thornton and Tinley Park. The communities are primarily residential and can be characterized as mature and stable.

The tax base of the College is estimated to be diversified: 54% residential, 25% industrial, 19% commercial and 2% railroad. It is projected that this proration of property values will continue into the foreseeable future. The total tax base has remained relatively flat at \$4,519,956,080. Since the College is located in Cook County, it is limited by the Property Tax Extension Limitation Law (PTELL), which is designed to limit the increase in property tax extensions.

The general state of the local economy is about average compared to the economy for northern Illinois. No major changes in the local economy are forecasted into the future. The average unemployment rate for 2011 in the District is 9.2%, compared to 10% for Cook County, 10% for the State of Illinois, and 9.7% for the nation.

## **MAJOR STRATEGIC INITIATIVES**

### Financial Aid: "A Helping Hand"

The South Suburban College Financial Aid Office (SSCFAO) processed over 9,000 applications for financial aid during fiscal year 2012. The SSCFAO was responsible for awarding 6508 students with Pell Grants totaling \$18,703,455 an increase of \$901,767 over 2011. The SSCFAO also awarded 1681 students the State of Illinois Monetary Award Grants totaling \$1,915,151, despite severe budget restrictions and accelerated deadline dates for applying. In addition to these numbers the SSCFAO also helped over 400 veterans with federal and state veteran's assistance of over \$300,000.

### New Student Supported Helpdesk "SSC Connect"

The College has implemented a new helpdesk for the technological support of our students and staff. SSC Connect is manned by students from our CIS/MIS curriculum. The students receive real world experience working in a helpdesk environment and in return supply much needed technical support to their fellow students.

### Physical Layer Revitalization

The College identified a need to redesign and upgrade the existing network infrastructure to support the changing needs of our student population and the increased proliferation of wireless technology. New fiber optic cabling was put in place to support increased bandwidth requirements and to future proof the network. SSC invested over \$1,000,000 in switches, wireless access points, cabling, Voice over IP, and electrical infrastructure upgrades in order to create a reliable network that will be able to deliver the bandwidth needed to support our students and employees in the coming years. The network upgrades will also allow us to fully utilize the forthcoming fiber optic network connections that are being installed by the state to provide the College with Internet connection speeds in excess of 20Gbps.

### Going Green In The Datacenter

This past year had seen an increased awareness in the need to become self-sustainable in our energy consumption. The College has taken steps to decrease our environmental impact by implementing new technologies in cooling efficiencies and decreased power consumption. Our datacenter was modified to take advantage of hot and cold isles around our equipment that will lower the cost of cooling and provide increased longevity for the electronics used on our network. A number of older power inefficient servers were replaced with new lower power consumption units.

### The South Suburban College Foundation

*"The mission of the Foundation is to support the educational purposes and objectives of the College by providing assistance in the promotion of College services and facilities, with a primary focus on student scholarships."*

In carrying out its mission and purpose, the South Suburban College Foundation awarded 162 scholarships for over \$114,000 in 2012. Scholarships are awarded annually at the Academic Achievement Reception in May for the following summer, fall, and spring semesters. In addition to academic scholarships, the SSCF awarded over \$13,000 through the Carol Manning Student Assistance Funds to 50 students this past fiscal year. The Carol Manning Student Assistance Fund is awarded during registration prior to each fall and spring semester.

In total, the SSCF has now awarded 2,424 scholarships for \$1,288,873 to SSC students since 1989. Additionally, the Foundation established the Carol Manning Student Assistance Fund in 2001 to help the College's neediest students continue pursuing their education with financial assistance for books, tuition, and other special needs. To date \$133,398 has been awarded to 524 needy students through the Carol Manning Fund. With less State Financial Aid available and the rising cost of tuition, the SSCF Board of Directors remains committed to increasing the number of scholarships in the years ahead.

The SSCF assists the College financially through special facility, technology and student life projects as well. The Foundation committed to hiring a lobbyist on behalf of the College in 2012 for the third consecutive year, supported the Predominately Black Institute Scholarship Grant match, sponsored a jazz clinic, musical, Family Literacy Night and continued support of SSC art galleries. Through the years, the SSCF has provided funding for state-of-the-art facilities such as the Lee. E. Dulgar Gallery, the Sheldon L. Siegel Memorial Smart Classroom, a Multi-Media Lab, and the Faculty Exchange Program.

#### REBOUND Program

South Suburban College's tuition-free educational program "REBOUND" assisted 89 unemployed residents get back into college in Academic Year 2012-2013. SSC waived 76,640.26 in tuition and fees for these students.

SSC originally implemented the tuition-free program in 2009 for residents of District 510 who have become unemployed since January 1, 2008. The REBOUND courses are offered in 19 academic areas ranging from healthcare to technology, within class sections that have the capacity for growth. Seats in these classes are offered on a first come, first served basis.

#### Building Improvements

##### Primarily Black Institutions Grant

South Suburban College received a grant from the Federal Government named the "Primarily Black Institutions Grant". The College has used a portion of the grant to fund the remodeling of one of our English Labs. The renovations allowed the College to convert the existing English lab into an English lab/lecture setting. The improvements made under this grant included lighting, electrical infrastructure, flooring, acoustics and HVAC upgrades.

##### State of Illinois \$2.1 Million Grant

South Suburban College has received a \$2.1 million grant from the State of Illinois to address the needs of the College facilities. The projects selected to be complete under this grant include the installation of a new emergency generator, new energy efficient HVAC units at the Performing Arts Center and gymnasium, relocation and build out of the Business and Career Institute at our satellite campus in Oak Forest and installation of new flooring in classrooms, selected hallways, stairs and the central ramp. Most of these projects started in the early summer and are near completion.

##### Sanitary Lift Station

The College has recently begun the installation of a new sanitary lift station. The new lift station will replace the original lift station installed in the 1970's and will be financed with Protection Health and Safety funds. This project was initially approved by the Illinois Community College Board on November 29, 2010 but the College has encountered several delays in getting this project off the ground due to bidding difficulties, obtaining permits from the Metropolitan Water Reclamation District and Illinois Environmental Protection Agency. These issues have been resolved and mobilization by the contractor has started.

## Capital Renewal Projects

South Suburban College has two separate Capital Renewal projects currently in development and are expected to start next year. The first project, Restroom Renovations, will allow the College to remodel three restrooms at the main campus. The second project, Gym Roof and Exterior Siding project, will allow the College to replace the gym room and refurbish the metal siding on the exterior of the building. This project will also address minor repairs to the main campus roof and the replacement of the penthouse doors.

## **PROMOTING STUDENT SUCCESS**

### Academic Assistance Center (AAC)

The Academic Assistance Center's tutoring program has been recertified by the College Reading and Learning Association (CRLA) since 2001. The recertification is valid for five (5) years from July 1, 2011 to August 31, 2016 and authorizes us to issue certificates to tutors meeting its CRLA-approved requirements for the following certification levels: Level I--Certified Tutor and Level II--Advanced Certified Tutor. All of our tutors participate in rigorous tutor training and at a minimum, go through our basic ten (10) hour tutor training. The training for Level I Tutors provides topics that include tutoring and tutor responsibilities, adult learners and learning theories, setting goals and planning, handling difficult students, study skills, critical thinking skills, problem solving, compliance with the ethics and philosophy of the tutor program, sexual harassment, and plagiarism. The training for Level II Tutors provides topics included in Level I as well as brain dominance learning, cultural awareness and diversity, special populations, and identifying and using resources. For the 2011-2012 academic year, over 45 subjects were tutored; the majority of frequently requested subjects included Math, English, Reading, Chemistry, and Information Technology.

South Suburban College, through its Office of Student Development, also provides the Academic Assistance Center with Developmental and Academic Specialists for Academic Assistance. The faculty members selected for these release-time positions develop strategies that will increase the academic achievement and retention of students. In their desire to be proactive in their quest for academic success, students utilizing the services of the Academic Assistance Center averaged approximately five (5) visits for FY 2011 versus an average of 3.5 visits for FY 2010.

### Certified Peer Educator Training

In May, 2012, four (4) members of the Student Leadership Program participated in a comprehensive training designed to empower students with the core tools to educate, intervene, listen to, and assist their peers in making healthy lifestyle choices. Sponsored by "The Bacchus Network," which is composed of nearly one thousand (1,000) peer education groups on college campuses throughout the United States and its territories, this student leadership empowerment training was conducted for 15 hours and participants were required to pass a rigorous exam. The pass rate was 100% and our Certified Peer Educators, in conjunction with their advisor, have developed the "Healthy and Caring Campus" initiative at our college entitled, "HCC @ SSC."

This collaboration is a multi-year initiative from the President of the United States, U.S. Department of Education, and the Office of National Drug Policy. Its mission is to prevent illegal drug use and high-risk drinking in our Nation's colleges and universities and was brought to the attention of SSC's Student Leadership Program by the Vice President of Student Development. The goal of "HCC @ SSC" champions this cause and will play an active part in events for our October, 2012 "Red Ribbon Week" activities. These week-long activities include a South Suburban College Presidential Proclamation, an AAIM (Alliance Against Intoxicated Motorists) panel, a speaker from the U.S. Drug Enforcement Agency (DEA), dissemination of SSC's Student Assistance Program (SAP) newly revised and updated brochure (highlighting free and confidential services to students facing challenging personal problems during their academic years), as well as other theme related give-a-ways and handouts promoting a drug free lifestyle.

### Athletic Department

The South Suburban College's Athletic Department offers the following sports: Men and Women's Soccer, Women's Volleyball, Men and Women's Basketball, Baseball and Softball. We are members of the National Junior College Athletic Association and participate in Region tournaments with Community College members in Illinois and the Midwest to qualify for the NJCAA national tournaments. The College takes pride in their

athletic program and their success. Their teams have been successful at the region tournaments and have participated in the national tournaments in the sports of men and women's basketball, men's soccer, baseball and softball. The 2011-2012 men's basketball team finished third in the nation at the Division II NJCAA national tournament. Several of the athletes have been recruited and have had success at the four year College in athletics. We are also very proud of the transfer rate of the athletes upon completion of their two years at South Suburban College.

#### Athletic Recruiting, Retention & Transfer Office:

The Athletic Department provides its student/athletes with an extensive academic monitoring program. This program consists of frequent academic progress reports sent to the student-athlete's professors. This office also provides direct contact with the college's tutoring program. This enables the student-athlete to obtain assistance with any problem they have in their academic endeavors. The office also provides the student-athletes assistance in their recruitment to a 4-year institution. This department also assists in the recruitment of student-athletes to the college. This program has been very successful over the years. Below is some data from the 2011-12 academic year:

46/68 (67.6%) freshmen returned to South Suburban College (3 of them will be attending classes only)

40/43 (93%) participating players are eligible this season

12/36 (33.3%) of the sophomores graduated (3 more will graduate in the fall)

27/36 (75%) of the sophomores will transfer to 4-year schools

10 out of 11 freshmen who are transferring schools are going to 4-year institutions as well.

#### Career Development & Jobs Center (CDJC)

The SSC Career Development and Jobs Center (CDJC) provides employer services, career information and job search services to students, alumni and District 510 residents. The office develops and maintains existing employer and job seeker relationships by providing up to date information regarding job postings on the SSC/CCJobNet/College Central website, which is an internet based, password protected, job listing service. Job seekers receive one-on-one assistance composing a professional résumé and cover letter, which is uploaded on the site for employers to review.

On occasion, employers choose to recruit on campus, however; most prefer to attend our annual spring job fair. The fair has an average attendance of approximately 35 employers.

The CDJC facilitates the Federal Work Study program (on-campus student employment) placing 100-120 students in campus jobs each semester.

The CDJC also promotes the continuing development of SSC as one of the IETC Satellite Sites, in conjunction with the Illinois Department of Employment Security (IDES), which includes, but is not limited to the following:

1. Referral of clients to SSC Job Training Department for supportive services
2. Access to SSC Job Developers
3. Assistance with the Illinois Skills Match computer system
4. Sigi<sup>3</sup> Career Self-Assessment software
5. Assistance with Win-Way Résumé software and resume critique services
6. UPS Employment Recruiter on-campus

#### Predominantly Black Institutions (PBI) Grant Program

The Predominantly Black Institutions (PBI) Program was established by the Higher Education Opportunity Act through the U. S. Department of Education. The purpose of the PBI Program is to strengthen eligible institutions to plan, develop, undertake and implement programs to enhance the institution's capacity to serve more low-and middle-income Black American students; to expand higher education opportunities for eligible students by encouraging college preparation and student persistence in secondary school and postsecondary education; and to strengthen the financial ability of the institution to serve the academic needs of these



students. The project's focus is facilities improvement including the integration of computer technology to create smart buildings; tutoring, counseling, and student service programs designed to improve academic success and help retain students and move the students rapidly into core courses and through program completion; establishing an endowment fund.

The program serves a minimum of 50 participants. The program employs faculty members to provide counseling/advising, mentoring, and academic support (tutoring) for the program participants to assist them in successfully transitioning to post-secondary education, achieving positive learning outcomes, and maintaining satisfactory progress towards post-secondary educational goals.

The College, with additional support from the South Suburban College Foundation, established an endowment fund to support the awarding of scholarships in support of student academic success. The endowment fund was used to award scholarships to 20 students that covered tuition, fees, and required books for one (1) course for the Summer semester for students who did not have financial aid dollars available for the Summer semester and \$100.00 cash scholarships for 30 students who achieved a minimum cumulative grade point average of 2.0 and completed 2/3rds of the courses enrolled in with a grade of "D" or higher during the academic year.

Our commitment to students and special populations continues through the Services for Students with Disabilities Office (SSDO). Found in the 2012-2013 South Suburban College Student Handbook and on the website, the College encourages students with mobility, sensory and learning impairment, mental illness, and chronic health conditions to seek assistance through SSDO. As stated, "This office provides assistance and support to students with permanent or temporary disabilities through many services including assistive technology, note-takers, interpreters, and tutoring." Staffed by a manager, disabilities specialist, special needs counselors, and other supportive staff, this team and the office are easily accessible with convenient hours for students. The procedure for requesting an academic accommodation has been revised and updated by the College to include an "interactive process" with the student at each step in order to insure that student needs are properly communicated and considered.

#### Services for Students with Disabilities Office (SSDO)

The Services for Students with Disabilities Office (SSDO) uses an interactive process to provide appropriate accommodations to eligible students. The determination of appropriate accommodations is made on an individualized case-by-case basis. The SSDO Team confers and works with its staff and other appropriate personnel to serve students in ways which develop their potential for success in their career training, post secondary education, and in their ability to participate holistically within the College community. The SSDO Team also works with the disabled student to help them resolve personal issues that may be barriers to learning and to demonstrate how assistive technology can be useful and productive. All ADA and Section 504 of the Rehabilitation Act regulations are adhered to and followed.

For FY 2012, approximately three hundred twenty (320) students with disabilities, up 9 % from FY 2011, received the accommodated services of extended testing time, note takers, interpreters, readers, test dictation, priority seating, attendance consideration, and/or tutoring for improved academic performance in college coursework.

#### Scholarship Opportunities for GED Graduates

In addition to the many Federal and State Financial Aid opportunities available, the South Suburban College Foundation offers numerous scholarships to qualified applicants that can be used for tuition and fees, books and supplies. Some of these scholarships are awarded specifically through the Division of Community Education. The Regson Scholarship is a \$1,000 award for a student enrolled in a 12 – 15 hour program leading to a Basic certificate; the George Dammer Scholarship for GED Graduates and the Earl DeTella GED Returning Adult Scholarship are both \$500 awards for those students continuing their education at the College. Additional tuition waivers also available are: one for any student who is at least 25 years old, resides in District 510, has not previously enrolled in an SSC credit course and is not receiving financial aid or tuition assistance from an employer, as well as a tuition waiver for one free class for any resident of District 510 who has taken preparation classes at SSC and is registered to take or has taken the GED exam during the calendar year and not receiving any financial aid or tuition assistance from an employer.



As a reciprocal scholarship, the Board of Trustees offers scholarships to all South Suburban College GED graduates scoring 3000 or above on the GED exam, a two-year scholarship for free tuition for 15 credit hours for each semester.

All graduates of the Community Education programs are invited to participate in a cap and gown graduation ceremony where they will be presented with a certificate in an SSC diploma jacket.

### GED Instruction & Technology

The GED program incorporates i-pathways instruction (an online instructional program) into the classroom activities as well as the ability to take this program independently "At-a-Distance" at any time with Internet access, and at their own pace. Students would still be able to communicate with an instructor through e-mail and telephone contact. In addition, SSC has implemented the Career & Academic Readiness System at all ASE sites as a means of facilitating a broader knowledge base for students who are planning to transition to SSC.

### 42nd GED Graduation Held

The Division of Community Education celebrated its 42<sup>nd</sup> graduation ceremony on May 18, 2012. During these 42 years, SSC has graduated more than 5,000 students. Many GED graduates have registered and graduated from SSC's various certificate and/or degree programs. The College continues to implement and develop programs to successfully transition GED graduates into College credit programs. The focus for 2011-12 was to work to begin transitioning students from GED into the College community or employment utilizing the "Bridge model". 18 students took the "Work Keys Assessment" and passed each module which earned them national accreditation. The assessment had never previously been introduced to the GED students. A higher number of students completed their GED certification allowing for more individuals to transition to college at SSC and other locations. A special DCEO Grant was awarded to the College to achieve these goals, providing for updated laptop computers and Epson Interactive Board, etc to facilitate instruction within the classroom. The Adult Education Department is continuing to process this grant and its funds to augment the classroom.

### Program Accessibility

South Suburban College's Division of Community Education continues to offer a wide range of opportunities for adults to build basic skills required for success. Adult Education courses (Adult Basic Education, Adult Secondary Education, General Educational Development, and English as a Second Language) are offered in full and part time increments at various locations. Therefore, classes are convenient for students with families and busy schedules.

In 2011-12, we continued to support our partnership with OAI, Inc., a Federal Youth Build Program in Harvey, which includes Adult Education GED preparation classes and Continuing Education construction classes and to provide classes at Restoration Ministries in Harvey and at the Riverdale Community Center. These efforts continue to expand our offerings in the community and enable these institutions to provide a necessary educational opportunity to their constituents. We continue to receive calls to offer more classes at additional sites. However, at this time, expansion is limited by our funding from the State and Federal grants.

### Adult Education Rally

Our students continue to participate in activities involving Legislative Awareness Day in Springfield where the students were able to participate in the planned rally; met with and had photo sessions with the local representatives of the area; toured the Capital and most importantly observed a voting session of the legislative body. All of the SSC Adult Education students who participated in the event had never previously visited Springfield. It was a learning venture for all of them.

Additionally, we support the BCI Women's Conference by offering the opportunity to participate in this yearly activity. The women who participate may never have had the opportunity to interface on a professional level with other women or to attend an activity such as a conference. We look upon this event as an educational activity for them.

### Statewide Awards

Community Education has repeatedly nominated students and staff for Statewide Awards and two of our nominations were successful this year. Juan Jackson, an ASE student who completed and received his GED credentials was awarded the Paul Simon Outstanding Learner of the Year Award from the Illinois Adult and Continuing Education Association. Juan earned his GED with a score over 3000, enabling him to be a member of the 3000 Club. Juan has successfully transitioned to South Suburban College in the Art Program. Also, Mary Gercken was awarded the Illinois Secretary of State's Spotlight on Service Award as an outstanding tutor in our Volunteer Literacy Program. Mary was one of ten people who received this award in 2012.

### Secretary of State's Adult Volunteer Literacy Grant

The College has continued to receive the very important Secretary of State Adult Volunteer Literacy Grant. This grant is a renewable grant to provide funding to support a team of volunteers who are prepared to tutor members of the community and students who score below an 8.9 on the Test of Adult Basic Education (TABE). The grant helps to pay for some of the salary of the coordinator and the books and supplies necessary to manage this important effort at improved literacy. Some members of our local towns and villages are unable to read, write, or perform simple mathematical functions. Without this knowledge they are not able to complete basic forms necessary for additional funds, or to secure an interview for a job. These individuals lack the necessary self-esteem to seek success at any level. We are proud to play an important part in this very worthwhile venture in the community. We over-exceeded our goals in attaching volunteer tutors and participants and look forward to many additional years in this partnership. We have voluntarily offered the Family Reading Night as an additional activity for our tutors and community members. Each year we have invited a local author to speak to the students and community members. We had the privilege of having SSC Professor and renown author, Arthur Burton, speaking about his most recent book, The Legend of Bass Reeves.

### Penny Severns Family Literacy Grant

In 2012, the Volunteer Literacy Coordinator wrote the grant to apply for the Penny Severns Family Literacy Grant. This grant is also administered through the Secretary of State's Office to programs to offer family literacy services to assist families to engage in reading activities with their children. Five families of 12 children participated during the month of July, learning about reading skills on the adult level for the parents and the child level for the children. The grant's culminating project was a trip for all family members to Brookfield Zoo. The grant paid for everything for the trip, except for food. This was the first attempt at applying for a Penny Severns Grant and the hope is that we will continue with this opportunity.

### GED Exams Center

South Suburban College continues to operate as a GED Exams Center of Cook County GED Testing. This enables residents of District #510 local and convenient year-round access to GED testing. This also helps to ensure a smooth transition for students between GED courses and employment or enrollment in College credit courses.

Since 2011, the Adult Education Department appealed to the SSC Foundation for funding to be able to provide the \$50 fee for SSC Adult Education students to be able to take the GED exams. In light of the economic conditions in District #510, this "Second Chance Scholarship" helps those who want to be able to be successful in earning a GED.

### **FOR THE FUTURE**

The South Suburban College Board of Trustees is fully supportive of plans to enhance the learning environment. The Board is committed to providing state-of-the-art teaching and learning mediums, as well as comfortable physical surroundings.

### Building Improvements for the Future

- Future projects under consideration are the remodeling of the gym locker rooms, replacement of the acoustical ceilings on the third and fourth floor, HVAC improvements to ABE and ASE classrooms on the first floor, handicapped accessibility from the bus stop and upgrades to the building automation systems that control the HVAC components at the main campus.
- South Suburban College will replace classroom flooring, selected hallway flooring and seven stairwells in order to provide a clean and appealing environment. The college will invest approximately \$743,000 to remove old flooring and replace it with vinyl tile that is durable in order to withstand the volume of students we serve.
- South Suburban College will replace the emergency generator in order to provide emergency power during power outages. The emergency generator serves to support life safety HVAC equipment, lighting and mechanical systems that divert water away from critical infrastructure components essential to protect the building and its occupants. The college will invest approximately \$387,000 to complete this project.
- South Suburban College will replace the HVAC unit at the gymnasium in order to provide a comfortable environment for athletics, community functions, graduation ceremonies, town hall meetings and job fairs. It is estimated the College will invest approximately \$295,000 to complete this project. The new HVAC unit will be more energy efficient and therefore promote the College's mission to become "green".
- South Suburban College will replace the Performing Arts Center (PAC) chiller unit in order to provide consistent temperatures in the PAC for our plays, faculty forums, student classes and employee training sessions. The college will invest approximately \$320,000 to complete this project. The new chiller unit will be replaced with an energy efficient unit and therefore promote the College's mission to become "green".
- South Suburban College will renovate an existing space at the University College Center in Oak Forest to accommodate the Business and Career Institute currently located at a leased office space adjacent to the main campus. The new space will require new partitions, doors, hardware, ceilings, mechanical and electrical systems. The College will invest approximately \$160,000 to complete this project.
- South Suburban College will renovate the south elevator to meet code requirements and maintain the functionality of this elevator. The rehabilitation will include upgrading operating controls, hoistway, cab, lighting, ADA accessibility, new finishes, ventilation of shafts and the equipment room. The College will invest approximately \$195,000 to complete this project.
- South Suburban College will renovate three restrooms at the main campus to replace old fixtures with "green" fixture that utilize less water, new flooring, lighting and ceilings. The College will invest approximately \$245,000 to complete this project.

### **FINANCIAL INFORMATION**

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 3 – 10), which focuses on current activities, accounting changes, and currently known facts.

Internal Controls: Management of the College is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Tests are made by the College's independent auditors to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the College has complied with applicable laws and regulations.

**Budgetary Controls:** In addition, the College maintains budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. Activities of the funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established within each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

**Fund Equity:** The fund balance for the general fund at June 30, 2012 was \$15,788,627 which is an increase of \$5,714,221 or 62% over the previous year. The majority of this increase can be attributed to a \$10 per credit hour increase in tuition and improved property tax collections from the County. Total fund equity increased from \$20,935,225 in 2011 to \$27,892,552 in 2012.

**Debt Administration:** The College had net general bonded debt of \$22,409,995 as of June 30, 2012. Net bonded debt per capita was \$62 at June 30, 2012. The College last issued \$5 million in general obligation bonds in January, 2009. The primary purpose of the issuance was to purchase a new administrative software system. There are currently two outstanding general obligation limited tax bond issues.

**Cash Management:** For the purpose of overall investment of excess funds, the College is governed by the Illinois Public College Act, and the statutes governing investment of public funds of the Illinois Revised Statutes (Chapter 85-901 et. seq.). The fiduciary responsibility for said investments is entrusted to the South Suburban College Board of Trustees.

The investment income of the general fund totaled \$130,779 in fiscal year 2012. The average rate of return was 0.56% in 2012. As of June 30, 2012, investments were in banks and savings and loans certificates of deposit, and fully secured open time deposits. All cash deposits were fully collateralized or covered by federal insurance as of June 30, 2012.

## **RISK MANAGEMENT**

South Suburban College participates in a self-insurance program with eleven other local community colleges for property, casualty and Workers' Compensation insurance. There is no aggregate loss limit for property and is covered up to \$250 million. The aggregate loss limit for Liability is up to \$21 million per occurrence, and Workers' Compensation insurance is unlimited with no aggregate. Unused portions of the loss fund are distributed in subsequent years in the form of dividends or as an offset to premiums. Excess Specific and Aggregate insurance is purchased above the self-insured retentions. In addition, the College maintains an active and aggressive Safety Committee for the purpose of identifying and correcting conditions that may prove to be a safety hazard for students, staff or visitors to the campus.

## **OTHER INFORMATION**

**Independent Audit:** The Illinois Public Community College Act requires an annual audit of the books of accounts, financial records and transactions of all funds of the College. The audit is done by independent certified public accountants who are selected by the Board of Trustees. This requirement has been complied with and the auditor's opinion is unqualified.

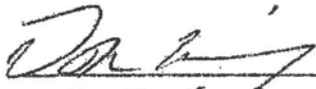
**Awards:** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for School Systems to South Suburban College for its CAFR for the fiscal year ended June 30, 2011. This award certifies that the CAFR substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of the CAFR by an expert panel of certified public accountants and practicing school business officials.

ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. We believe that our current CAFR continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO.

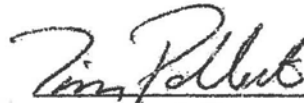
Acknowledgments: The preparation of this report in a timely manner would not have been possible without the dedicated service of the entire staff of the Business and Accounting Office.

In closing, without the leadership and support of the Board of Trustees of the college, preparation of this report would not have been possible.

Respectfully submitted,



Don Manning  
President



Tim Pollert  
Controller/Treasurer



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **South Suburban College Community College District 510**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards

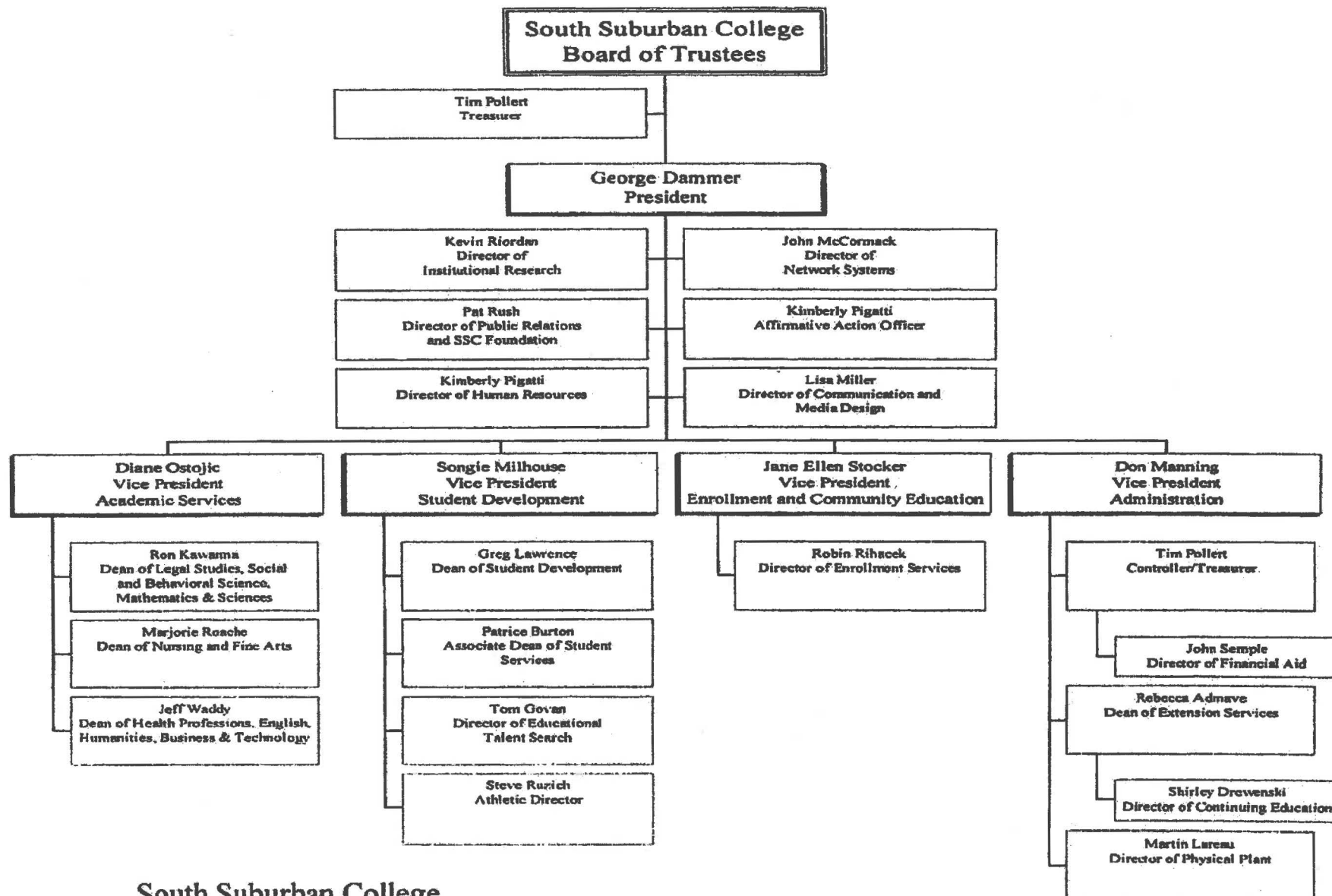


*Brian L. Mee*

Brian L. Mee, SFO, RSBA  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director



South Suburban College  
Administrative Organizational Chart

## PRINCIPAL OFFICIALS

### SOUTH SUBURBAN COLLEGE OF COOK COUNTY Community College District No. 510

Fiscal Year Ended June 30, 2012

#### BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Frank M. Zuccarelli	Chairman	2017
John Daly	Vice Chair	2015
Anthony DeFilippo	Trustee	2013
Katie Jackson Booker	Trustee	2015
Jacqueline Martin	Trustee	2013
Terry R. Wells	Trustee	2017
Joseph Whittington, Jr.	Trustee	2017
Rebecca Garcia	Student Trustee	2012

#### OFFICERS OF THE COLLEGE

George Dammer	College President
Dr. Diane Ostojic	Vice President, Academic Affairs
Jane Ellen Stocker	Vice President, Community Education
Don Manning	Vice President, Administration
Songie Adebisi	Vice President, Student Development

#### OFFICIAL ISSUING REPORT

Don Manning	Vice President, Administration
-------------	--------------------------------

#### DIVISION ISSUING REPORT

Business and Accounting Office



# **Financial Section**

## **BASIC FINANCIAL STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
South Suburban College  
Community College District No. 510  
South Holland, Illinois

We have audited the accompanying financial statements of South Suburban College Community College District No. 510 (the College) and the discretely presented component unit, the South Suburban College Foundation, as of and for the year ended June 30, 2012, as listed in the Table of Contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the South Suburban College Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College, and the discretely presented component unit as of June 30, 2012, and the results of its operations and its cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2012, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 3 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements. The State Supplemental Reports listed under the Special Reports section of the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The State Supplemental Reports have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the State Supplemental Reports are fairly stated in all material respects in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The introductory section and statistical section in the table of contents are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

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

Crowe Horwath LLP

Oak Brook, Illinois  
October 12, 2012

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

The following management discussion and analysis (MD&A) provides a comprehensive overview of South Suburban College, District 510's financial position as of June 30, 2012, and its results of operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The information presented within should be read in conjunction with additional information contained in our letter of transmittal, which can be found beginning with page i, and the College's financial statements immediately following this discussion and analysis.

### **Using the Annual Report**

The annual report consists of a series of financial statements, which have been prepared in accordance with the Governmental Accounting Standard Board Statement No. 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities. These financial statements focus on the financial condition, results of operations, and cash flows of the College as a whole.

- Statement of Net Assets: This statement presents information on all College assets and liabilities. It is prepared on an accrual basis with revenues and expenses recognized when earned or incurred.
- Statement of Revenues, Expenses and Changes in Net Assets: This statement presents a summary of revenues and expenses classified as either operating or non-operating. The operating deficit, which is reflected results from the classification of state appropriations as non-operating revenue.
- Statement of Cash Flows: This statement classifies cash inflows and outflows into the following classifications: Operating activities, non-capital financing activities, capital financing activities and investing activities. This information is useful in assessing the College's ability to meet maturing financial obligations.

### **Financial Highlights**

- As of June 30, 2012 total assets reported by the College were \$63,429,790 of which \$22,397,071 represents capital assets net of accumulated depreciation and deferred bond costs. Total liabilities were \$41,816,244 of which \$22,659,815 represents long term obligations.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

<b>Assets:</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Current & other assets	\$ 41,032,719	\$ 39,164,629
Capital assets	<u>22,397,071</u>	<u>22,194,321</u>
<b>Total assets</b>	<b><u>63,429,790</u></b>	<b><u>61,358,950</u></b>
<b>Liabilities:</b>		
Current Liabilities	19,156,429	19,592,103
Long-term liabilities	<u>22,659,815</u>	<u>23,564,246</u>
<b>Total Liabilities</b>	<b><u>41,816,244</u></b>	<b><u>43,156,349</u></b>
<b>Net Assets:</b>		
Invested in capital		
assets, net or related debt	(587,644)	(1,842,240)
Restricted	3,244,600	2,738,055
Unrestricted	<u>18,956,590</u>	<u>17,306,786</u>
<b>Total net assets</b>	<b><u>\$ 21,613,546</u></b>	<b><u>\$ 18,202,601</u></b>

- The College's net assets increased by \$3,410,945 from fiscal year 2011 from \$18,202,601 to \$21,613,546.
- The College's largest asset is its investment in capital assets, including land, land improvements and infrastructure, buildings, and equipment. Capital assets represent 35% of the College's total assets.
- The College's net assets consist of capital assets net of related debt, expendable restricted net assets and unrestricted net assets. Expendable restricted net assets represent assets whose use is restricted by a party independent of the College. In this case, \$3,244,600 is restricted for our debt service fund.
- This is the ninth year that the College was required to include the Foundation on its financial statements as a component unit. As of June 30, 2012, the Foundation has \$1,042,935 in assets, \$102,303 in liabilities with net assets totaling \$940,632. This represents a decrease in total net assets of \$90,725 from 2011. Total assets and total liabilities decreased \$150,983 and \$60,258, respectively.



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

**Financial Statement Summaries**

The statement of revenues, expenses, and changes in net assets presents the College's results of operations. Operating revenues increased for fiscal year 2012 to \$13,204,116 from \$10,705,144 in 2011. This increase was primarily the result of a \$10 per credit hour tuition increase.

Non-Operating revenues net of non-operating expenses increased to \$49,754,481 in 2012 from \$49,248,094 in 2011. While the net difference is marginal, two changes are worth mentioning. First, tighter Title IV regulations and the loss of several federal grants was the primary reason for the decrease of \$2,103,643 in Federal Grants & Contracts.

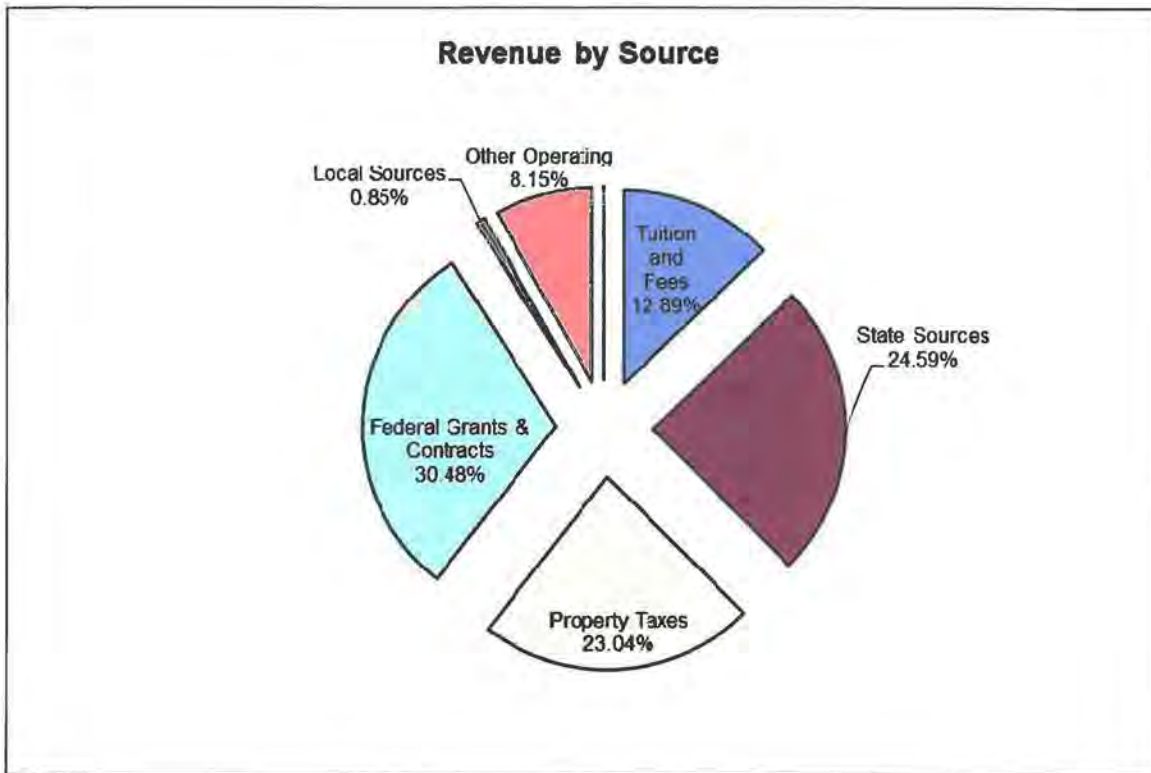
Under State Sources, the College received several new grants with the most notable being a \$2.1 million capital improvement from the Governor's Office.

REVENUES	2012	% OF TOTAL REVENUE	2011	% OF TOTAL REVENUE
Tuition and Fees	\$ 8,271,491	12.89%	\$ 5,300,510	8.60%
State Sources	15,782,038	24.59%	12,776,953	20.90%
Property Taxes	14,786,793	23.04%	15,069,964	24.60%
Federal Grants & Contracts	19,565,506	30.48%	21,669,149	35.40%
Local Sources	544,892	0.85%	582,942	0.95%
Other	5,232,928	8.15%	5,759,071	9.40%
<b>TOTAL REVENUES</b>	<b><u>\$ 64,183,648</u></b>		<b><u>\$61,158,589</u></b>	

A graphic illustration of each revenue source is as follows:



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012



**Revenue:**

With total Operating and Non-Operating revenue increasing by 5% in fiscal year 2012, a couple of points are worthy of further discussion. First, the College increased tuition by \$10 a credit hour. This equates to approximate \$1.5 million in additional tuition revenue.

Second, the State of Illinois has reversed its tightening on grants and has award the College of a couple of additional grants with the most notable being a \$2.1 million special appropriation from the Governor's Office.

Other categories remained relatively consistent and strong.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

**Expenses:**

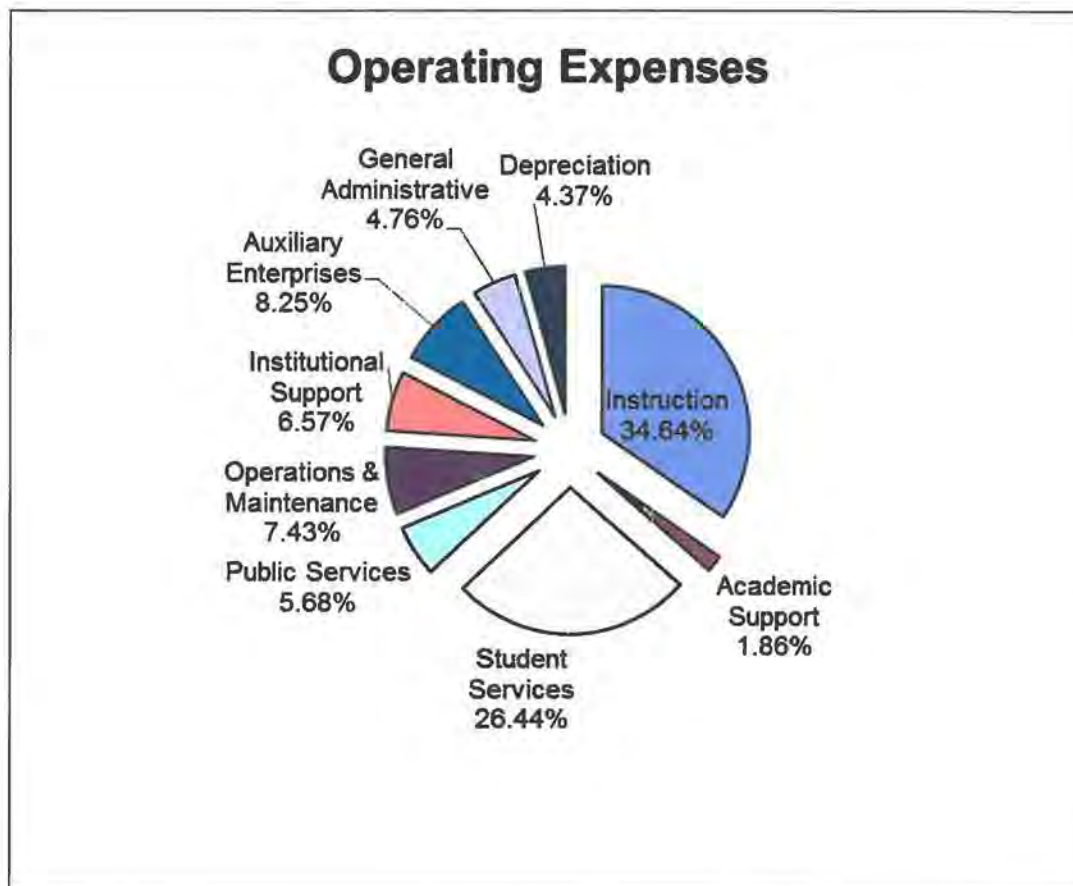
Total operating expenses for the year are \$59,547,652 which is a modest increase of \$1,052,117 or 1.8%. A breakdown and categorical comparison is as follows:

<b>Operating Expenses</b>	<b>2012</b>	<b>% of Total Expenses</b>	<b>2011</b>	<b>% of Total Expenses</b>
Instruction	\$20,624,866	34.64%	\$ 19,141,519	32.72%
Academic Support	1,109,047	1.86%	1,216,512	2.08%
Student Services	15,745,020	26.44%	16,963,275	29.00%
Public Services	3,381,336	5.68%	2,420,279	4.14%
Operations & Maintenance	4,422,403	7.43%	4,382,205	7.49%
Institutional Support	3,914,438	6.57%	3,869,368	6.61%
Auxiliary Enterprises	4,914,156	8.25%	5,287,589	9.04%
General Administrative	2,832,022	4.76%	2,769,173	4.73%
Depreciation	2,604,364	4.37%	2,445,615	4.18%
<b>TOTAL EXPENSES</b>	<b><u>\$59,547,652</u></b>		<b><u>\$ 58,495,535</u></b>	

A graphic illustration of each operating expenditure category is as follows:

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---



The primary message throughout the expenditure side of the equation remains controlling expenditures. With the lean economic times that we are currently experiencing, the need for the College to slightly alter the delivery of services to become more cost effective is prevalent.

Most increases are the result of standard cost of living adjustments throughout employee classifications. Overall, the number of full-time employees has decreased to 335 in 2012 from 345 in 2011. The College is down 64 full-time employees from its peak in 2005 of 399. This reduction in force last year is across all spectrums and primarily the result of the Board approved slow fill policy for retiring employees.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

**Debt:**

The College did not issue any new debt during the fiscal year and maintained a rating from Standard & Poor's of AA-. Standard & Poor's cited the following in arriving at its rating:

- Large and diverse service area with direct access to the deep and diverse Chicago metropolitan area economy.
- Very strong financial position with standard financial management practices.
- Moderate overall net debt burden with limited future capital needs.

The College did retire its 1999 General Obligation Limited Tax bonds during the year. Please refer to the notes to the Financial Statements more detailed information on the College's debt.

**Capital Assets:**

The College has invested \$58,981,839 (not adjusted for inflation) in capital assets, including buildings, vehicles, equipment, land and land improvements as of June 30, 2012. Net of accumulated depreciation, the College's net capital assets at June 30, 2012 were \$22,225,955. This amount represents a net increase of \$205,354 over the June 30, 2011 balance of \$22,020,601. The College purchased two new two ton dump trucks, one new police SUV and two maintenance support vehicles. Please refer to the notes to the Financial Statements for more detailed information on the Capital Assets of the College.

**Overall Financial Position:**

The overall financial position of the College increased during the fiscal year with the total assets and net assets increasing and total liabilities decreasing for the year.

The College's bottom line of the College remains stable with a comfortable fund balance in both the Operating and Non-Operating funds. The College continually looks for ways to reinvent itself and the delivery of services with its largest asset, personnel. Every vacant position is critically look and is subject to a slow fill, Board approved policy. The College remains resilient during these tough economic times and would expect that trend to continue into the future.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2012

---

**Economic Factors:**

There are two main factors that are presently providing a challenge to the future funding of the College. The first is the State of Illinois' present fiscal situation. With the State of Illinois crippled with pension debt, it is inevitable that a portion of the State's pension liability will be passed along to the local community colleges. Currently, that pension liability is around \$2.7 million with a portion expected to be phased in next fiscal year.

The downward economic cycle that the region and nation are experiencing is forcing performance based funding onto the local community colleges and, therefore, continues to tighten one of the primary revenue streams for one of our largest cohorts – our financial aid students.

**Request for information:**

This financial report is designed to provide a general overview of the College's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller/Treasurer at 15800 S. State Street, South Holland, IL 60473; or by telephone at (708) 596-2000.



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
STATEMENT OF NET ASSETS  
June 30, 2012

STATEMENT 1

	<u>Primary Institution</u>	<u>Component Unit Foundation</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 873,263	\$ 22,061
Short-term investments	23,830,136	160,457
Taxes receivable, net	8,568,312	-
Other receivables, net	7,143,923	861
Inventories	596,137	-
Prepays	20,948	-
Total current assets	<u>41,032,719</u>	<u>183,379</u>
Noncurrent assets:		
Deferred bond costs	171,116	-
Investments	-	859,556
Capital assets, not being depreciated	1,460,632	-
Capital assets, net of accumulated depreciation	20,765,323	-
Total noncurrent assets	<u>22,397,071</u>	<u>859,556</u>
Total assets	<u>63,429,790</u>	<u>1,042,935</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	3,026,085	102,303
Accrued interest payable	58,268	-
Accrued payroll	572,793	-
Unearned tax revenue	8,091,383	-
Unearned tuition revenue	4,295,184	-
Current portion of bonds payable	2,110,000	-
Current portion of compensated absences	54,258	-
Current portion of other long-term liabilities	948,458	-
Total current liabilities	<u>19,156,429</u>	<u>102,303</u>
Noncurrent liabilities:		
Bonds payable	20,299,995	-
Compensated absences	683,698	-
Other long-term liabilities	1,676,122	-
Total noncurrent liabilities	<u>22,659,815</u>	<u>-</u>
Total liabilities	<u>41,816,244</u>	<u>102,303</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	(587,644)	-
Restricted for:		
Expendable:		
Scholarships	-	412,893
Debt Service	3,244,600	-
Non-expendable:		
Scholarships	-	376,411
Unrestricted	18,956,590	151,328
Total net assets	<u>\$ 21,613,546</u>	<u>\$ 940,632</u>

The accompanying notes are an integral part of this statement.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
Year Ended June 30, 2012

STATEMENT 2

	<u>Primary Institution</u>	<u>Component Unit Foundation</u>
<b>REVENUES</b>		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$10,966,743)	\$ 8,271,491	\$ -
Auxiliary enterprise revenue	4,901,779	-
Donations and contributions	-	143,493
Fund raising	-	68,902
Other operating revenues	30,846	-
Total operating revenues	<u>13,204,116</u>	<u>212,395</u>
<b>EXPENSES</b>		
Operating expenses:		
Instruction	20,624,866	-
Academic support	1,109,047	119,097
Student services	15,745,020	-
Public services	3,381,336	-
Operations and maintenance	4,422,403	-
Institutional support	3,914,438	-
Auxiliary enterprises	4,914,156	-
General administrative	2,832,022	183,453
Fund raising	-	25,269
Depreciation	2,604,364	-
Total operating expenses	<u>59,547,652</u>	<u>327,819</u>
Operating income (loss)	<u>(46,343,536)</u>	<u>(115,424)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State sources	15,782,038	-
Property taxes	14,786,793	-
Federal grants and contracts	19,565,506	-
Local sources	544,892	-
Investment income	130,891	24,699
Interest on capital asset related debt	(1,225,051)	-
Other nonoperating revenues	169,412	-
Net non-operating revenues	<u>49,754,481</u>	<u>24,699</u>
Increase (decrease) in net assets	<u>3,410,945</u>	<u>(90,725)</u>
<b>NET ASSETS</b>		
Net assets - beginning of year	<u>18,202,601</u>	<u>1,031,357</u>
Net assets - end of year	<u>\$ 21,613,546</u>	<u>\$ 940,632</u>

The accompanying notes are an integral part of this statement.

SOUTH SUBURBAN COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2012

STATEMENT 3

	Primary Institution
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 7,429,508
Auxiliary enterprises	4,988,529
Payments to:	
Employees	(29,004,208)
Suppliers	(21,859,716)
Other receipts	30,846
Net cash used from operating activities	<u>(38,415,041)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	10,617,496
Property taxes	15,207,370
Other local sources	714,304
Federal grants & contracts	19,565,506
Net cash provided by noncapital financing activities	<u>46,104,676</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Purchases of capital assets and construction	(2,809,718)
Principal paid on capital debt and leases	(2,165,244)
Interest paid on capital debt and leases	(50,084)
Net cash used from capital financing activities	<u>(5,025,046)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	130,891
Purchases of short-term investments	(3,095,833)
Net cash used from investing activities	<u>(2,964,942)</u>
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(300,353)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,173,616</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 873,263</u>
<b>NONCASH TRANSACTIONS</b>	
State university retirement revenue	\$ 5,457,085
State university retirement expense	(5,457,085)
Accretion of interest	1,116,002
<b>RECONCILIATION OF NET OPERATING REVENUES/(EXPENSES) TO NET CASH USED FROM OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (46,343,536)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,604,364
State payment for retirement obligation	5,457,085
Changes in assets and liabilities:	
Inventories and other assets	86,750
Accounts payable and accrued liabilities	812,141
Accrued salaries and wages	(189,862)
Unearned tuition revenue	(841,983)
Net cash used from operating activities	<u>\$ (38,415,041)</u>

The accompanying notes are an integral part of this statement.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of South Suburban College of Cook County Community College District No. 510 (the College) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These authoritative pronouncements are consistent with accounting practices prescribed or permitted by the Illinois Community College Board (ICCB). The following is a summary of the significant policies.

Reporting Entity and Its Services: The College has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these basic financial statements include all organizations, activities, functions and component units for which the College is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the College's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the College. The following entity was included in these financial statements based on the above criteria:

- South Suburban College Foundation

Discretely Presented Component Unit: The South Suburban College Foundation (Foundation) is included in the reporting entity because of its operational and financial relationship with South Suburban College. The Foundation meets the criteria for discrete presentation and is shown in the component unit column in the basic financial statements. The Foundation is reported in a separate column to emphasize that it is legally separate from the College. The Foundation issues separate financial statements and has a June 30 year end. Separate financial statements can be obtained by contacting its office at South Suburban College.

Measurement Focus and Basis of Accounting: For financial statement reporting purposes, the College is considered a special purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with its activity are included on its statement of net assets.

Basis of Accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The College uses the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated. Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state and local grants, state appropriations, and other contributions.

Capital Assets: Capital assets include property, plant, equipment, and infrastructure assets, such as roads and sidewalks. The College defines capital assets as assets with an initial unit cost of \$5,000 or more, the component unit defines capital assets as assets with an initial unit cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In prior years, the College implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Included with the College's equipment capital assets, the College has capitalized an intangible asset, computer software. The College follows the same capitalization policy and estimated useful life for its intangible asset as it does for its equipment capital assets. The College also amortizes the intangible asset utilizing the straight-line method.

Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land	Not depreciated
Buildings	40-60
Building and Land Improvements	10-20
Equipment	5-10
Computer Technology	3-5
Infrastructure	10-75

Depreciation expense for fiscal year 2012 was \$2,604,364 for the College and \$0 for the component unit.

Investments and the Statement of Cash Flows Policy: Investments having a maturity date of less than one year from the time of purchase are reported at amortized cost. All other investments are stated at fair value in accordance with GASB 31. Fair values for the investments in Illinois Funds and the Illinois School District Liquid Asset Fund are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act. Investments with an original maturity of one year or greater are reported as Noncurrent on the Statement of Net Assets.

For purposes of the statement of cash flows, the College considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about March 1 and August 1 the following year. They are due and payable in two installments on or about April 1 and on or about September 1 the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized on an accrual basis of accounting. Pursuant to the Board of Trustees resolution, property tax levies passed in December 2011 were allocated 50% to fiscal year 2012. The College includes a provision for uncollectible property taxes of 3% of the receivable.

Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefit Amounts: The College inventories its employee benefits at year end based on both a legal commitment and internal policy. Support staff members, administrative personnel and faculty members are credited with 12 days of sick leave at the beginning of employment. Accumulated leave is not subject to a maximum number of days and can be taken in the event of illness or doctors' appointments.

---

(Continued)



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Upon employee termination, the College has no commitment for accumulated sick leave, and therefore, no liability is recorded. Employees who retire are given credit for unused sick leave toward years of service in the State Universities Retirement System.

Support staff members are entitled to 10 vacation days per year for the first 4 years of employment, 15 days per year for the 5th through 14th year, and 20 days per year for the 15th year and any years beyond that. Administrators who are employed on a 52-week contract shall be entitled to 20 annual days of vacation. Faculty members are not entitled to vacation days.

The College had \$737,956 in accumulated unpaid employee benefits on an accrual basis at the year end. Of this amount \$54,258 was determined to be a current liability and the balance of \$683,698 was determined to be non-current.

Claims and Judgments: Liability resulting from claims and judgments, if any, is recorded in accordance with the provisions of FASB Statement No. 5.

Unearned Tuition and Fee Revenue: Tuition and fee revenues collected during the fiscal year, which relate to the period after June 30, 2012, have been recognized as unearned revenues.

Deferred Bond Costs: Bond issuance costs are deferred as credits or charges, and amortized over the life of the bonds using the effective interest method in the college-wide financial statements.

Classification of Revenues and Expenses: Operating Revenue includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, and (3) most federal, state and local grants and contracts. The College classifies all expenses as operating in the statement of revenues, expenses, and changes in net assets, except for interest expense which is classified as nonoperating.

GASB and FASB Pronouncements: The College has elected, under the provisions of GASB Statement 20, entitled *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The College has elected to not apply FASB pronouncements issued after the applicable date.

Net Assets: The College's net assets are classified as follows:

- **Invested in capital assets, net of related debt** – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- **Restricted net assets** –

**Nonexpendable** - Net assets subject to externally imposed stipulations that they be maintained permanently by the College.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Expendable** - This includes 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, then unrestricted resources when they are needed.

- **Unrestricted net assets** – This includes resources derived from student tuition and fees, state appropriations, and sales and services of 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.

Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, but the College believes that the differences will be insignificant.

Eliminating Inter-fund Activity: Activities between the College and its auxiliary services are eliminated for purposes of preparing the statement of revenues, expenses, and changes in net assets, and the statement of net assets.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**NOTE 2 - BUDGET AND BUDGETARY ACCOUNTING**

The College follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. The administration submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- B. Budget hearings are conducted.
- C. The budget is legally enacted through passage of a resolution.
- D. The budget may be amended by the Board of Trustees.
- E. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that certain on-behalf payments are not budgeted for nor are bond proceeds.

The level of control (level at which expenditures may not exceed budget/appropriations) is the Fund. Budget/appropriations lapse at year end.

The President is authorized to transfer budgeted amounts between programs within any fund; however, any revisions that alter the total expenditures/ expenses of any fund must be approved by the Board of Trustees in a manner consistent with the original budget adoption process. Any budget transfers between programs within any fund exceeding 5% of the total budget must also be approved by the Board of Trustees. There were no budget revisions during the fiscal year.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash and Cash Equivalents: The carrying amount of cash was \$873,263 for the College and \$22,061 for the Foundation at June 30, 2012. The bank balances were \$1,225,037 and \$77,528, respectively. The difference between the reported cash amount and the bank balance primarily represents outstanding deposits and checks that have not cleared the bank. All College account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the College's name by financial institutions acting as the College's agent at June 30, 2012. All Foundation account balances at banks were insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 at June 30, 2012. The College's cash for purposes of this note includes cash and cash equivalents, which includes cash and money market accounts.

Certificates of Deposit: Certificates of Deposit amounted to \$23,552,061 for the College and \$160,457 for the Foundation as of June 30, 2012. In accordance with College policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 110% of the funds on deposit. All investment collateral is held in safekeeping in the College's name by financial institutions acting as the College's agent. Collateral is priced to market monthly and monitored regularly with additional collateral requested as necessary.

Investments: The College is authorized by State Statute and their own local ordinances to invest in the following:

- Deposits, including certificate of deposit, savings account, and checking account
- Money Markets
- Obligations of the U.S. Treasury, U.S. Agencies and Instrumentalities
- Short-Term Obligations of corporations organized in the U.S.

The Foundation is authorized by their own investment policy to invest in the following:

- Deposits, including certificate of deposit, saving account, checking account
- Money Markets
- Obligations of the U.S. Treasury, U.S. Agencies and Instrumentalities
- Deposit Account
- United States and International Stocks
- Real Estate
- Commodities

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the College's investments at June 30, 2012.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than One Year</u>
State Treasurer Illinois Funds	\$ 276,570	\$ 276,570
Money Markets – MB Financial	1,472	1,472
Money Markets - Illinois School District Liquid Asset Funds	<u>33</u>	<u>33</u>
Total	<u>\$ 278,075</u>	<u>\$ 278,075</u>

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

The Foundation maintains all investments with the Trust Company of Illinois (TCI). The following schedule reports the fair values and maturities (using the segmented time distribution method) for these investments at June 30, 2012.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less Than One Year</u>	<u>Greater Than One Year</u>
U.S. Stocks Mutual Fund	\$ 160,542	\$ 160,542	\$ -
International Stocks Mutual Fund	127,930	127,930	-
Real Estate Mutual Fund	8,170	8,170	-
Alternative Investment Mutual Fund	172,808	172,808	-
Treasury Mutual Fund	140,801	140,801	-
Money Market Mutual Fund	50,926	50,926	-
Bonds Mutual Fund	<u>198,379</u>	<u>198,379</u>	<u>-</u>
Total	<u>\$ 859,556</u>	<u>\$ 859,556</u>	<u>\$ -</u>

*Interest Rate Risk* – The College and the Foundation do not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – The College's investment policy limits investments in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase; (ii) such purchases do not exceed 10% of the corporation's outstanding obligations or (iii) in money market mutual funds registered under the Investment Company Act of 1940.

Credit ratings for the College's investments in debt securities as described by Standard & Poor's at June 30, 2012 are as follows:

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>% of Investment Type</u>	<u>% of Total Investments</u>
State Treasurer – Illinois Funds	AAAm	100%	99.46%

The Foundation does not invest in debt securities and thus no credit ratings are available.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College and the Foundation are fully collateralized as of June 30, 2012.

*Concentration of Credit Risk* – The College and the Foundation place no limit on the amount that may be invested in any one issuer. The State Treasurer – Illinois Funds represents more than 5% of the College's total investments at year end (99.46%). There were no investments that represent more than 5% of the Foundation's total investments at year end.

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

Reconciliation of footnote to Statement 1:

College

Per Footnote:

Total Certificates of Deposit	\$ 23,552,061
Total Investments	<u>278,075</u>

Total Short-Term Investments per Statement 1	<u>\$ 23,830,136</u>
--	----------------------

Foundation

Per Footnote:

Total Certificates of Deposit	<u>\$ 160,457</u>
-------------------------------	-------------------

Total Short-Term Investments per Statement 1	<u>\$ 160,457</u>
--	-------------------

Per Footnote:

Total Long-Term Investments	<u>\$ 859,556</u>
-----------------------------	-------------------

Total Long-Term Investments per Statement 1	<u>\$ 859,556</u>
---	-------------------

**NOTE 4 - LONG-TERM DEBT**

A summary of general long-term debt transactions for the year ended June 30, 2012 are as follows:

	<u>Balance July 1, 2011</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>	<u>Current Portion</u>
General obligation bonds	\$ 23,303,993	\$ 1,116,002*	\$ 2,010,000	\$ 22,409,995	\$ 2,110,000
Capital lease payable	558,848	-	155,244	403,604	155,244
Early retirement benefits (Note 9)	1,847,007	1,054,431	680,462	2,220,976	793,214
Accrued vacations payable (Note 1)	<u>750,381</u>	<u>37,852</u>	<u>50,277</u>	<u>737,956</u>	<u>54,258</u>
Total general long-term debt	<u>\$ 26,460,229</u>	<u>\$ 2,208,285</u>	<u>\$ 2,895,983</u>	<u>\$ 25,772,531</u>	<u>\$ 3,112,716</u>

\* This amount represents the accretion of interest.

(Continued)



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 4 - LONG-TERM DEBT (Continued)**

The outstanding bonds at June 30, 2012 are as follows:

General Obligation Limited Tax College Capital Appreciation Bonds Series 2002

Original Amount	\$10,000,000
Bond Issue	June 27, 2002
Interest Rates	4.7% - 5.7%
Final Payment Date	June 1, 2022
Payment dates	December 1, with final payment June 1, 2022

The bonds were issued to pay outstanding claims against the College from prior years. Interest is not paid, but rather accretes to principal each December 1st.

<u>Year Ending June 30</u>	<u>Interest Rate</u>	<u>Principal Payments</u>	<u>Accretion of Interest</u>
2013	4.71	\$ 2,110,000	\$ 804,115
2014	4.84	2,110,000	744,235
2015	4.96	2,110,000	1,005,481
2016	5.06	2,110,000	570,950
2017	5.13	2,110,000	492,232
2018	5.22	2,110,000	407,479
2019	5.31	2,110,000	316,396
2020	5.40	2,110,000	218,483
2021	5.47	2,110,000	113,659
2022	5.55 - 5.70%	<u>2,135,000</u>	<u>640</u>
Total		<u>21,125,000</u>	<u>\$ 4,673,670</u>

Accreted Value at June 30, 2012	<u>\$ 16,451,330</u>
---------------------------------	----------------------

General Obligation Limited Tax College Capital Appreciation Bonds Series 2008

Original Amount	\$4,999,288
Bond Issue	January 7, 2009
Interest Rates	5.05% - 5.53%
Final Payment Date	December 1, 2027
Payment dates	June 1, with final payment December 1, 2027

The bonds were issued to fund capital improvements throughout the College. Interest is not paid, but rather accretes to principal each June 1st.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

**NOTE 4 - LONG-TERM DEBT (Continued)**

<u>Year Ending June 30</u>	<u>Interest Rate</u>	<u>Principal Payments</u>	<u>Accretion of Interest</u>
2013	-%	\$ -	\$ 319,129
2014	-	-	336,236
2015	-	-	354,261
2016	-	-	373,253
2017	-	-	393,264
2018	-	-	414,349
2019	-	-	436,566
2020	-	-	459,975
2021	-	-	736,620
2022	-	-	524,142
2023	5.05%	2,085,000	445,222
2024	5.19	2,110,000	358,417
2025	5.30	2,110,000	264,695
2026	5.39	2,110,000	164,068
2027	5.46	2,110,000	56,138
2028	5.53	<u>1,070,000</u>	-
Total		<u>11,595,000</u>	<u>\$ 5,636,335</u>
Accreted Value at June 30, 2012		<u>\$ 5,958,665</u>	

A summary of debt service requirements to maturity for bonds follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,110,000	\$ -	\$ 2,110,000
2014	2,110,000	-	2,110,000
2015	2,110,000	-	2,110,000
2016	2,110,000	-	2,110,000
2017	2,110,000	-	2,110,000
2018-2022	10,575,000	-	10,575,000
2023-2027	10,525,000	-	10,525,000
2028	<u>1,070,000</u>	<u>-</u>	<u>1,070,000</u>
Total	<u>\$ 32,720,000</u>	<u>\$ -</u>	<u>\$ 32,720,000</u>

**Legal Debt Margin:** The College is subject to a legal debt margin of 8.625% of equalized assessed value of property in the College. As of June 30, 2012, the equalized assessed valuation of the College is \$4,519,956,088 and the legal debt margin is \$107,538,743. The College is in compliance with this requirement.

**Debt Covenants:** The College is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the College compelling the College to complete its filings. As of 6/30/12, the College did not complete its 2011 filing. The College completed the 2011 filing in August 2012. However, no action has been taken against the College compelling compliance with the debt covenants as of the date of this audit report.

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 4 - LONG-TERM DEBT (Continued)**

Leases:

*Capital Lease* – The College leases copying machines with a historical cost and accumulated depreciation of \$776,200 and \$310,488 respectively, under capital lease arrangements for the year ended June 30, 2012.

Future minimum lease payments at June 30, 2012 are as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2013	\$ 161,377
2014	161,377
2015	<u>96,183</u>
Total minimum lease payments	418,937
Less amounts representing interest	<u>15,333</u>
Present value of minimum lease payments	<u>\$ 403,604</u>

**NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT**

Plan Description: In addition to the pension plan described in Note 9, the College contributes to the state of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the state of Illinois. CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating Community Colleges. The benefits, employer, employee, retiree and state contributions are dictated by Illinois Compiled Statutes (ILCS) through the State Group Insurance Act of 1971 (Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The employer contributions to the Plan for the years ending June 30, 2012, 2011, and 2010 were \$104,837 and \$102,743, and \$107,121, respectively. The College contributions were equal to the required contributions for the years ending June 30, 2012 and 2011. The State contribution to the CIP plan is reported as an "on-behalf-payment" in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

**NOTE 6 - CONTINGENT LIABILITIES**

The College has been named as a party in several lawsuits consisting of termination of College employees, student injury on campus and worker's compensation. These lawsuits are currently being adjudicated. The College, under advice of legal counsel, believes that the defense is based on sound legal ground for all cases. However, it is reasonably possible that a ruling could be made in favor of the plaintiff. In the case of an adverse ruling, the College could be liable to the plaintiffs for damages of \$250,000. Under the provisions of FASB Statement No. 5, the College has not accrued this amount in its financial statements.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

**NOTE 7 - CAPITAL ASSETS**

A summary of changes in the various capital asset categories follows:

	Balance Beginning of Year <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance End of Year <u>June 30, 2012</u>
<b>Primary Institution:</b>				
Capital assets not being depreciated:				
Land	\$ 1,460,632	\$ -	\$ -	\$ 1,460,632
Total capital assets not being depreciated	<u>1,460,632</u>	<u>-</u>	<u>-</u>	<u>1,460,632</u>
Capital assets being depreciated:				
Buildings and improvements	41,216,575	1,059,012	-	42,275,587
Equipment and vehicles	8,344,878	1,750,706	-	10,095,584
Land improvements and infrastructure	<u>5,150,036</u>	<u>-</u>	<u>-</u>	<u>5,150,036</u>
Total capital assets being depreciated	<u>54,711,489</u>	<u>2,809,718</u>	<u>-</u>	<u>57,521,207</u>
Less accumulated depreciation:				
Buildings and improvements	(25,173,496)	(1,329,696)	-	(26,503,192)
Equipment and vehicles	(5,681,290)	(1,066,892)	-	(6,748,182)
Land improvements and infrastructure	<u>(3,296,734)</u>	<u>(207,776)</u>	<u>-</u>	<u>(3,504,510)</u>
Total accumulated depreciation	<u>(34,151,520)</u>	<u>(2,604,364)</u>	<u>-</u>	<u>(36,755,884)</u>
Total capital assets being depreciated, net	<u>20,559,969</u>	<u>205,354</u>	<u>-</u>	<u>20,765,323</u>
Total capital assets, net	<u>\$ 22,020,601</u>	<u>\$ 205,354</u>	<u>\$ -</u>	<u>\$ 22,225,955</u>

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 8 - RISK MANAGEMENT**

Illinois Community College Risk Management Consortium: 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 claims. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

Effective 1981, the College entered into a contractual agreement with the Illinois Community College Risk Management Consortium (the Consortium), which through its risk-sharing provisions, provides the College with its insurance coverage for liability, property damage, and workmen's compensation insurance. As a self-insurance administrator, the Consortium enables risk sharing with other community colleges. The Consortium has twelve member community colleges, all located in the State of Illinois.

Premiums are recognized as revenue over the terms of the policies on an annual basis. The Board of Directors, at its discretion, may authorize a credit to members for future premium payments to the Consortium in the form of dividends.

Losses and loss adjustment expenses incurred equal net losses and loss adjustment expenses paid during the year plus (minus) the increase (decrease) in the liability for unpaid losses and loss adjustment expenses.

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of the fiscal year ended. This includes estimates of losses, which have occurred but have not yet been reported to the Consortium. These estimates are based upon the historical experience of the Consortium as well as industry data, and experience and the effects of inflation and other societal and economic factors.

The methods utilized in making estimates and establishing the liability for unpaid losses and loss adjustment expenses are continually reviewed and updated.

The Consortium limits its losses on a specific occurrence and aggregate basis by purchasing excess insurance. The aggregate loss limits for property and liability insurance was \$5,000,000 as of June 30, 2012, the most recent information available. The aggregate loss limit for medical malpractice was \$5,000,000 as of June 30, 2012.

**NOTE 9 - RETIREMENT COMMITMENTS**

Plan Description: South Suburban College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org), or by calling 1-800-275-7877.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

**NOTE 9 - RETIREMENT COMMITMENTS (Continued)**

Funding Policy: Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 34.51% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ending June 30, 2012, 2011, and 2010 are as follows:

<u>Year Ended June 30</u>	<u>State Appropriations</u>	<u>Federal, Trust Grant, and Other Sources</u>	<u>Total</u>
2012	\$ 5,352,247	\$ 79,209	\$ 5,431,456
2011	4,130,619	59,515	4,190,134
2010	4,015,988	61,124	4,077,112

Retirement Incentive Liability: The College has early retirement programs with a number of its employee groups. Participants in four of these programs may receive payments for up to five years after accepting the plan. Benefits are measured based on years of service and salary and are contractually structured along the duration of the contract. No discount methods are used for the calculation of this liability. As of June 30, 2012, the College was contractually obligated to pay approximately \$2,220,976 over the next five years under these programs.

**NOTE 10 - TAXES RECEIVABLE**

Accounts receivable and allowance for uncollectible accounts as of June 30, 2012 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
Taxes receivable:			
Property taxes	\$ 8,965,136	\$ 495,390	\$ 8,469,746
Personal property replacement taxes	<u>98,566</u>	<u>-</u>	<u>98,566</u>
Total	<u>\$ 9,063,702</u>	<u>\$ 495,390</u>	<u>\$ 8,568,312</u>
Other receivables:			
Student tuition and fees	\$ 6,984,030	\$ 449,334	\$ 6,534,696
Federal, state and private grants and contracts	<u>792,279</u>	<u>183,052</u>	<u>609,227</u>
Total	<u>\$ 7,776,309</u>	<u>\$ 632,386</u>	<u>\$ 7,143,923</u>

(Continued)



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS**

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Statement 60 addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements for Statement 60 are effective for financial statements for periods beginning after December 15, 2011. In general, its provisions are required to be applied retroactively for all periods presented. This statement is effective for the College's fiscal year ending June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. Statement 61 is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued in 1991 and 1999, respectively. The Statement will improve the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units). The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials of the primary government by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that the government determines would be misleading to exclude. The requirements of Statement 61 are effective for financial statements for periods beginning after June 15, 2012. This statement is effective for the College's fiscal year ending June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The requirements of Statement 62 are effective for financial statements for periods beginning after December 15, 2011. This statement is effective for the College's fiscal year ending June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. This Statement is effective for the College's fiscal year ending June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

---

(Continued)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- Collectibility of swap payments is considered to be probable;
- Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for periods beginning after June 15, 2011, with earlier application encouraged. This Statement is effective for the College's fiscal year ending June 30, 2013. The College has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

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

In March 2012, the GASB issued GASB Statement 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, entities should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the College's fiscal year ended June 30, 2014, with earlier application being encouraged. Management has not determined what impact, if any, this Statement may have on its financial statements.

---

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510

DETAIL OF EXPENSES BY FUNCTION AND OBJECT (UNAUDITED)

Year Ended June 30, 2012

---

	Salaries	Benefits	Services	Supplies	Utilities	Other	Totals
Instruction	\$ 12,884,963	\$ 5,646,979	\$ 1,005,194	\$ 1,017,468	\$ 274	\$ 69,988	\$ 20,624,866
Academic support	595,468	262,600	7	248,544	-	2,428	1,109,047
Student services	3,169,941	833,160	59,983	330,209	756	11,350,971	15,745,020
Public services	1,524,898	1,063,401	342,823	276,960	112,974	60,280	3,381,336
Operations and maintenance of plant	2,073,016	529,125	458,947	426,367	876,759	58,189	4,422,403
Institutional support	631,535	1,740,433	1,017,109	291,679	-	233,682	3,914,438
Auxiliary enterprises	1,106,927	167,225	126,433	3,388,615	-	124,956	4,914,156
General administrative	1,366,263	676,826	244,435	388,149	-	156,349	2,832,022
Depreciation	-	-	-	-	-	2,604,364	2,604,364
Totals	<u>\$ 23,353,011</u>	<u>\$ 10,919,749</u>	<u>\$ 3,254,931</u>	<u>\$ 6,367,991</u>	<u>\$ 990,763</u>	<u>\$ 14,661,207</u>	<u>\$ 59,547,652</u>

---

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510

## SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES (UNAUDITED)

Year Ended June 30, 2012

---

Salaries	\$ -
Employee benefits	90,860
Material and supplies	98,471
Contractual services	630,632
Fixed charges	<u>443,031</u>
Total tort immunity purposes expenditures	<u>\$ 1,262,994</u>

The College levies property taxes for tort immunity/liability insurance purposes. As required by Public Act 91-0628 passed by the Illinois General Assembly, the College is including the above list of tort immunity purposes expenditures in its annual financial report.

The College's tax extension for liability insurance purposes for tax year 2011 as levied by Cook County is \$17,871. Any shortfall to cover expenditures in excess of taxes collected is derived from other general fund revenues of the College. Any excess of revenues over expenditures is carried forward to subsequent years subject to a statutory formula.

A vertical dotted line runs down the left side of the page.

# **Statistical Section**

## STATISTICAL SECTION

South Suburban College Community College District No. 510 presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the College's overall financial health.

		Tables
Financial Trends	These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	1-2
Revenue Capacity	These schedules present information to help the reader assess the College's significant revenue sources.	3-8
Debt Capacity	These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	9-11
Demographics and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within the College's financial activities take place.	12-15
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	16-18



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
Financial Trends  
Net Assets by Component (Unaudited)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Net Assets:</b>									
Invested in capital assets									
Net of related debt	\$ (587,644)	\$ (1,842,240)	\$ (1,251,706)	\$ (1,032,383)	\$ 217,594	\$ (895,298)	\$ (3,052,725)	\$ (1,651,829)	\$ (4,511,318)
Restricted									
Debt service	3,244,600	2,738,055	2,754,498	2,717,185	2,860,721	2,766,551	2,633,502	2,446,083	2,446,083
Unrestricted	<u>18,956,590</u>	<u>17,306,786</u>	<u>15,242,106</u>	<u>16,481,951</u>	<u>15,866,434</u>	<u>16,026,655</u>	<u>15,129,779</u>	<u>12,283,210</u>	<u>10,495,478</u>
<b>Total net assets</b>	<b>\$ 21,613,546</b>	<b>\$ 18,202,601</b>	<b>\$ 16,744,898</b>	<b>\$ 18,166,753</b>	<b>\$ 18,944,749</b>	<b>\$ 17,897,908</b>	<b>\$ 14,710,556</b>	<b>\$ 13,077,464</b>	<b>\$ 8,430,243</b>

Source: South Suburban College Comprehensive Annual Financial Reports

Note: The College implemented GASB Statement No. 34 for the year ended June 30, 2004. In 2011, the College corrected the calculation for Net Assets Invested in Capital Assets, Net of related debt, for long-term debt not related to capital assets.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
Financial Trends  
Changes in Net Assets (Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>OPERATING REVENUES</b>									
Student tuition and fees net of scholarship allowances	\$ 8,271,491	\$ 5,300,510	\$ 5,857,401	\$ 3,671,700	\$ 5,330,406	\$ 4,907,352	\$ 5,130,644	\$ 5,556,460	\$ 5,579,082
Auxiliary enterprises revenue	4,901,779	5,357,911	4,923,918	4,026,503	3,702,406	3,801,951	4,498,894	4,686,549	4,732,667
Other operating revenue	30,846	46,723	100	340	890	13,940	60,110	54,018	49,604
Total operating revenues	13,204,116	10,705,144	10,781,419	7,698,543	9,033,702	8,723,243	9,689,648	10,297,027	10,361,353
<b>OPERATING EXPENSES</b>									
Instruction	20,624,866	19,141,519	19,710,582	17,761,357	15,627,173	15,381,406	15,551,250	14,355,668	22,137,780
Academic support	1,109,047	1,216,512	1,134,718	1,369,422	1,246,730	905,130	795,325	814,986	1,007,519
Student services	15,745,020	16,963,275	14,795,709	8,984,287	11,226,391	11,803,726	11,646,857	11,903,960	13,059,699
Public services	3,381,336	2,420,279	2,635,420	2,784,080	2,849,204	2,581,618	2,731,538	2,559,651	3,307,278
Operation and maintenance	4,422,403	4,382,205	4,533,753	4,590,001	4,562,197	3,731,681	4,124,675	3,950,449	3,584,071
Institutional support	3,914,438	3,869,368	4,679,511	4,967,725	4,070,421	3,492,221	3,050,693	4,085,786	4,272,900
Depreciation	2,604,364	2,445,615	2,258,429	2,289,139	1,699,571	1,648,501	1,604,897	1,476,637	1,305,835
General administrative	2,832,022	2,769,173	2,849,354	2,384,155	2,183,560	2,218,131	2,071,890	1,742,856	3,293,518
Auxiliary enterprises	4,914,156	5,287,589	4,802,941	3,749,767	3,554,009	3,378,967	4,295,232	4,198,924	4,446,600
Total operating expenses	59,547,652	58,495,535	57,400,417	48,879,933	47,019,256	45,141,381	45,872,357	45,088,917	56,395,200
Operating income (loss)	(46,343,536)	(47,790,391)	(46,618,998)	(41,181,390)	(37,985,554)	(36,418,138)	(36,182,709)	(34,791,890)	(46,033,847)
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Local property taxes	14,786,793	15,069,964	13,044,965	15,046,716	13,573,010	14,040,130	13,216,156	12,059,301	12,395,841
State appropriations	15,782,038	12,776,953	14,611,910	13,175,906	14,245,144	14,927,587	13,572,441	13,926,564	22,677,014
Federal grants and contracts	19,565,506	21,669,149	17,859,444	12,364,709	11,005,732	10,531,875	11,252,036	11,656,931	11,069,152
Other local sources	544,892	582,942	488,054	53,412	80,369	120,590	137,258	114,255	142,472
Investment income	130,891	123,925	170,325	738,055	823,036	909,656	535,767	240,108	184,075
Interest on capital asset-related debt	(1,225,051)	(1,205,351)	(1,251,546)	(1,187,878)	(1,070,876)	(1,116,757)	(1,084,000)	(1,212,248)	(1,229,705)
Other non-operating revenues	169,412	230,512	273,991	212,474	375,980	192,409	186,123	270,705	201,063
Net non-operating revenues (expenses)	49,754,481	49,248,094	45,197,143	40,403,394	39,032,395	39,605,490	37,815,801	37,055,616	45,439,912
<b>CHANGE IN NET ASSETS</b>	<b>\$ 3,410,945</b>	<b>\$ 1,457,703</b>	<b>\$ (1,421,855)</b>	<b>\$ (777,996)</b>	<b>\$ 1,046,841</b>	<b>\$ 3,187,352</b>	<b>\$ 1,633,092</b>	<b>\$ 2,263,726</b>	<b>\$ (593,935)</b>

Sources: South Suburban College Comprehensive Annual Financial Reports and general ledger reports.

Notes: (1) Increase in operating expenses and state appropriations for fiscal year 2004 is due to a one-time special State Universities Retirement System on-behalf appropriation of \$11,376,739.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
Revenue Capacity  
Assessed Value and Actual Value of Taxable Property (Unaudited)

---

<u>Levy Year</u>		<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>		<u>Estimated Actual Taxable Value</u>	<u>Estimated Actual Taxable Value</u>
2011	\$	4,519,956,088	0.4497	\$	13,696,836,630	33%
2010		4,569,947,896	0.3658		13,848,326,958	33%
2009		4,558,628,650	0.3473		13,814,026,212	33%
2008		4,167,399,431	0.3456		12,628,483,124	33%
2007		4,126,727,160	0.3616		12,505,233,818	33%
2006		3,942,454,847	0.3666		11,946,832,870	33%
2005		3,884,632,399	0.3586		11,771,613,330	33%
2004		3,355,079,416	0.3995		10,166,907,321	33%
2003		3,253,759,504	0.4024		9,859,877,285	33%
2002		3,313,991,836	0.3934		10,042,399,503	33%

Information regarding assessed values of various property types (residential, commercial, etc) is not available.

Data Sources:

Offices of the County Clerk for Cook County; Cook County comprises 100% of South Suburban College District #510.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Revenue Capacity  
Schedule of Property Taxes – Assessed Valuations,  
Rates, Extensions, and Collections (Unaudited)

Property tax year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed valuation (000's)	\$ 4,519,956	\$ 4,569,948	\$ 4,558,629	\$ 4,167,399	\$ 4,126,727	\$ 3,942,455	\$ 3,884,632	\$ 3,355,079	\$ 3,253,760	\$ 3,313,992
Tax rates:										
Education	\$ 0.3043	\$ 0.2388	\$ 0.2136	\$ 0.1997	\$ 0.2019	\$ 0.1920	\$ 0.1826	\$ 0.1959	\$ 0.1963	\$ 0.1677
Operations and Maintenance	0.0817	0.0557	0.0507	0.0474	0.0518	0.0481	0.0439	0.0462	0.0441	0.0470
Bond and Interest Fund	0.0603	0.0491	0.0487	0.0491	0.0537	0.0562	0.0571	0.0662	0.0682	0.0678
Audit Fund	0.0029	0.0024	0.0022	0.0021	0.0022	0.0022	0.0021	0.0023	0.0023	0.0024
Protection, Health and Safety Fund	0.0000	0.0067	0.0073	0.0091	0.0080	0.0083	0.0082	0.0095	0.0106	0.0130
Liability, Protection Settlement Fund	0.0005	0.0131	0.0248	0.0382	0.0440	0.0598	0.0647	0.0794	0.0809	0.0955
	<u>\$ 0.4497</u>	<u>\$ 0.3658</u>	<u>\$ 0.3473</u>	<u>\$ 0.3456</u>	<u>\$ 0.3616</u>	<u>\$ 0.3666</u>	<u>\$ 0.3586</u>	<u>\$ 0.3995</u>	<u>\$ 0.4024</u>	<u>\$ 0.3934</u>
Tax extensions:										
Education	\$ 11,174,683	\$ 10,550,255	\$ 9,737,763	\$ 9,003,942	\$ 8,333,357	\$ 7,568,417	\$ 7,092,643	\$ 6,573,805	\$ 6,387,941	\$ 5,557,490
Operations and Maintenance	2,999,198	2,511,843	2,311,548	2,137,353	2,137,353	1,896,439	1,705,809	1,549,308	1,433,921	1,558,435
Bond and Interest Fund	2,215,500	2,215,676	2,218,475	2,215,127	2,217,353	2,215,550	2,219,425	2,219,852	2,219,853	2,246,949
Audit Fund	105,772	106,204	102,485	95,375	90,177	87,550	82,400	77,250	74,160	77,900
Protection, Health and Safety Fund	-	301,790	332,690	412,000	328,879	328,879	319,300	320,330	344,793	430,000
Liability, Protection Settlement Fund	17,871	593,043	956,408	1,723,157	1,816,036	2,356,608	2,515,087	2,664,849	2,631,845	3,163,750
	<u>\$ 16,513,024</u>	<u>\$ 16,278,811</u>	<u>\$ 15,659,369</u>	<u>\$ 15,586,954</u>	<u>\$ 14,923,155</u>	<u>\$ 14,453,443</u>	<u>\$ 13,934,664</u>	<u>\$ 13,405,394</u>	<u>\$ 13,092,513</u>	<u>\$ 13,034,524</u>
Fiscal year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tax collections:										
Levy Year 2011	\$ 7,547,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Levy Year 2010	7,693,900	7,215,569	-	-	-	-	-	-	-	-
Levy Year 2009	-	7,684,255	7,204,889	-	-	-	-	-	-	-
Levy Year 2008	-	-	8,094,282	6,290,796	-	-	-	-	-	-
Levy Year 2007	-	-	-	8,084,676	6,751,731	-	-	-	-	-
Levy Year 2006	-	-	-	-	7,120,809	6,416,430	-	-	-	-
Levy Year 2005	-	-	-	-	-	6,883,472	6,546,555	-	-	-
Levy Year 2004	-	-	-	-	-	-	6,667,541	6,532,338	-	-
Levy Year 2003	-	-	-	-	-	-	-	6,316,269	6,297,863	-
Levy Year 2002	-	-	-	-	-	-	-	-	6,273,142	6,221,340
	<u>\$ 15,241,788</u>	<u>\$ 14,899,824</u>	<u>\$ 15,299,171</u>	<u>\$ 14,375,472</u>	<u>\$ 13,872,540</u>	<u>\$ 13,299,902</u>	<u>\$ 13,214,096</u>	<u>\$ 12,848,607</u>	<u>\$ 12,571,005</u>	<u>\$ 6,221,340</u>

Source: Cook County Treasurer's Office and College records.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Property Tax Rates – Direct and Overlapping Governments\*\* (Unaudited)

Taxing Bodies	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Overlapping Rates:										
Cook County	\$ 0.462	\$ 0.423	\$ 0.394	\$ 0.415	\$ 0.446	\$ 0.500	\$ 0.533	\$ 0.593	\$ 0.630	\$ 0.690
Cook County Forest Preserve District	0.058	0.051	0.049	0.051	0.053	0.057	0.060	0.060	0.059	0.061
Consolidated Elections	0.025	0.000	0.021	0.000	0.012	0.000	0.014	0.000	0.029	0.000
Thornton Township	0.442	0.387	0.367	0.358	0.372	0.374	0.360	0.405	0.411	0.156
Thornton Township General Assistance	0.129	0.096	0.091	0.089	0.092	0.092	0.088	0.088	N/A	N/A
Thornton Township Road and Bridge	0.023	0.018	0.017	0.016	0.016	0.016	0.015	0.016	N/A	N/A
Village of Lansing	1.643	1.201	1.124	0.972	1.023	1.051	1.055	1.174	N/A	N/A
Village of Lansing Library Fund	0.457	0.367	0.345	0.335	0.353	0.354	0.344	0.367	N/A	N/A
School District #158	4.902	5.039	4.862	4.735	4.986	4.896	4.596	4.753	N/A	N/A
Thornton Twp Fractional High School District #215	3.873	3.040	2.882	2.871	3.006	2.955	2.916	3.160	N/A	N/A
Lan Oak Park District	0.376	0.306	0.292	0.292	0.310	0.280	0.275	0.297	N/A	N/A
Metro Water Reclamation District of Greater Chicago	0.320	0.274	0.261	0.252	0.263	0.284	0.315	0.347	0.361	0.371
South Cook County Mosquito Abatement District	0.012	0.010	0.009	0.009	0.006	0.007	0.010	0.012	0.013	0.011
Suburban Cook County T B Sanitrium District	0.000	0.000	0.000	0.000	0.000	0.005	0.005	0.001	0.004	0.006
Total overlapping rates	12.722	11.212	10.714	10.395	10.938	10.871	10.586	11.283	1.507	1.295
South Suburban College	0.450	0.361	0.348	0.346	0.362	0.367	0.359	0.400	0.403	0.386
Total rate	\$ 13.172	\$ 11.573	\$ 11.062	\$ 10.741	\$ 11.300	\$ 11.238	\$ 10.945	\$ 11.683	\$ 1.910	\$ 1.681

Note: Tax rate for property within the District are expressed in dollars per hundred dollars of equalized assessed value.

N/A - rate information not available

Source: Cook County Clerk's Office

\*\* Includes majority of taxing bodies within the College District.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Principal Taxpayers  
2011 compared to 2002 (Unaudited)\*

2011				2002			
<u>Employer</u>	<u>Type of Business</u>	<u>Equalized Assessed Valuation (1)</u>	<u>Percent of District's Total EAV</u>	<u>Employer</u>	<u>Type of Business</u>	<u>Equalized Assessed Valuation (1)</u>	<u>Percent of District's Total EAV</u>
Simon Property Group	Retail	\$ 34,221,799	0.93%	Simon Property Group	Retail	\$ 47,375,211	1.43%
KFS Landings LLC	Retail	14,489,226	0.39%	CNC	Shipping	26,094,078	0.79%
Three Galleria Tower	Industrial	13,907,182	0.38%	Material Services Corp.	Mining	19,830,941	0.60%
Walmart	Retail	12,688,431	0.35%	Sears D768 Tax B2 109A	Retail	18,504,768	0.56%
Tucker Development and AMC	Retail	12,146,370	0.33%	Albertson	Retail	13,668,524	0.41%
Cobalt Industrial Reit	Industrial	11,066,055	0.30%	Amal Tr & Sav Tr 4951	Commercial and Retail	12,371,167	0.37%
Panduit Corp.	Industrial	9,559,524	0.26%	Acme Steele Co	Manufacturing	11,533,995	0.35%
JLP River Oaks West	Retail	9,458,708	0.26%	Walmart	Retail	10,795,453	0.33%
Albertson	Retail	9,353,638	0.25%	Panduit Corp.	Industrial	10,249,021	0.31%
Canterbury Plazs Properties	Retail	8,879,106	0.24%	Allied Tube and Conduit	Manufacturing	8,143,062	0.25%
		<u>\$ 135,770,039</u>	<u>3.69%</u>			<u>\$ 178,566,220</u>	<u>5.40%</u>

(1) Includes property parcels with 2010 equalized assessed valuations over approximately \$372,000 as recorded in the County Assessor's office. Information from 2002 includes property parcels with 2002 equalized assessed valuations over approximately \$495,000 as recorded in the County Assessor's office. Information regarding principal employers not available at time of printing.

\* Data for 2011 and 2002 not available.



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Revenue Capacity  
Property Tax Levies and Collections (Unaudited)

---

<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Direct Tax Rate</u>	<u>Total Tax levy</u>	<u>Current year taxes collected</u>	<u>Percent of levy collected</u>
2011	\$ 4,519,956,088	\$ 0.4497	\$ 16,513,024	\$ 7,547,888	45.71%
2010	4,569,947,896	0.3658	16,278,811	14,909,469	91.59%
2009	4,558,628,650	0.3473	15,659,369	14,889,144	95.08%
2008	4,167,399,431	0.3456	15,586,954	14,385,078	92.29%
2007	4,126,727,160	0.3616	14,453,443	14,836,407	102.65%
2006	3,942,454,847	0.3666	13,934,664	13,537,239	97.15%
2005	3,884,632,399	0.3586	13,405,391	13,430,027	100.18%
2004	3,355,079,416	0.3995	13,092,513	13,199,879	100.82%
2003	3,253,759,504	0.4024	13,034,524	12,614,132	96.77%
2002	3,313,991,836	0.3934	13,167,406	12,494,482	94.89%

Property taxes in Cook County, Illinois are levied on a calendar year (January 1-December 31) and are due in two installments.

Source: Cook County Treasurer's Office

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Revenue Capacity  
Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated (Unaudited)

<u>Fiscal Year</u>	<u>Fall Term</u> <u>Headcount</u>	<u>FTE</u>	<u>Tuition and Fee Rates</u>			<u>Total</u> <u>Semester</u> <u>Credit Hours</u> <u>Generated</u>	<u>Tuition &amp; Fee</u> <u>Revenue*</u>
			<u>In District</u> <u>Tuition and</u> <u>Fees per</u> <u>Semester Hour</u>	<u>Out of District</u> <u>Tuition and</u> <u>Fees per</u> <u>Semester Hour</u>	<u>Out of State</u> <u>Tuition and</u> <u>Fees per</u> <u>Semester Hour</u>		
2012	7,281	4,119.00	110.00	288.00	343.00	130,744	\$ 8,271,491
2011	7,579	4,259.75	100.00	278.00	333.00	141,971	5,300,510
2010	6,482	3,726.21	90.00	268.00	323.00	153,172	5,857,401
2009	7,273	4,180.92	90.00	268.00	323.00	125,267	3,671,700
2008	6,072	3,444.57	90.00	268.00	323.00	124,032	5,330,406
2007	6,250	3,496.31	87.00	265.00	320.00	127,838	4,907,352
2006	8,838	4,505.00	87.00	265.00	320.00	139,543	5,130,644
2005	8,952	4,466.00	69.00	225.00	280.00	149,536	5,556,460
2004	8,884	4,275.00	64.00	220.00	275.00	149,898	5,579,082
2003	8,007	3,858.00	59.00	220.00	240.00	137,206	-

\* The College implemented GASB Statement No. 34 for the year ended June 30, 2004. Therefore, tuition & fee revenue data is provided for fiscals years starting with and after fiscal year 2004.

Data Sources: College records and Comprehensive Annual Financial Reports

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Ratio of Net General Obligation Bonded Debt to Assessed  
Value and Net General Obligation Bonded Debt per Capita (Unaudited)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Estimated Actual Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>	<u>Net Bonded Debt to Personal Income</u>
2012	335,000	\$ 13,696,836,630	\$ 22,409,995	\$ 2,810,273	\$ 19,599,722	0.143%	\$ 59	\$ 16,689
2011	335,000	13,848,326,958	23,303,995	2,738,055	20,565,940	0.149%	61	17,512
2010	335,000	13,814,026,212	24,157,147	2,754,498	21,402,649	0.155%	64	16,184
2009	335,000	12,628,483,124	24,958,205	2,717,185	22,241,020	0.176%	66	16,818
2008	335,000	12,505,233,818	20,898,072	2,860,721	18,037,351	0.144%	54	13,639
2007	335,000	11,946,832,870	21,892,951	2,766,551	19,126,400	0.160%	57	14,463
2006	335,000	11,771,613,330	23,185,697	2,633,502	20,552,195	0.175%	61	15,541
2005	335,000	10,166,907,321	22,810,000	2,553,004	20,256,996	0.199%	60	15,318
2004	335,000	9,859,877,285	24,550,000	2,446,083	22,103,917	0.224%	66	16,714
2003	335,000	10,042,399,503	26,200,000	2,423,263	23,776,737	0.237%	71	17,979

Source: College Records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Computation of Direct and Overlapping General Obligation Bonded Debt (Unaudited)  
June 30, 2012

Table 10

	2011 Real Estate Valuation	2011 Assessed Value In District	Outstanding Bonds	Applicable to District Percentage	Amount
<b>Overlapping Districts:</b>					
Cook County	\$ 151,782,100,328	\$ 3,642,176,978	\$ 3,709,260,000	2.400%	\$ 89,022,240
Cook County Forest Preserve	151,782,100,328	3,642,176,978	139,425,000	2.400%	3,346,200
Metropolitan Water Reclamation District	148,773,484,060	3,635,201,380	2,448,220,030 (1)	2.443%	59,761,155
<b>Municipalities:</b>					
Blue Island	242,385,322	9,484,412	4,340,000 (2)	3.913%	169,824
Burnham	50,161,623	50,161,623	315,000	100.000%	315,000
Calumet City	473,054,219	473,054,234	50,695,000	100.000%	50,695,000
Country Club Hills	235,142,657	132,666,684	60,843,232 (3)	56.420%	34,384,171
Dolton	237,454,582	237,454,582	37,365,000	100.000%	37,365,000
East Hazel Crest	26,258,548	26,258,548	715,000	100.000%	715,000
Harvey	231,365,844	231,365,862	38,967,397 (3)	100.000%	38,967,397
Hazel Crest	167,341,281	127,038,398	1,415,000	75.916%	1,074,211
Homewood	403,607,662	7,365,702	1,920,000	1.825%	35,040
Lansing	449,065,783	447,283,257	19,345,000	99.506%	19,260,846
Lynwood	146,454,521	74,411,202	- (2)	50.808%	-
Markham	142,168,372	142,168,372	44,105,000 (2)	100.000%	44,105,000
Midlothian	225,235,755	220,779,397	12,575,000 (2)	98.021%	12,326,141
Oak Forest	522,455,751	444,831,878	31,950,000	85.142%	27,202,869
Phoenix	6,233,095	6,233,095	194,000	100.000%	194,000
Posen	65,102,662	65,087,666	1,990,000	99.977%	1,959,549
Riverdale	101,378,988	101,377,036	14,355,000 (2)	100.000%	14,355,000
Robbins	40,220,425	40,692	450,000 (2)	0.101%	455
South Holland	393,456,540	393,456,540	25,531,902 (3)	100.000%	25,531,902
Thornton	55,086,263	52,316,711	1,710,000	94.972%	1,624,021
Tinley Park	1,607,862,763	318,728,063	50,385,000	19.823%	9,967,819
<b>Libraries:</b>					
Acorn	593,819,071	471,078,996	- (2)	79.330%	-
Glenwood-Lynwood	276,866,984	74,411,202	- (2)	26.874%	-
<b>Parks:</b>					
Blue Island	230,681,252	9,484,412	414,630	4.111%	17,045
Calumet Memorial	553,590,240	553,590,255	3,380,000	100.000%	3,380,000
Country Club Hills	241,523,552	137,672,492	524,890 (2)	57.002%	299,196
Dolton	240,305,894	240,305,894	162,140	100.000%	162,140
Harvey	229,779,628	229,779,646	170,000	100.000%	170,000
Hazel Crest	167,341,281	127,038,398	1,250,000	75.916%	948,950
Homewood Flossmoor	654,645,335	7,365,702	1,265,730 (2)	1.125%	14,239
Ivanhoe	96,306,756	96,306,756	300,000	100.000%	300,000
Lan Oak	446,704,370	444,801,844	357,693 (2)	99.594%	356,241
Markham	137,648,462	137,648,462	- (2)	100.000%	-
Midlothian	225,210,992	220,754,634	807,000	98.021%	791,029
Oak Forest	480,159,996	439,061,766	806,660	91.441%	737,618
Tinley Park Park	1,459,474,114	322,526,054	10,305,000	22.069%	2,277,302
<b>School Districts:</b>					
132	103,287,984	703,836	4,507,000	0.681%	30,693
133	21,798,020	21,798,068	2,085,000	100.000%	2,085,000
142	302,832,064	255,529,260	13,058,193 (3)	84.380%	11,018,503
143	223,391,817	153,249,064	1,130,000	68.601%	775,191
143 1/2	118,006,436	75,608,237	2,820,000	64.096%	1,807,592
144	302,364,684	302,364,739	44,279,493 (3)(4)	100.000%	44,279,493
145	226,575,272	226,575,314	27,417,445 (3)	100.000%	27,417,445
146	704,292,688	348,860,549	27,130,000	49.533%	13,438,303
147	94,210,212	94,210,212	6,820,000	100.000%	6,820,000
148	185,787,400	185,787,400	31,430,633 (3)	100.000%	31,430,633
149	301,224,956	301,224,956	3,850,228 (2)(3)	100.000%	3,850,228
150	212,881,671	212,881,671	4,665,000	100.000%	4,665,000
151	224,172,339	224,172,339	14,010,000	100.000%	14,010,000
152	141,245,979	141,245,979	2,103,583 (3)	100.000%	2,103,583
152 1/2 & 152 1/2 School Finance Authority	102,528,995	102,529,013	2,620,838 (3)	100.000%	2,620,838
154	58,031,128	58,031,128	1,820,000	100.000%	1,820,000
154 1/2	16,869,856	16,869,856	306,000	100.000%	306,000
155	126,324,029	126,324,044	24,228,873 (3)	100.000%	24,228,873
156	58,648,210	58,648,210	4,585,000	100.000%	4,585,000
157	159,121,835	159,121,835	15,920,000	100.000%	15,920,000
158	351,221,299	351,221,309	5,785,177 (3)	100.000%	5,785,177
160	174,035,218	71,963,177	11,871,621 (3)	41.361%	4,910,221
161	463,536,225	5,343,594	819,752 (3)	1.153%	9,452
171	157,322,917	150,481,451	8,311,038 (5)	95.651%	7,949,591
<b>High School Districts:</b>					
205	1,391,492,416	1,391,492,482	47,072,212 (3)	100.000%	47,072,212
215	807,931,678	807,931,703	20,280,000 (2)	100.000%	20,280,000
228	1,490,055,688	1,442,752,981	23,755,000	96.825%	23,000,779
<b>Special Service Areas:</b>					
Calumet City #1998-1	93,022,417	93,022,417	975,000	100.000%	975,000
Dixmoor #1	2,795,553	2,795,553	95,000	100.000%	95,000
<b>Total Overlapping General Obligation Bonded Debt</b>					<b>805,007,409</b>
<b>Direct Debt</b>					
South Suburban Community College 510	3,642,176,978	3,642,176,978	14,957,340 (3)	100.000%	14,957,340
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>					<b>\$ 819,964,749</b>

- (1) Includes IEPA Revolving Loan Fund Bonds.  
(2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation. Also excludes other self-supporting bonds.  
(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds  
(4) Excludes Lease agreements  
(5) Includes Qualified Zone Academy Bonds

The information above was computed by taking the percentage of the overlapping entities' equalized assess valuation as compared to the District's boundaries and computing a percentage of the total general bonded debt of the overlapping entities that overlap within the District's boundaries.

Sources: Offices of the Cook County Clerk, Comptroller, and Treasurer of the Metropolitan Water Reclamation District of Chicago

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
Legal Debt Margin Information (Unaudited)

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit Rate</u>	<u>Debt Limit (Assessed Value X Debt Limit Rate)</u>	<u>Net Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Net Debt Applicable to Debt Limit as a Percentage of Debt Limit</u>
2012	\$ 13,696,836,630	2.8750%	\$ 393,784,053	\$ 22,409,995	\$ 371,374,058	5.69%
2011	13,848,326,958	2.8750%	398,139,400	23,303,995	374,835,405	5.85%
2010	13,814,026,212	2.8750%	397,153,254	24,157,147	372,996,107	6.08%
2009	12,628,483,124	2.8750%	363,068,890	24,958,205	338,110,685	6.87%
2008	12,505,233,818	2.8750%	359,525,472	20,898,072	338,627,400	5.81%
2007	11,946,832,870	2.8750%	343,471,445	21,892,951	321,578,494	6.37%
2006	11,771,613,330	2.8750%	338,433,883	23,185,697	315,248,186	6.85%
2005	10,166,907,321	2.8750%	292,298,585	22,810,000	269,488,585	7.80%
2004	9,859,877,285	2.8750%	283,471,472	24,550,000	258,921,472	8.66%
2003	10,042,399,503	2.8750%	288,718,986	26,200,000	262,518,986	9.07%

Data Sources: South Suburban College records, Comprehensive Annual Financial Reports, and Cook County records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Employee Data (Unaudited)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Faculty										
Full time	116	124	121	124	127	124	130	133	132	125
Part time	227	228	237	230	213	213	276	281	326	288
Administrators	22	21	22	26	28	25	30	32	34	30
Mid-management	27	26	29	21	18	18	24	23	26	26
Classified staff	160	149	151	181	200	202	203	203	200	199
Part-time	37	34	45	88	68	66	82	81	73	96
<b>Total employees</b>	<u>589</u>	<u>582</u>	<u>605</u>	<u>670</u>	<u>654</u>	<u>648</u>	<u>745</u>	<u>753</u>	<u>791</u>	<u>764</u>

Data Source: College records



Table 13

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Student Enrollment Demographic Statistics  
Head Count and Full Time Equivalents (Unaudited)

Fall Term

Year	Head count	Full time equivalent	Gender		Attendance		Academic		Enrollment status			In-District residency %	Average Age
			Male	Female	Full time	Part time	Freshman	Other	Continuing	New	Re-admit		
2012	7,281	4,119.00	31%	69%	41%	59%	59%	41%	56%	29%	15%	90%	30
2011	7,579	4,259.75	31%	69%	42%	58%	58%	42%	56%	29%	15%	68%	30
2010	6,482	3,726.21	31%	69%	36%	64%	59%	41%	57%	28%	15%	77%	29
2009	7,273	4,180.92	29%	71%	37%	63%	60%	40%	56%	28%	16%	87%	31
2008	6,072	3,444.57	28%	72%	36%	64%	60%	40%	60%	25%	15%	85%	30
2007	6,250	3,498.31	28%	72%	33%	67%	59%	41%	57%	27%	16%	82%	30
2006	7,881	4,053.00	32%	68%	30%	70%	63%	37%	54%	29%	17%	78%	30
2005	8,838	4,504.58	33%	67%	27%	73%	62%	38%	54%	30%	16%	75%	30
2004	8,952	4,465.55	34%	66%	27%	73%	51%	49%	52%	31%	17%	76%	30
2003	8,884	4,274.51	38%	62%	25%	75%	67%	33%	50%	34%	16%	73%	29

Source: College records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Student Enrollment Demographic Statistics  
Credit Hours (Unaudited) - Fall Semester

<u>Funding Category</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Baccalaureate	29,505.00	31,721.00	30,259.50	24,697.50	24,820.50	26,201.00	27,366.50	27,716.00	27,441.00	24,150.00
Business B occupational	3,482.50	3,573.00	4,447.50	4,169.50	4,063.50	5,486.50	6,240.50	5,630.50	5,252.00	4,423.00
Technical B occupational	1,863.00	1,822.00	2,526.30	1,671.20	2,023.90	2,394.90	3,051.70	4,128.30	4,364.50	4,444.00
Health B Occupational	6,452.00	6,482.00	7,576.50	7,014.50	5,921.00	6,078.50	5,663.50	6,595.00	6,128.50	6,031.00
Remedial Development	11,301.00	11,513.00	11,277.00	8,770.00	9,037.00	8,681.00	8,715.00	9,173.00	9,235.00	8,617.00
Adult Basic/Secondary Education	5,615.50	5,489.00	5,681.00	8,046.50	7,803.00	8,498.00	7,236.00	8,453.50	10,091.50	10,133.00
TOTAL CREDIT HOURS	<u>58,219.00</u>	<u>60,600.00</u>	<u>61,767.80</u>	<u>54,369.20</u>	<u>53,668.90</u>	<u>57,339.90</u>	<u>58,273.20</u>	<u>61,696.30</u>	<u>62,512.50</u>	<u>57,798.00</u>

Source: College records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
District Demographics (Unaudited)

**COMMUNITIES SERVED:**

Blue Island (part)	Dolton	Lynwood (part)	Riverdale (part)
Burnham	East Hazel Crest	Markham	South Holland
Calumet City	Harvey	Midlothian (part)	Thornton
Country Club Hills (part)	Hazel Crest (part)	Oak Forest (part)	Tinley Park (part)
Crestwood	Homewood(part)	Phoenix	
Dixmoor	Lansing	Posen	

**POPULATION:**

Total Population in 2010 was 363,736  
Estimated population forecast for 2030 is 415,000

**DEMOGRAPHICS:**

Per capita income in 2010 was \$21,989  
Personal income in 2010 was \$399,246,534  
Median age of population is 35  
Unemployment rate in 2012 was 9.1%

11.9 percent of population is Hispanic  
38.9 percent of population is White  
46.8 percent of population is African American  
0.1 percent of population is American Indian  
1.2 percent of population is Asian  
0.9 percent of population is two or more races  
0 percent of population is Pacific Islander  
0.2 percent of population is other

Total number of households in 2001 was 128,729  
Household forecast for 2030 is 150,931  
Total number of housing units in the district is 141,319

**SSC DEMOGRAPHICS:**

<u>Total Undergrads (Percent)</u>	<u>Fall 2011</u>	<u>Total Enrollment</u>	<u>Fall 2011</u>	
			<u>Number</u>	<u>Percent</u>
Under 18	1.10%	African-American	5,501	75.6%
18-19	14.40%	American Indian	15	0.1%
20-21	17.00%	Asian/P.I	62	0.9%
22-24	14.20%	Hawaiian/Pacific Islander	41	0.6%
25-29	13.70%	Hispanic	—	0.0%
30-34	10.70%	White	1,502	20.6%
35-39	7.90%	Two or More Races	31	0.4%
40-49	12.10%	Unknown	129	1.8%
50-64	7.10%	Total	7,281	100.0%
65 and Over	1.70%			
Unknown	0.10%			
Total	100.00%			

Median age of enrollment is 25

Source: Northeastern Illinois Planning Commission, 2000 Census Data, city-data.com

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Operating Information  
Capital Asset Statistics - Volume (Unaudited)

---

<u>Year Built</u>	<u>Building Name</u>	<u>sq ft. (gross floor area)</u>
1971	Main campus	492,844
1976	Gym/field house	31,389
1991	UCC	72,274
1989	Maintenance shed	9,600
		<u>606,107</u>
Rented Facilities	College Center One	5,457
		<u>611,564</u>

---

Source: College records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
Operating Information  
Capital Asset Statistics - Value (Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>Capital Asset Type:</u>									
Land	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632	\$ 1,460,632
Construction in progress	-	-	-	-	-	401,309	-	-	-
Buildings and building improvements	42,275,587	41,216,575	40,694,224	40,137,002	37,891,361	36,275,528	35,677,355	35,402,616	33,988,924
Equipment and vehicles	10,095,584	8,344,878	7,560,078	6,659,988	3,862,070	3,633,413	3,496,003	3,315,609	3,024,096
Land improvements and infrastructure	5,150,036	5,150,036	5,150,036	5,150,036	5,123,556	4,777,239	4,769,879	4,646,930	4,646,930
Total capital assets	58,981,839	56,172,121	54,864,970	53,407,658	48,337,619	46,548,121	45,403,869	44,825,787	43,120,582
Accumulated depreciation	36,755,884	34,151,520	31,705,905	29,447,476	27,158,337	25,458,766	23,810,265	22,206,984	20,693,103
Net capital assets	<u>\$ 22,225,955</u>	<u>\$ 22,020,601</u>	<u>\$ 23,159,065</u>	<u>\$ 23,960,182</u>	<u>\$ 21,179,282</u>	<u>\$ 21,089,355</u>	<u>\$ 21,593,604</u>	<u>\$ 22,618,803</u>	<u>\$ 22,427,479</u>

Data Source: College records

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510  
Schedule of Ratios of Outstanding Debt  
Last Nine Fiscal Years (Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other debt:									
Capital lease obligations	\$ 403,604	\$ 558,848	\$ 253,622	\$ 34,360	\$ 63,616	\$ 91,702	\$ 120,546	\$ 149,327	\$ 14,444
Loan obligations	-	-	-	-	-	-	-	3,032	14,091
Total other debt	<u>\$ 403,604</u>	<u>\$ 558,848</u>	<u>\$ 253,622</u>	<u>\$ 34,360</u>	<u>\$ 63,616</u>	<u>\$ 91,702</u>	<u>\$ 120,546</u>	<u>\$ 152,359</u>	<u>\$ 28,535</u>
Other debt per student	\$ 6.93	\$ 9.22	\$ 4.11	\$ 0.63	\$ 1.19	\$ 1.60	\$ 2.07	\$ 2.47	\$ 0.46

Date Source: College Records

Notes: Debt per student is calculated using unduplicated credit and non-credit enrollment total for the fiscal year.



# **Special Reports**



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510

UNIFORM FINANCIAL STATEMENT #1  
ALL FUNDS SUMMARY

Year Ended June 30, 2012

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Protection, Health, and Safety Fund	Bond and Interest Fund	Auxiliary Enterprises Fund
Fund balance July 1, 2011	\$ 13,683,319	\$ (3,608,913)	\$ 77,348	\$ 344,658	\$ 2,738,055	\$ 1,508,938
Revenues:						
Local tax revenue	11,803,025	2,917,188	-	298,835	2,566,629	-
All other local revenue	272,446	272,446	-	-	-	-
ICCB grants	4,053,896	1,654,052	-	-	-	-
All other state revenue	300,522	-	-	-	-	-
Federal revenue	54,493	-	-	-	-	-
Student tuition and fees	18,143,027	-	-	-	-	-
All other revenue	301,360	21,677	-	-	-	4,901,779
Total revenue	<u>34,928,769</u>	<u>4,865,363</u>	<u>-</u>	<u>298,835</u>	<u>2,566,629</u>	<u>4,901,779</u>
Expenditures:						
Instruction	17,001,938	-	-	-	-	-
Academic support	974,331	-	-	-	-	-
Student services	3,450,778	-	-	-	-	-
Public services	1,220,713	-	-	-	-	-
Operations and maintenance	180	5,181,957	-	96,502	-	-
Auxiliary services	55,634	-	-	-	-	4,192,430
General administration	2,422,870	-	-	-	2,060,084	-
Institutional support	2,429,342	120,607	-	-	-	-
Scholarships, grants, waivers	1,221,561	-	-	-	-	-
Total expenditures	<u>28,777,347</u>	<u>5,302,564</u>	<u>-</u>	<u>96,502</u>	<u>2,060,084</u>	<u>4,192,430</u>
Net transfers in (out)	-	-	-	-	-	-
Fund balance June 30, 2012	<u>\$ 19,834,741</u>	<u>\$ (4,046,114)</u>	<u>\$ 77,348</u>	<u>\$ 546,991</u>	<u>\$ 3,244,600</u>	<u>\$ 2,218,287</u>

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510

UNIFORM FINANCIAL STATEMENT #1  
ALL FUNDS SUMMARY

Year Ended June 30, 2012

	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Audit Fund	Liability, Protection Settlement Fund	Total
Fund balance July 1, 2011	\$ (898,568)	\$ 7,213,941	\$ -	\$ (2,553)	\$ (121,000)	\$ 20,935,225
Revenues:						
Local tax revenue	-	-	-	122,739	890,251	18,598,667
All other local revenue	-	-	-	-	-	544,892
ICCB grants	1,102,019	-	-	-	-	6,809,967
All other state revenue	934,745	-	-	-	-	1,235,267
Federal revenue	20,041,078	-	-	-	-	20,095,571
Student tuition and fees	1,108,390	-	-	-	-	19,251,417
All other revenue	8,112	-	-	-	-	5,232,928
Total revenue	23,194,344	-	-	122,739	890,251	71,768,709
Expenditures:						
Instruction	823,616	-	-	-	-	17,825,554
Academic support	-	-	-	-	-	974,331
Student services	19,515,261	-	-	-	-	22,968,039
Public services	1,366,167	-	-	-	-	2,586,880
Operations and maintenance	19,820	-	-	-	56,872	5,355,331
Auxiliary services	675,839	-	-	-	-	4,923,903
General administration	-	-	-	-	-	4,482,954
Institutional support	614,458	-	-	104,300	1,206,122	4,474,829
Scholarships, grants, waivers	-	-	-	-	-	1,221,561
Total expenditures	23,015,161	-	-	104,300	1,262,994	64,811,382
Net transfers in (out)	-	-	-	-	-	-
Fund balance June 30, 2012	\$ (719,385)	\$ 7,213,941	\$ -	\$ 15,886	\$ (493,743)	\$ 27,892,552

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SUMMARY OF FIXED ASSETS AND DEBT  
UNIFORM FINANCIAL STATEMENT #2

Year Ended June 30, 2012

---

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
<b><u>Fixed assets</u></b>				
Land	\$ 1,460,632	\$ -	\$ -	\$ 1,460,632
Land improvements	5,150,036	-	-	5,150,036
Buildings and improvements	41,216,575	1,059,012	-	42,275,587
Equipment and vehicles	<u>8,344,878</u>	<u>1,750,706</u>	<u>-</u>	<u>10,095,584</u>
Total fixed assets	<u>56,172,121</u>	<u>2,809,718</u>	<u>-</u>	<u>58,981,839</u>
Accumulated depreciation	<u>34,151,520</u>	<u>2,604,364</u>	<u>-</u>	<u>36,755,884</u>
Total fixed assets	<u>\$ 22,020,601</u>	<u>\$ 205,354</u>	<u>\$ -</u>	<u>\$ 22,225,955</u>
<b><u>Fixed debt</u></b>				
Bonds payable	\$ 23,303,993	\$ 1,116,002 *	\$ 2,010,000	\$ 22,409,995
Other fixed liabilities	<u>3,156,236</u>	<u>1,092,283</u>	<u>885,983</u>	<u>3,362,536</u>
Total fixed liabilities	<u>\$ 26,460,229</u>	<u>\$ 2,208,285</u>	<u>\$ 2,895,983</u>	<u>\$ 25,772,531</u>

---

\* - This amount represents accretion of interest

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #3  
Year Ended June 30, 2012

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
<b>OPERATING REVENUES BY SOURCE</b>			
Local government revenue:			
Local taxes	\$ 11,803,025	\$ 2,917,188	\$ 14,720,213
Chargeback revenue	-	-	-
PPRT	<u>272,446</u>	<u>272,446</u>	<u>544,892</u>
<b>TOTAL LOCAL GOVERNMENT</b>	<u>12,075,471</u>	<u>3,189,634</u>	<u>15,265,105</u>
State government:			
ICCB credit hours grants	1,654,052	1,654,052	3,308,104
ICCB equalized grants	2,399,844	-	2,399,844
ICCB small college grants	<u>300,522</u>	<u>-</u>	<u>300,522</u>
<b>TOTAL STATE GOVERNMENT</b>	<u>4,354,418</u>	<u>1,654,052</u>	<u>6,008,470</u>
Federal government:			
Dept. of education	<u>54,493</u>	<u>-</u>	<u>54,493</u>
<b>TOTAL FEDERAL GOVERNMENT</b>	<u>54,493</u>	<u>-</u>	<u>54,493</u>
Student tuition and fees:			
Tuition	16,401,011	-	16,401,011
Fees	<u>1,742,016</u>	<u>-</u>	<u>1,742,016</u>
<b>TOTAL TUITION AND FEES</b>	<u>18,143,027</u>	<u>-</u>	<u>18,143,027</u>
Other sources:			
Facilities revenue	147,735	-	147,735
Investment revenue	130,779	-	130,779
Other	<u>22,846</u>	<u>21,677</u>	<u>44,523</u>
<b>TOTAL OTHER REVENUE</b>	<u>301,360</u>	<u>21,677</u>	<u>323,037</u>
<b>TOTAL REVENUE</b>	<u>34,928,769</u>	<u>4,865,363</u>	<u>39,794,132</u>
Less: nonoperating items*			
Tuition chargeback revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTED REVENUES</b>	<u>\$ 34,928,769</u>	<u>\$ 4,865,363</u>	<u>\$ 39,794,132</u>

\* Intercollege revenue that does not generate related local college credit hours are subtracted to allow for statewide comparisons.

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #3  
Year Ended June 30, 2012  
(Continued)

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING EXPENDITURES</b>			
<b>BY PROGRAM</b>			
Instruction	\$ 17,001,938	\$ -	\$ 17,001,938
Academic support	974,331	-	974,331
Student services	3,450,778	-	3,450,778
Public service/continuing education	1,220,713	-	1,220,713
General administration	2,422,870	-	2,422,870
Operations and maintenance	180	5,181,957	5,182,137
Institutional support	2,429,342	120,607	2,549,949
Auxiliary services	55,634	-	55,634
Scholarships, grants and waivers	1,221,561	-	1,221,561
<b>TOTAL EXPENDITURES</b>	<b>28,777,347</b>	<b>5,302,564</b>	<b>34,079,911</b>
Less nonoperating items*			
Tuition chargeback	-	-	-
<b>ADJUSTED EXPENDITURES</b>	<b>28,777,347</b>	<b>5,302,564</b>	<b>34,079,911</b>
<b>BY OBJECT</b>			
Salaries	18,619,446	2,173,267	20,792,713
Employee benefits	3,536,272	548,725	4,084,997
Contractual services	1,975,173	458,947	2,434,120
General materials and supplies	1,843,420	376,678	2,220,098
Travel and conference/meeting expenses	122,095	225	122,320
Fixed charges	184,903	3,342	188,245
Utilities	113,248	876,759	990,007
Capital outlay	1,155,345	863,871	2,019,216
Student grants and scholarships	1,227,445	750	1,228,195
<b>TOTAL EXPENDITURES</b>	<b>28,777,347</b>	<b>5,302,564</b>	<b>34,079,911</b>
Less nonoperating items*			
Tuition chargeback	-	-	-
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 28,777,347</b>	<b>\$ 5,302,564</b>	<b>\$ 34,079,911</b>

\* Intercollege revenues that do not generate related college credit hours are subtracted to allow for statewide companions

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #4  
Year Ended June 30, 2012

	<u>Restricted Purposes Fund</u>
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	\$ -
State government:	
ICCB - program improvement grant	24,405
ICCB - adult education	830,376
ICCB - other	247,238
Illinois student assistance commission	250
Other	934,495
TOTAL STATE GOVERNMENT	2,036,764
Federal Government:	
Department of education	19,380,167
Department of labor	632,070
Other	28,841
TOTAL FEDERAL GOVERNMENT	20,041,078
Other sources:	
Tuition and fees	1,108,390
Other	8,112
TOTAL OTHER SOURCES	1,116,502
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 23,194,344
EXPENDITURES BY PROGRAM	
Instruction	\$ 823,616
Student services	19,515,261
Public service/continuing education	1,366,167
Auxiliary services	675,839
Operations and maintenance	19,820
Institutional support	614,458
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 23,015,161
EXPENDITURES BY OBJECT	
Salaries	\$ 1,914,569
Employee benefits	378,165
Contractual services	488,322
General materials and supplies	751,320
Travel and conference/meeting expenses	110,670
Utilities	756
Capital outlay	706,640
Other (Student financial aid)	18,664,719
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 23,015,161

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP)

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

UNIFORM FINANCIAL STATEMENT #5  
CURRENT FUNDS\* EXPENDITURES BY ACTIVITY  
Year Ended June 30, 2012

<b>INSTRUCTION</b>	
Instructional programs	\$ 13,084,098
Other	4,741,456
Total instruction	<u>17,825,554</u>
<b>ACADEMIC SUPPORT</b>	
Library center	474,742
Educational media services	96,078
Academic computing support	403,511
Total academic support	<u>974,331</u>
<b>STUDENT SERVICES</b>	
Admissions and records	2,522,992
Counseling and career services	1,590,211
Financial aid administration	443,011
Other	18,409,825
Total student services	<u>22,966,039</u>
<b>PUBLIC SERVICE/CONTINUING EDUCATION</b>	
Customized training (Instructional)	2,395,741
Other	191,139
Total public service/continuing education	<u>2,586,880</u>
<b>AUXILIARY SERVICES</b>	<u>4,923,903</u>
<b>OPERATIONS AND MAINTENANCE OF PLANT</b>	
Maintenance	1,109,147
Custodial services	1,428,685
Grounds	431,788
Campus security	1,132,082
Utilities	1,157,127
Total operations and maintenance of plant	<u>5,258,829</u>
<b>INSTITUTIONAL SUPPORT</b>	
Executive management	940,362
Fiscal operations	850,501
Community relations	301,699
Administrative support services	280,854
Board of trustees	106,618
General institutional	3,628,247
Institutional research	196,946
Administrative data processing	543,018
Other	49,454
Total institutional support	<u>6,897,699</u>
<b>SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS</b>	<u>1,221,561</u>
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<u>\$ 62,654,796</u>

\* Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprise; Restricted Purposes; Audit; Liability, Protection Settlement.

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP)



# CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2013

## ALL FISCAL YEAR 2012 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	<u>\$ 27,622,002</u>
2	Operations and Maintenance Fund	<u>\$ 4,438,693</u>
3	Public Building Commission Operation and Maintenance Fund	<u>\$ -</u>
4	Bond and Interest Fund	<u>\$ 2,060,084</u>
5	Public Building Commission Rental Fund	<u>\$ -</u>
6	Restricted Purposes Fund	<u>\$ 22,308,521</u>
7	Audit Fund	<u>\$ 104,300</u>
8	Liability, Protection, and Settlement Fund	<u>\$ 1,229,250</u>
9	Auxiliary Enterprises Fund (subsidy only)	<u>\$ -</u>
10	<b>TOTAL NONCAPITAL EXPENDITURES</b> (sum of lines 1-9)	<u>\$ 57,762,850</u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 2,604,364</u>
12	<b>TOTAL COSTS INCLUDED</b> (line 10 plus line 11)	<u>\$ 60,367,214</u>
13	Total certified semester credit hours for FY 2012	<u>130,743.50</u>
14	<b>PER CAPITA COST</b> (line 12 divided by line 13)	<u>\$ 461.72</u>
15	All FY 2012 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	<u>\$ 19,560,194</u>
16	FY 2012 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$ 149.61</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2013	<u>\$ 22.19</u>
18	District's student tuition and fee rate per semester credit hour for FY 2013	<u>\$ 110.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 179.92</u>

Approved: Jim Pollert  
Chief Fiscal Officer

10/5/12  
Date

Approved: [Signature]  
Chief Executive Officer

10/6/12  
Date

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
South Suburban College-  
Community College District Number 510  
South Holland, Illinois

We have audited the accompanying balance sheets of the South Suburban College – Community College District No. 510 (the College) Workforce Development, State Adult Education (State Basic, Public Assistance, and Performance), Career and Technical Education – Program Improvement, and Student Success (Grant Programs) as of June 30, 2012, and the related statements of revenues, expenditures, and changes in fund balances for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements presented are only for the Grant Programs and do not purport to, and do not, present fairly the financial position or results of operations of the College.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College's Grant Programs as of June 30, 2012, and the revenues, expenditures, and changes in fund balances for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2012 on our consideration of the College's internal control over financial reporting of the Grant Programs and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The supplementary information in schedules 3 and 6, designated in the special reports section of the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements of the Workforce Development and State Adult Education Grant programs, respectively. 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 supplementary 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 of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements of the Workforce Development and the State Adult Education Grant Programs as a whole.

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

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

Crowe Horwath LLP

Oak Brook, Illinois  
October 12, 2012



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF GRANT PROGRAM FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
South Suburban College-  
Community College District Number 510  
South Holland, Illinois

We have audited the accompanying financial statements of the South Suburban College – Community College District No. 510 (the College) Workforce Development, State Adult Education (State Basic, Public Assistance, and Performance), Career and Technical Education – Program Improvement, and Student Success (Grant Programs) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*.

Internal Control over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting of the Grant Programs. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting of the Grant Programs that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting in the Grant Programs, as described in the accompanying schedule of findings and responses and questioned costs in the Single Audit Report dated October 12, 2012, as item 2012-2 that we consider to be a significant deficiency in internal control over financial reporting of the Grant Programs. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

The College's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

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

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

Crowe Horwath LLP

Oak Brook, Illinois  
October 12, 2012

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 1

WORKFORCE DEVELOPMENT - BUSINESS/INDUSTRY GRANT PROGRAM

BALANCE SHEET  
June 30, 2012

---

**ASSETS**

Cash	\$ 2,000
------	----------

Total assets	\$ 2,000
--------------	----------

**LIABILITIES AND FUND BALANCE**

Total liabilities	\$ -
-------------------	------

Fund balance - unassigned	2,000
---------------------------	-------

Total fund balance	2,000
--------------------	-------

Total liabilities and fund balance	\$ 2,000
------------------------------------	----------

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 2

WORKFORCE DEVELOPMENT - BUSINESS/INDUSTRY GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 2012

---

<b>Revenue</b>	
State sources	\$ <u>148,306</u>
 <b>Expenditures</b>	
Salaries	73,184
Materials and supplies	<u>1,000</u>
 Total expenditures	<u>74,184</u>
 <b>Excess of revenues over (under) expenditures</b>	 <u>74,122</u>
 Fund balance July 1, 2011	 <u>(72,122)</u>
 Fund balance June 30, 2012	 <u>\$ 2,000</u>

---

See accompanying notes to ICCB State Grants financial statements.



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

ICCB COMPLIANCE STATEMENT FOR WORKFORCE DEVELOPMENT - BUSINESS/INDUSTRY GRANT PROGRAM  
TOTAL EXPENDITURES FOR ICCB GRANT FUNDS ONLY

Year Ended June 30, 2012

EXPENDITURES	Column A	Column B	Column C
	General	OPERATION OF WORKFORCE DEVEL. OFFICE	TOTAL
1. Personnel (salaries and benefits)**	\$ 73,184	\$ -	\$ 73,184
2. Contractual services	-	-	-
3. Instructional materials	1,000	-	1,000
4. Instructional equipment*	-	-	-
5. Promotional materials	-	-	-
6. Staff development**	-	-	-
7. Conference and meeting expenses	-	-	-
8. Travel**	-	-	-
center/economic development/workforce development offices:			
a. Office equipment*	-	-	-
b. Utilities and telephone	-	-	-
c. Consumable supplies	-	-	-
d. Duplicating	-	-	-
e. Facility rental	-	-	-
10. Totals	\$ 74,184	\$ -	\$ 74,184 ***

\* Sum of expenditures should be less than or equal to 25% of the District's total workforce development grant.

\*\* Salaries charged to this grant should be paid commensurate with the percentage of time spent working on business and industry/economic development activities. Staff development and travel costs should only be paid for staff that spend 51% or more of their time on work in the business assistance center or economic development office.

\*\*\* Sum of total expenditures (Column C) should equal total expenditures reported in Schedule of Revenues, Expenditures, and Changes in Fund Balance plus year-end encumbrances.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510  
STATE ADULT EDUCATION GRANT PROGRAM

BALANCE SHEET  
June 30, 2012

	<u>State Basic</u>	<u>State Public Assistance</u>	<u>State Performance</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>				
Total assets	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Total liabilities	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>				
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to ICCB State Grants financial statements.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

STATE ADULT EDUCATION GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 2012

	State Basic	State Public Assistance	State Performance	Total (Memorandum Only)
<b>Revenue</b>				
State sources - prior year award	\$ 125,939	\$ 25,021	\$ 95,421	\$ 246,381
State sources - current year award	301,374	75,547	207,083	584,004
Total revenue	<u>427,313</u>	<u>100,568</u>	<u>302,504</u>	<u>830,385</u>
<b>Expenditures by program</b>				
Instructional and student services:				
Instruction	164,128	50,689	15,399	230,216
Social work services	4,313	26	2,121	6,460
Guidance services	8,355	1,112	8,213	17,680
Assessment and testing	31,058	4,021	21,363	56,442
Student transportation services	4,800	-	-	4,800
Literacy services	307	244	181	732
Subtotal instructional and student services	<u>212,961</u>	<u>56,092</u>	<u>47,277</u>	<u>316,330</u>
Program support:				
Improvement of instructional services	-	-	15,531	15,531
General administration	9,593	2,194	22,251	34,038
Operation & maintenance of plant services	342	-	-	342
Data and information services	78,478	17,260	122,024	217,762
Subtotal program support	<u>88,413</u>	<u>19,454</u>	<u>159,806</u>	<u>267,673</u>
Total expenditures	<u>301,374</u>	<u>75,546</u>	<u>207,083</u>	<u>584,003</u>
<b>Excess of revenues over (under) expenditures</b>	<u>125,939</u>	<u>25,022</u>	<u>95,421</u>	<u>246,382</u>
Fund Balance July 1, 2011	<u>(125,939)</u>	<u>(25,022)</u>	<u>(95,421)</u>	<u>(246,382)</u>
Fund Balance June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to ICCB State Grants financial statements.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510ICCB COMPLIANCE STATEMENT FOR THE  
STATE ADULT EDUCATION GRANT PROGRAMEXPENDITURES AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY  
Year Ended June 30, 2012

---

State Basic	Actual Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 164,128	54.5%
General administration (9% maximum allowed)	9,593	3.2%

State Public Assistance	Actual Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 50,689	67.1%
General administration (9% Maximum allowed)	2,194	2.9%

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 7

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM

BALANCE SHEET  
June 30, 2012

---

**ASSETS**

\$           -

**LIABILITIES AND FUND BALANCE**

Total liabilities

\$           -

Total fund balance

          -

Total liabilities and fund balance

\$           -

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 8

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 2012

---

<b>Revenue</b>	
State sources	\$ <u>24,405</u>
<b>Expenditures</b>	
Travel	<u>24,405</u>
Total expenditures	<u>24,405</u>
<b>Excess of revenue over (under) expenditures</b>	<u>-</u>
Fund balance July 1, 2011	<u>-</u>
Fund balance June 30, 2012	\$ <u>-</u>

---

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 9

STUDENT SUCCESS GRANT PROGRAM

BALANCE SHEET  
June 30, 2012

---

**ASSETS**

Total assets	\$ <u>-</u>
--------------	-------------

**LIABILITIES AND FUND BALANCE**

Total liabilities	\$ <u>-</u>
-------------------	-------------

Total fund balance	<u>-</u>
--------------------	----------

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

---

See accompanying notes to ICCB State Grants financial statements



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

## STUDENT SUCCESS GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 2012

---

<b>Revenue</b>	
State sources	\$ -
<b>Expenditures</b>	
Other expenditures	184,584
Total expenditures	184,584
<b>Excess of revenue over (under) expenditures</b>	(184,584)
Fund balance July 1, 2011	184,584
Fund balance June 30, 2012	\$ -

---

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General: The accompanying statements include only those transactions resulting from the ICCB Workforce Development Business/Industry, State Adult Education, Career and Technical Education-Program Improvement, and Student Success grants programs. These transactions have been accounted for in a Restricted Purposes Fund.

Basis of Accounting: The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2012. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Fixed Assets: Fixed asset purchases are recorded as capital outlay and not capitalized on the grant financial statements.

Cash: Cash is composed of cash in the College's bank account. The carrying amount and bank balance of cash was \$2,000 at June 30, 2012 and related to the Workforce Development – Business/Industry grant program.

**NOTE 2 - ENCUMBRANCES**

Current year encumbrances for goods and services obligated before June 30, 2012 are reflected as deferred revenue while payments for prior year encumbrances for goods received prior to August 31, 2012 are reflected as expenditures of the current fiscal year.

## INDEPENDENT ACCOUNTANTS' REPORT

The Board of Trustees  
South Suburban College –  
Community College District No. 510  
South Holland, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of South Suburban College – Community College District No. 510 for the year ended June 30, 2012. The Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was conducted in accordance with attestations standards established by the American Institute of Certified Public Accountants, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, in all material respects, is fairly presented in accordance with the provisions of the aforementioned guidelines.

The supplementary information on pages 76-78 discusses the College's residency policy, summary of assessed valuations and background information on state grant activity and is the responsibility of the College's management. This information has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed and accordingly, we express do not express an opinion or provide any assurance on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2012 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

*Crowe Horwath LLP*

Crowe Horwath LLP

Oak Brook, Illinois  
October 12, 2012

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Year Ended June 30, 2012

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)								
Notes 1 and 2	Summer		Fall	Restricted	Spring		Total	
	Unrestricted	Restricted			Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	6,940.0	-	29,505.0	-	29,144.0	-	65,589.0	-
Business occupational	504.5	-	3,482.5	-	4,438.5	-	8,425.5	-
Technical occupational	350.0	-	1,863.0	-	2,145.0	-	4,358.0	-
Health occupational	1,653.0	-	6,452.0	-	6,528.0	-	14,633.0	-
Remedial development	1,466.0	-	11,301.0	-	10,390.0	-	23,157.0	-
Adult basic/ secondary education	-	49.5	-	5,615.5	-	8,916.0	-	14,581.0
Total	10,913.5	49.5	52,603.5	5,615.5	52,645.5	8,916.0	116,162.5	14,581.0

Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements

Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.

Note 3) Total of unrestricted and restricted should equal the S-3 record totals.

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Semester credit hours (all terms)	118,653.0	2,270.0	120,923.0
	Dual Credit	Dual Enrollment	
Semester credit hours (all terms)	1,371.0	2,708.0	
District prior year equalized assessed valuation			\$ 4,519,956,088

Correctional Semester Credit Hours by Term					
	Summer	Fall	Winter	Spring	Total
Baccalaureate	-	-	-	-	-
Business occupational	-	-	-	-	-
Technical occupational	-	-	-	-	-
Health occupational	-	-	-	-	-
Remedial development	-	-	-	-	-
Adult basic/secondary education	-	-	-	-	-
Total	-	-	-	-	-

Signatures

  
Don Manning, President

  
Tim Pollert, Controller/Treasurer

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 510

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

Year Ended June 30, 2012

	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	65,589.0	65,589.0	-	-	-	-
Business occupational	8,425.5	8,425.5	-	-	-	-
Technical occupational	4,358.0	4,358.0	-	-	-	-
Health occupational	14,633.0	14,633.0	-	-	-	-
Remedial development	23,157.0	23,157.0	-	-	-	-
Adult basic/ secondary education	-	-	-	14,581.00	14,581.00	-
Total	<u>116,162.5</u>	<u>116,162.5</u>	<u>-</u>	<u>14,581.00</u>	<u>14,581.00</u>	<u>-</u>

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS

	<u>Total Attending (Unrestricted and Restrictd)</u>	<u>Total Attending as Certified to the ICCB Unrestricted and Restricted</u>	<u>Difference</u>
In-district residents	118,653.0	118,653.0	-
Out-of-district on chargeback or contractual agreement	<u>2,270.0</u>	<u>2,270.0</u>	<u>-</u>
Total	<u>120,923.0</u>	<u>120,923.0</u>	<u>-</u>
	<u>Total Reimbursable</u>	<u>Total Reimbursable Certified to the ICCB</u>	<u>Difference</u>
Dual credit	1,371.0	1,470.0	(99.0)
Dual enrollment	2,708.0	5,495.0	(2,787.0)

SOUTH SUBURBAN COLLEGE  
RESIDENCY POLICY (UNAUDITED)

---

**Residency:** Residency is based on location of the student's actual habitation at the time of registration, associated with the intent to remain at that location. Classification of residency, as determined when fees are paid, remains in effect for the entire term. Residency of students under 18 is that of the parent or legal guardian, or as otherwise established by law.

Residency classifications are determined each term by the Admissions & Registration Center based on information supplied by the student. If a student disagrees with residency classification, an appeal may be made to the Director of Admissions and Records. By Illinois state law, a student may be requested to supply proof of residency at any time.

Persons enrolling at South Suburban College are classified for residency purposes as:

- *In-District Students* – Persons who have established a permanent residence within Community College District 510 and show evidence of continued intent to remain in the District.
- *Special Residency* – Persons who live in Chicago and pursue specific programs; or are employed in, or residents of, Lake County, Indiana. Call the Admissions & Registration Center at 708/596-2000, ext. 2329 or 2490 for more information.
- *Out-of-District Students* – Persons living outside Community College District 510, but in the State of Illinois.
- *Out-of-state Students* – Persons not living in Illinois.
- *Foreign Students* – Persons who are not United States citizens, have not filed a petition for naturalization in Illinois, and do not hold permanent residency status. These students are charged out-of-state tuition rates.
- *Permanent Residency Status Students* – Persons living in the district who are able to establish their status by providing a copy of their alien resident card; and as such, are classified as in-district and charged in-district tuition rates.

**Note:** Proof of District residency shall be based on evidence of ownership and/or occupancy of a dwelling in the District by providing at least one of the following dated prior to registration: an Illinois driver's license or State I.D., an Illinois automobile license registration, an Illinois voter's registration card, a utility bill (other than telephone) or other non-self-serving documentation.

SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT #510

SUMMARY OF ASSESSED VALUATIONS (UNAUDITED)

Most recent three years

---

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2011	\$ 4,519,956,088
2010	4,512,554,625
2009	4,533,807,837

---



SOUTH SUBURBAN COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 510  
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (UNAUDITED)  
June 30, 2012

---

**Unrestricted Grants**

Basic Operating Grants: General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the college.

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

**Restricted Grants/Special Initiatives**

Workforce Development -Business/Industry Grants: Provides funding for a business/industry Center at every college to provide a variety of employment training and business services outside of the classroom.

Career and Technical Education-Program Improvement Grants: Grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Student Success Grant: Provides funding for supplemental services to assist students in developing the academic skills necessary to remedy or correct educational deficiencies to allow the attainment of college educational goals. The grant funds are dedicated to those students with social, economic, physical, or developmental disabilities, and/or academic deficiencies that make it difficult for such a student to adapt to a college environment.

**Restricted Adult Education Grants/State**

Public Assistance: Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

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

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