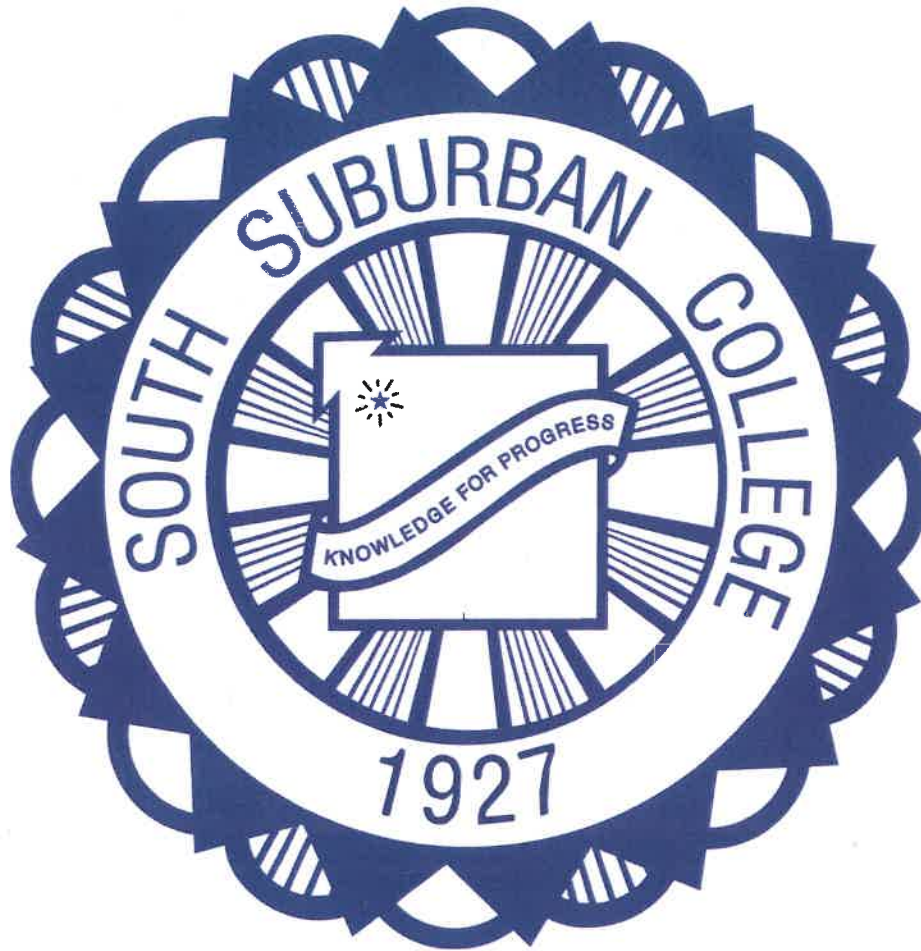


COMPREHENSIVE Annual Financial Report



Fiscal Year Ended June 30, 2017

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, 2017

Prepared By:
Business and Accounting Office
Martin Lareau – Vice President of Administrative Services
Tim Pollert – Controller

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
June 30, 2017

CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	i
ASBO Certificate of Excellence in Financial Reporting	xvi
Organizational Chart	xvii
Principal Officials	xviii

FINANCIAL SECTION

Independent Auditor's Report	1
------------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Management Discussion and Analysis	4
--	---

BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SURS Schedule of the College's Proportionate Share of the Net Pension Liability	34
SURS Schedule of College Contributions	35
SURS Notes to Required Supplementary Information	36

OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)

Detail of Expenses by Function and Object	37
Schedule of Expenditures for Tort Immunity Purposes	38

STATISTICAL SECTION (UNAUDITED)

Financial Trends - Net Position by Component	39
Financial Trends - Changes in Net Position	40
Revenue Capacity - Assessed Value and Actual Value of Taxable Property	41
Revenue Capacity - Schedule of Property Taxes – Assessed Valuations, Rates, Extensions and Collections	42
Property Tax Rates – Direct and Overlapping Governments	43
Principal Taxpayers – 2016 compared to 2007	44

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
June 30, 2017

CONTENTS

STATISTICAL SECTION (UNAUDITED) (Continued)

Revenue Capacity - Property Tax Levies and Collections	45
Revenue Capacity - Enrollment, Tuition, and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated	46
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	47
Computation of Direct and Overlapping General Obligation Bonded Debt	48
Legal Debt Margin Information	49
Employee Data	50
Student Enrollment Demographic Statistics - Head Count and Full Time Equivalents	51
Student Enrollment Demographic Statistics - Credit Hours	52
District Demographics	53
Operating Information - Capital Asset Statistics – Volume	54
Operating Information - Capital Asset Statistics – Value	55
Schedule of Ratios of Outstanding Debt – Last Ten Fiscal Years	56

SPECIAL REPORTS SECTION

State Supplemental Reports

Uniform Financial Statements	57
------------------------------------	----

Certification of Chargeback Reimbursement (Unaudited)

Certification of Chargeback Reimbursement	64
---	----

State Grant Activity and Schedule of Enrollment Data

Independent Auditor's Report	65
------------------------------------	----

Independent Auditor's 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>	67
---	----

State Adult Education Grant Program

Balance Sheet	69
Statement of Revenues, Expenditures, and Changes in Fund Balance	70
ICCB Compliance Statement for the Adult Education Grant	71

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
June 30, 2017

CONTENTS

SPECIAL REPORTS SECTION (Continued)

Career and Technical Education – Program Improvement Grant Program	
Balance Sheet	72
Statement of Revenues, Expenditures, and Changes in Fund Balance	73
Notes to the Financial Statements	74
Independent Accountant's Report	75
Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed.....	76
Reconciliation of Total Reimbursable Semester Credit Hours	77
Residency Policy (Unaudited).....	78
Summary of Assessed Valuation (Unaudited).....	79
Background Information on State Grant Activity (Unaudited).....	80

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

Introductory Section

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

Jacqueline Martin

Janet M. Rogers

Terry R. Wells

Joseph Whittington Jr.

Don Manning,
College President

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

October 16, 2017

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, 2017 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. Code 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. 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 377,321 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 decreased sizably to \$2,985,543,407 from just four years ago. 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 slightly below 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 2017 in the district is 8.5%, compared to 5.7% for Cook County, 5.4% for the State of Illinois, and 4.4% 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 2017. The SSCFAO was responsible for awarding 2,937 students with Pell Grants totaling \$8,476,542. The SSCFAO also helped over 300 veterans with federal and state veteran’s assistance totaling over \$300,000.

South Suburban College Foundation

The mission of the South Suburban College Foundation (SSCF) is to support the educational purposes and objectives of the College by providing assistance in the promotion of SSC’s services and facilities. The SSCF seeks funding to strengthen College programs with a primary focus on student scholarships. Established in 1973, the Foundation is solely governed by a Board of Directors composed of the region’s business, civic and community leaders.

The SSCF is a philanthropic, not-for-profit organization chartered in the State of Illinois and is a 501(c)(3) tax exempt organization (EIN: 237191738). It works cooperatively with individuals and organizations in developing a plan to fit the needs of the donors. The SSCF awarded over \$100,000 in student scholarships once again in 2016, and its total endowment as of July 31, 2017 was \$ 1,053,831.

Scholarship Opportunities for HSE Graduates

In addition to the many Federal and State Financial Aid opportunities available, the South Suburban College Foundation (SSCF) 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 Adult Education Department. The Regson Scholarship is

a \$1,000 award for a student enrolled in a 12–15 hour program leading to a Basic certificate; the Gloria J. Taylor Adult Education Scholarship is a \$1,600 award given to a GED graduate who earns between 600 and 659 points on his/her GED Examination; the Jane Ellen Stocker Scholarship which assists with books and fees for transitioning Adult Education students.

An evaluation of all tuition waivers was completed and it was decided to merge many of our waivers that had such a long list of eligibility requirements into one “Free Class Waiver”. This new waiver is addressing the need of our 18-24 age group of students as well as Lake County Indiana students.

As a reciprocal scholarship, the Board of Trustees offers scholarships to all South Suburban College HSE graduates scoring 660 or above on a HSE exam. This is a two-year, tuition-free scholarship for up to 15 credit hours each semester. Lastly, all graduates of the Adult 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.

47th HSE Commencement Held

The Adult Education Department celebrated its 47th graduating class on May 19, 2017. During these 47 years, SSC has graduated more than 5,000 students, including 68 for 2016. Many HSE graduates have registered and graduated from SSC’s various certificate and/or degree programs. Out of the 47 students that graduated in 2017 34% have already enrolled in one of SSC’s college credit programs. The College continues to implement and develop programs to successfully transition HSE graduates into College credit programs. Students are offered the opportunity to take the “Work keys Assessment” and when they pass each of the three modules, they will earn a national accreditation. The assessment was introduced to the adult education students in 2010. Students have transitioned to the new GED exams in January 2014. Advantages to the new test are that it is entirely computer based, able to be taken one battery at a time, provides immediate scoring and recommendations for further scoring improvement.

Program Accessibility

South Suburban College’s Adult Education Department 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, High School Equivalency, and English Language Acquisition) are offered in full and part time increments at various times and locations. Therefore, classes are convenient for students with families and busy schedules. The program remains dedicated to providing access to all students within the district. Classes are offered in South Holland, Riverdale, Harvey, and Oak Forest.

Adult Education Community Opportunities

Our students continue to participate in activities involving Legislative Awareness Day in Springfield; this was made possible by a grant secured by our Transitions Coach through the IACEA association. This allowed for transportation to 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. Adult Education students became politically active this past year and wrote over 500 letters to our local and federal senators and congressmen. Rep. Robin Kelly, Sen. Tammy Duckworth, and Sen. Dick Durban all wrote our students back showing their support for Adult Education.

Additionally, we support the Business & Career Institute Women's Conference by offering students the opportunity to participate in this yearly activity. The women who participate may not have otherwise been able 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 and culturally enriching activity for them.

Through the efforts of our Transitions Coach, students were transported to Moraine Valley Community College, as well as to the joint Thornton Township/SSC Job Fair. Students brought their newly created resumes and several were successful with securing employment. The Transitions Coach also independently goes to job fairs and hiring events to obtain employment information for the students enrolled in the program.

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 grade level on the Test of Adult Basic Education (TABE). The grant helps to pay for a portion of the salary of the coordinator and to purchase textbooks and supplies necessary to manage this important effort to improve 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. Oftentimes 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. This past year SSC Adult Volunteer Literacy had one of its tutors, Gerald Chaben, receive the prestigious Secretary of State's Spotlight on Service Award. This award honors five volunteers from across the state every year. We have voluntarily offered the Family Reading Night as an additional activity for our tutors and community members and once again the event was underwritten by the SSC Foundation. Last year for Family Reading Night we were able to make short stories come to life with a live performance done by a local puppet master Eric Stiles! There was an activity table for the children to color their very own story books along with face painting fun! Several local authors come out to speak including Art Burton, Yusuf Ali-El, and Margret Jones-Scott. Prizes were given away along with free children's books donated from the school library.

South Suburban College Foundation Second Chance Scholarship

Since 2011, the Adult Education Department appealed to the SSC Foundation for funding to be able to provide the 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 High School Equivalency. Of the 47 graduates in 2017, 25 took advantage for the Second Chance Scholarship.

Highway Construction Careers Training Program (HCCTP)

The College has continued to receive a grant funded by the Illinois Department of Transportation and administered by the Illinois Community College Board to sponsor the HCCTP, which has been implemented to increase the number of minorities, women, and disadvantaged individuals working on IDOT highway construction projects. The training consists of an intensive 12-week program to learn the skills necessary for acceptance into the highway construction trades and provides the opportunity for a career with high wage potential. Through this grant, SSC is able to provide this training at no charge to the student. During the 2016-2017 academic year the program boasts of having 60 students who entered the program, 44 completers, and 36 students placed in jobs or with apprenticeship programs.

Secretary of State’s Workplace Skills Enhancement Project

The College has continued to receive the Secretary of State’s Workplace Skills Enhancement Grant, which provides on-site instructional services to employees of Illinois businesses to enable them to increase their basic reading, math, writing or language skills, maintain their employment and increase their eligibility for promotion. Eligible employees must read at or below the ninth-grade level. Grantees (companies) must match the grant award. These grants have a positive impact on the lives of recipients in areas such as citizenship, community participation, family life and work life. SSC received four grants this year totaling over \$52,000.

Manufacturing Lab

The Manufacturing program continues to provide students and industry with high-quality; comprehensive advanced manufacturing training that creates pathways to employment and strengthens our local economy. Basic Certificates are offered in Manufacturing Basics, Maintenance Technology I and II. Over the last year, students were able to utilize the recently upgraded equipment, such as 10 small engines and the purchase of a CNC machine through Carl Perkins grant funding.

Welding Lab

The welding program provides students with the skills necessary to find gainful employment in the community, which continues to benefit both our students and the

businesses in District 510. The Welding Lab has been providing space for instruction and houses new welding equipment necessary for hands-on learning of the welding trades. The labor market predicts many job openings requiring welding over the next as baby boomers continue to retire.

State Authorization for Online Learning

We received our authorization for online learning from the National Council for State Authorization Reciprocity Agreements (NC-SARA) and are now able to share our online course offerings to the majority of the United States. We were renewed for 2017. This effort was supported through grant as well as operational funds.

Nursing

Carl Perkins funding was used to provide an onsite NCLEX-RN live review for the 4th semester nursing students. In addition, Perkins funding provided assistance with the NCLEX-RN application expense so that our graduates could take the examination in a timely manner. For 2016, SSC ADN program NCLEX-RN pass rate was 100%; which is a first, for the ADN program.

STEM

SouthWorks Maker Lab

The SouthWorks Maker Lab at South Suburban College officially opened in February 2016. This lab is one of a larger network across the community colleges and four-year universities in the region. The college hosted an open house for local businesses and municipalities as well as the community to large. In the first four months, the lab has seen approximately one-hundred community visitors. We have also held numerous workshops for local teachers and community groups. The lab also hosted two summer camps for grammar school children. The lab is open to the public as well as college courses. We have also begun coordinating services with local companies. Overall the lab serves to provide students, entrepreneurs, community members and inventors access to high quality tools they may not otherwise have available. This year, SSC hosted the 1st Annual SouthWorks Engineering & Robotics Olympics, as well as the Maker Girls and Etsy Workshops.

Developmental Math Curriculum

In coordination with the college's strategic plan related to increasing students' readiness to undertake college-level work, the math department has redesigned the method in which the lower level developmental courses are offered. The courses are going to be offered in an 8-week pattern. The curriculum for these three courses has been overhauled to eliminate redundancy of topics. The new design will provide students with the opportunity to complete two courses in a single semester thereby reducing the time it takes to enter their college-level math courses. In the event a student is unsuccessful in their first course of the semester they will then be able to immediately repeat in the second half of the

semester. The department concluded year one of the redesigned developmental math curriculum. The department found the results encouraging.

4th Annual Law Day

Our annual Law Day was held on Tuesday, May 2, 2017. This is the 4th year in a row in which SSC has hosted the First District Appellate Court. Live oral arguments on a criminal case were once again presented before our largest crowd yet of approximately 181 attendees. Attendees were given an opportunity to ask questions of both the Justices and the attorneys who argued the case following oral argument. Court Reporting presented a live demonstration with current students, and our Criminal Justice Program presented a mock crime scene.

Our local high schools of TF North, Oak Forest, Tinley Park, Bremen and Hillcrestall attended. In addition, many of our SSC students, faculty, administration, the local community and legal professionals also attended. This event is supported through funds from the Carl Perkins Grant.

Perkins Grant

Once again the College received Perking grant funding. This grant helps provide funding for academic and career and technical skills of postsecondary students who elect to enroll in career and technical educational programs. This year the College received \$569,578.00 dollars. Some of the benefits of this grant include stenograph machines, law books for the law library and nursing equipment.

South Suburban works in collaboration with the WIOA (Workforce Innovative and Opportunity Act) One Stop Center to create awareness about career pathways to help unemployed and underemployed individuals obtain required skills to becoming skillfully and gainfully employed.

Echocardiography Program

Over the years, the Echocardiography program has grown from a few students to a manageable number of students who passionately have interest about the heart and the people who they will eventually serve. The echocardiography program continues to improve quality standards with the use of simulators and new ultrasound machines in the laboratory setting. As a result of funds from the Carl Perkins Grant, the program received an additional two echocardiography machines that assist with teaching and learning. Since the program depends on volunteers for clinical, these purchases are critical to the growth of our students. Students are able to scan virtual patients and visualize over 30 pathologies otherwise not seen. The simulators also allow instructors to program and test patients for examination purposes. New ultrasound machines in addition to existing machines allow more students to scan simultaneously, thus decreasing student wait time and increase productivity. Students will have greater success on the licensure exam and obtain valuable diagnostic skills. Additionally, the Echo Program had its site visit this year, and the accreditors did not find any compliance issues.

Occupational Therapy Assistant Program

Over the years the Carl Perkins funding has allowed our Career and Technical Education programs to strive in educational quality and providing facilities that meet industry standards. South Suburban College's Occupational Therapy Assistant Program (OTA) has in the last couple of years received funding for facility upgrades. These upgrades have assisted with student learning and effective laboratory demonstrations. As a direct result of our Perkins outcomes, OTA has received a 10 year award from Accreditation Council of Occupational Therapy Education (ACOTE) reaccreditation status; 100% of 2016 graduates passed the certification exam. 4 students represented SSC at the American Occupational Therapy Association National Conference in San Diego, CA.

Radiologic Technology Program

Carl Perkins funding provides opportunities for continued quality improvements in the Radiologic Technology Program. Perkins funding allowed the purchase of an upgrade for existing digital technology. Students are able to evaluate "bad" radiographs. Critical thinking and radiographic critique are essentials skills that the Radiologic Technology student must obtain. Upgrade to the system allows students to improve their required skills. Fluoroscopy and Patient Safety tools were purchased and are used in the classroom to help students gain a better understanding of new industry standards. In 2017, there were 24 program completers. 20 have taken and passed their national licensure exam. 8 have been placed in jobs.

Athletic Recruiting, Retention & Transfer Office: 2016-17

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 2016-17 academic year:

34/48 (71%) sophomores went on to 4 year institutions. 10/14 (71.4%) of the students that did not go to a 4-year school returned to South Suburban to further their education.

We have 48/60 (80%) returning freshman student athletes. 59/60 (98.3%) of them are eligible. Two non-returning freshman are going to school at SSC to further their education. We also moved 3 freshman student/athletes on to 4 year schools. So 37/51 (72.5%) of our student athletes went on to 4-year institutions.

Our retention rate of student athletes is very good. Our transfer rate of student/athletes to 4-year institutions is also very good. Our rate is the highest of any two-year institution in the south suburbs. We moved 37 student/athletes on to four-year institutions.

COMPLETED PROJECTS

Colleague/SSC Self-Service is a web application that enables users to interact with their individual information in the Colleague ERP System. The Self-Service module enables both advised and self-advised students to map out their academic educational journey.

The Data Warehouse project gives the college the benefit of multiple layers of redundancy as well as high availability for our most crucial data. This system will also give us the flexibility and adaptability to handle future demands. The Data Warehouse, once fully implemented will enable the college to make more informed and timely business decisions.

Server virtualization is a project that the Network Systems department will use going forward to help reduce our environmental footprint, making SSC greener and more financially efficient. Virtualization helps increase uptime and reduce the time that our systems will be down for patching and updating. Ultimately, virtualization will dramatically decrease the administrative demand on staff while creating a better technical experience for our students and employees.

Earlier this year, as part of the PBI Grant, we finished two of the four English Lab conversions. The new layout with computers around the room and tables in the center allows for better collaboration and a much better learning experience. We know this because one English lab was completed about five years ago and the students and instructors all like the layout much better than rows of computers facing forward. We have two more English Labs to convert and the plan is to complete them within the next year or so.

As part of the PBI Grant, we converted a small lab that was not used much into a Reading Center. This new Reading Center is equipped with 8 student computers around the room, an instructor computer in the front of the room, and tables in the middle for collaboration and for one on one assistance with reading.

Ellucian Mobile is a new mobile application downloadable via either the Apple App Store (Ios) or Google Play Store (Android) that allows the student to search for sections, get information about the South Suburban College campus and manage their class schedule.

The newly implemented Nelnet Enterprise Payment system allows students to apply via a secure web site for their payment plans and now features real-time account approval and balance information.

CURRENT PROJECTS

Parking lot lights will be replaced with new LED light fixtures. This will help with campus safety of our parking lots along with energy savings supporting our campus sustainability efforts.

PROMOTING STUDENT SUCCESS

Non-Traditional Access and Equity Programming

In March, 2017 South Suburban College (SSC) hosted the Non-Traditional Work Force Panel for Women and Men highlighting SSC's nontraditional careers. These careers have traditionally been oversaturated with either gender. For individuals who seek to join the ranks of these professions, our goal is to disseminate knowledge and information so that these careers can be equitably investigated by students who might not otherwise consider them for future employment. Over seventy (70) individuals were in attendance, with information provided to our high school feeder districts including Districts 205 and 218. Presented by our staff and working professionals in the field, our career offerings and demonstrations for women included Welding, Building Construction & Industrial Technology, Highway Construction & Careers, Criminal Justice, Computer Science, Applied Engineering Technology, Truck Driving, and Cisco Academy. Our career offerings and demonstrations for men included Paralegal, Teacher's Aide, Administrative Assistant, Court Reporting, Child Development, and Nursing. The presentations by current and former students (in various disciplines and professions) was again well-received as they shared, with first-hand knowledge, what one could expect in their respective fields. A question and answer session was included in this well-attended event and helped to mitigate long held misconceptions that could be indicative of various professions such as "only females can be nurses and only men can be welders." This event is scheduled to be conducted again in March, 2018 and was extremely successful this year as measured by a sign-in sheet and direct feedback from students, faculty, staff, and attendees. This event was supported by funds from the Carl D. Perkins Grant.

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.

SSC Allied Health Addition

This project is currently in its developmental, preliminary stages. Funds will be allocated from the State of Illinois. The Capital Development Board has selected an Architect. This state-of-the-art building will set South Suburban College apart from all other two-year schools in the state, and will dramatically increase enrollment in Health Professions.

Direct Digital Control (DDC) upgrade \$3,100,000

This HVAC upgrade will assist with even air flow throughout the building. Installing new devices will allow better control of room temperature. This project will also save the college an estimated \$200,000 per year. HVAC systems and lighting will be better utilized

in classrooms and offices depending on occupancy. Systems will only run when spaces are occupied, when no one is in these classrooms/offices, HVAC and lighting will turn off.

Main Roof Warranty extension and re-coating/re-sealing \$1,000,000 to protect classrooms, offices, hallways and equipment, extending our roofing warranty will allow us to patch and replace old roofing. An entire new roof would cost over \$4,000,000 dollars. This warranty will last 15 years.

Refinishing Exterior Building Envelope-\$600,000 The College needs new painting and sealing of the outside of building. This will help with water infiltration as well as the appearance of the building.

FINANCIAL INFORMATION

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis, 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.

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.

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 unmodified.

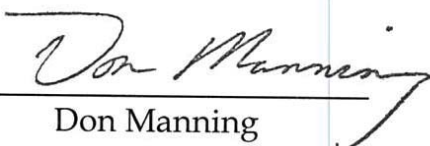
Awards: The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for School Systems to South Suburban College for its CAFR for the fiscal year ended June 30, 2016. This award certifies that the CAFR substantially conforms to the principles 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. This is the 25th consecutive year that the College has received this award.

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 Treasurer's and Business and Accounting Offices.

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



Martin Lareau
Vice-President of Administration



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

South Suburban College

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

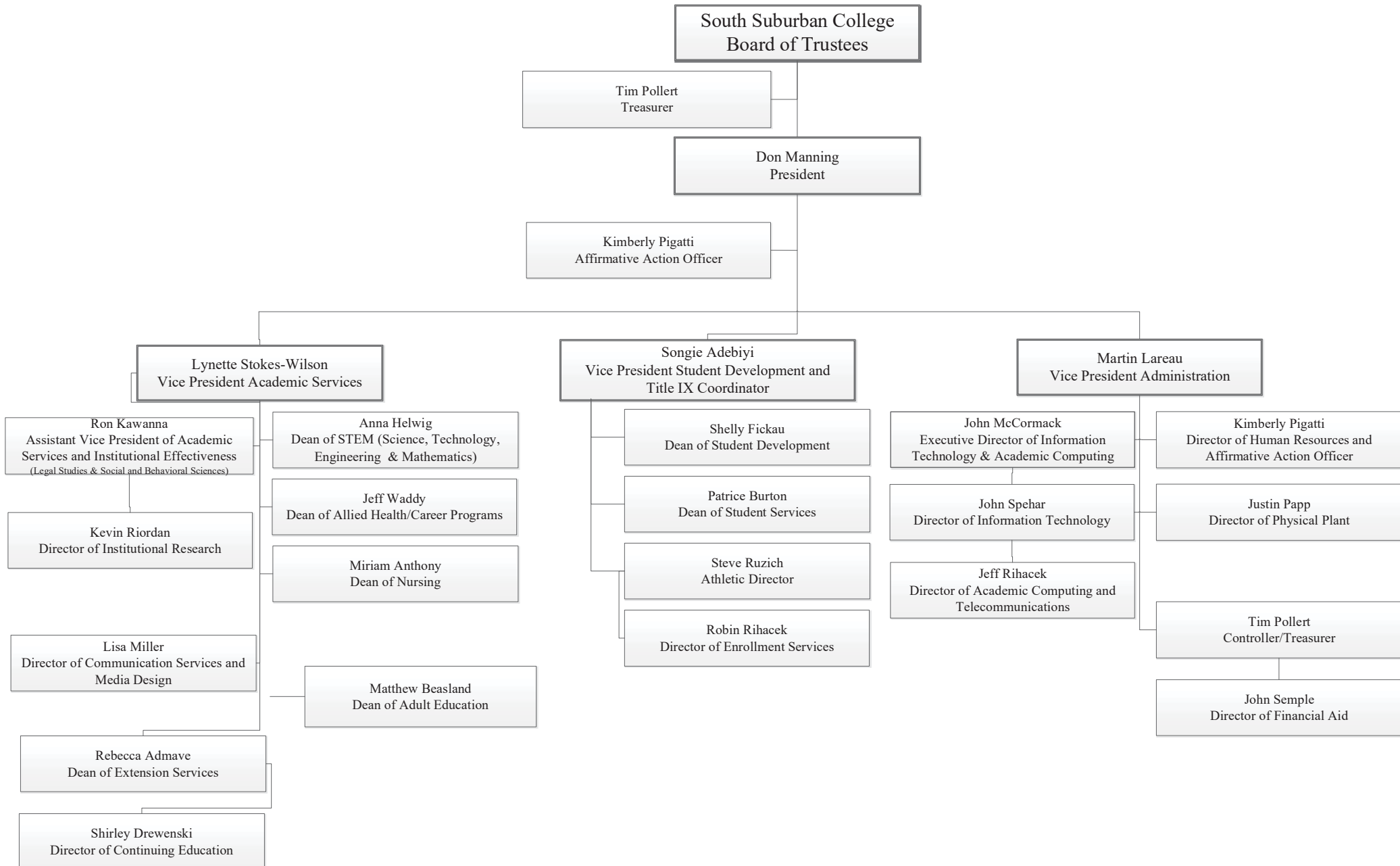
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE
Executive Director

**South Suburban College
Administrative Organizational Chart
2016 - 2017**



PRINCIPAL OFFICIALS

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

Fiscal Year Ended June 30, 2017

BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Frank M. Zuccarelli	Chairman	2017
John Daly	Vice Chair	2021
Anthony DeFilippo	Trustee	2019
Janet Rogers	Trustee	2021
Jacqueline Martin	Trustee	2019
Terry R. Wells	Trustee	2017
Joseph Whittington, Jr.	Trustee	2017

OFFICERS OF THE COLLEGE

Don Manning	College President
Dr. Lynette Stokes-Wilson	Vice President, Academic Affairs
Martin Lareau	Vice President, Administration
Songie Adebisi	Vice President, Student Development

OFFICIAL ISSUING REPORT

Martin Lareau	Vice President, Administration
---------------	--------------------------------

DIVISION ISSUING REPORT

Business and Accounting Office



Financial Section

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of South Suburban College Community College District No. 510 (the College), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement. The financial statements of the discretely presented component unit, the South Suburban College Foundation, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2017, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, other supplementary information, statistical section, State supplemental reports and certification of chargeback reimbursement as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The special reports section information included on pages 57 – 63 is required by the Illinois Community College Board and is presented on the regulatory basis of accounting.

The State supplemental reports included on pages 57-63 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the State supplemental reports included on pages 57-63 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, other supplementary information, statistical section and certification of chargeback reimbursement in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2017 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

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 13, 2017

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

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, 2017, 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 Position: This statement presents information on all College assets, liabilities and deferred inflows of resources. It is prepared on an accrual basis with revenues and expenses recognized when earned or incurred.
- Statement of Revenues, Expenses and Changes in Net Position: 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, 2017 total assets reported by the College were \$52,873,502 of which \$17,221,181 represents capital assets net of accumulated depreciation. Total liabilities and deferred inflows of resources were \$43,272,203 of which \$27,235,985 represents long term obligations.
 - The College's net position decreased by \$5,565,057 in fiscal year 2017 from \$15,166,356 to \$9,601,299.
 - The College's largest asset is its investment in capital assets, including land, land improvements and infrastructure, buildings, and equipment. Capital assets represent 32% of the College's total assets.
-

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

- The College's net position consists of capital assets net of related debt, expendable restricted net assets and unrestricted net position. Expendable restricted net assets represent assets whose use is restricted by a party independent of the College. In this case, \$390,859 is restricted for our debt service fund with \$7,213,941 restricted for working cash.
- This is the fourteenth year that the College was required to include the Foundation on its financial statements as a component unit. As of June 30, 2017, the Foundation has \$1,053,831 in assets, \$93,700 in liabilities with net position totaling \$960,131. This represents an increase in total net position of \$24,874 from 2016. Total assets and total liabilities increased \$47,874 and \$23,000, respectively.

The following table reflects the College's net position for the year ended June 30, 2017 as compared to the year ended June 30, 2016:

	<u>2017</u>	<u>2016</u>
Assets:		
Current & other assets	\$ 35,652,321	\$ 30,459,887
Capital assets	<u>17,221,181</u>	<u>19,291,000</u>
Total assets	<u>52,873,502</u>	<u>49,750,887</u>
 Liabilities/Deferred inflows:		
Other liabilities	7,171,907	7,333,939
Long-term liabilities	27,235,985	18,464,500
Deferred inflows	<u>8,864,311</u>	<u>8,786,092</u>
Total liabilities /deferred inflows	<u>43,272,203</u>	<u>34,584,531</u>
 Net position:		
Net investment in capital assets	(526,614)	688,359
Restricted	7,604,800	7,685,788
Unrestricted	<u>2,523,113</u>	<u>6,792,209</u>
Total net position	<u>\$ 9,601,299</u>	<u>\$ 15,166,356</u>

Financial Statement Summaries

The statement of revenues, expenses, and changes in net assets presents the College's results of operations. Operating revenues decreased for fiscal year 2017 to \$4,145,138 from \$4,154,179 in 2016. This slight decrease was primarily the result of a tuition increase that took full effect in the fiscal year coupled with a continued decline in enrollment.

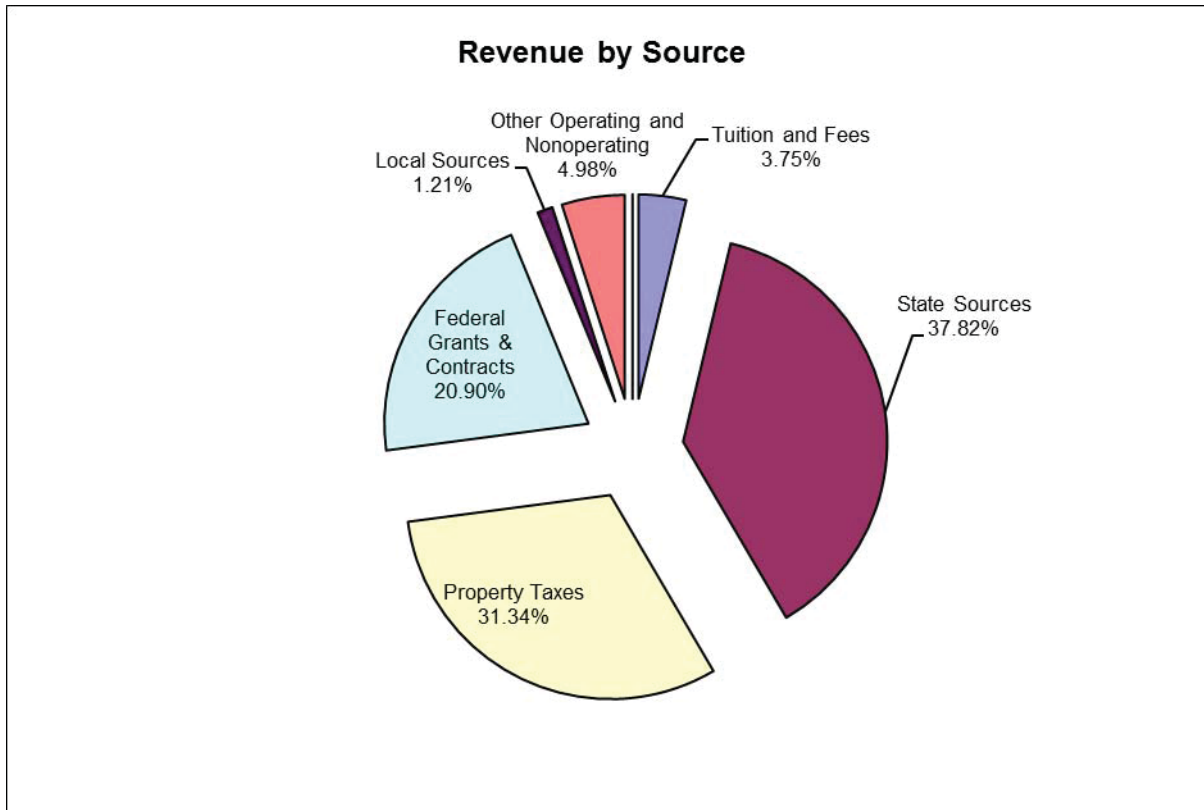
The overall net position of the College decreased from \$15,166,356 in 2016 to \$9,601,299 in 2017. A major factor in the overall performance was that the State of Illinois passed a stop-gap

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

appropriation in FY17 to fund operations for Illinois higher education institutions for one-half of the fiscal year, which resulted in increases in state revenues of \$1,733,988 as compared to the \$738,948 received in 2016. However, the State of Illinois did not pass a complete FY17 budget with funding for the remainder of FY17 until July 6 which is after the end of the fiscal year. While the State appropriated an additional \$4,555,707 for 2017 programs (which include adult education funding), per GAAP, those proceeds will not be realized until fiscal year 2018.

REVENUES	2017	% OF TOTAL REVENUE	2016	% OF TOTAL REVENUE
Tuition and Fees	\$ 1,873,022	3.75%	\$ 1,503,308	3.14%
State Sources	18,912,296	37.82%	13,043,250	27.26%
Property Taxes	15,671,729	31.34%	16,651,175	34.80%
Federal Grants & Contracts	10,453,983	20.90%	12,866,652	26.89%
Local Sources	607,134	1.21%	549,710	1.15%
Other Operating and Nonoperating	2,489,121	4.98%	3,240,981	6.77%
TOTAL REVENUES	\$ 50,007,285		\$ 47,855,076	

A graphic illustration of each revenue source is as follows:



SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

Revenue:

Total Operating and Non-Operating revenue increased by \$2,152,209 or 4.5%. As noted above, State sources showed a noticeable spike to \$18,912,296 compared to \$13,043,250 in 2016. First, an increase in the amount of SURS on-behalf payment (which the College has no control over) increased \$3,371,001 from \$11,036,571 to \$14,353,572. The State did pay the College stop gap grants for credit hours and equalization which it didn't pay last year which totaled \$1,733,988.

Federal sources dropped to \$10,453,983 from a 2016 balance of \$12,866,652. The prime reason for the drop was Pell, which declined \$1,530,254. Another major drop was HCCTP grant which declined \$531,548 as a result of the program slowing down in 2017.

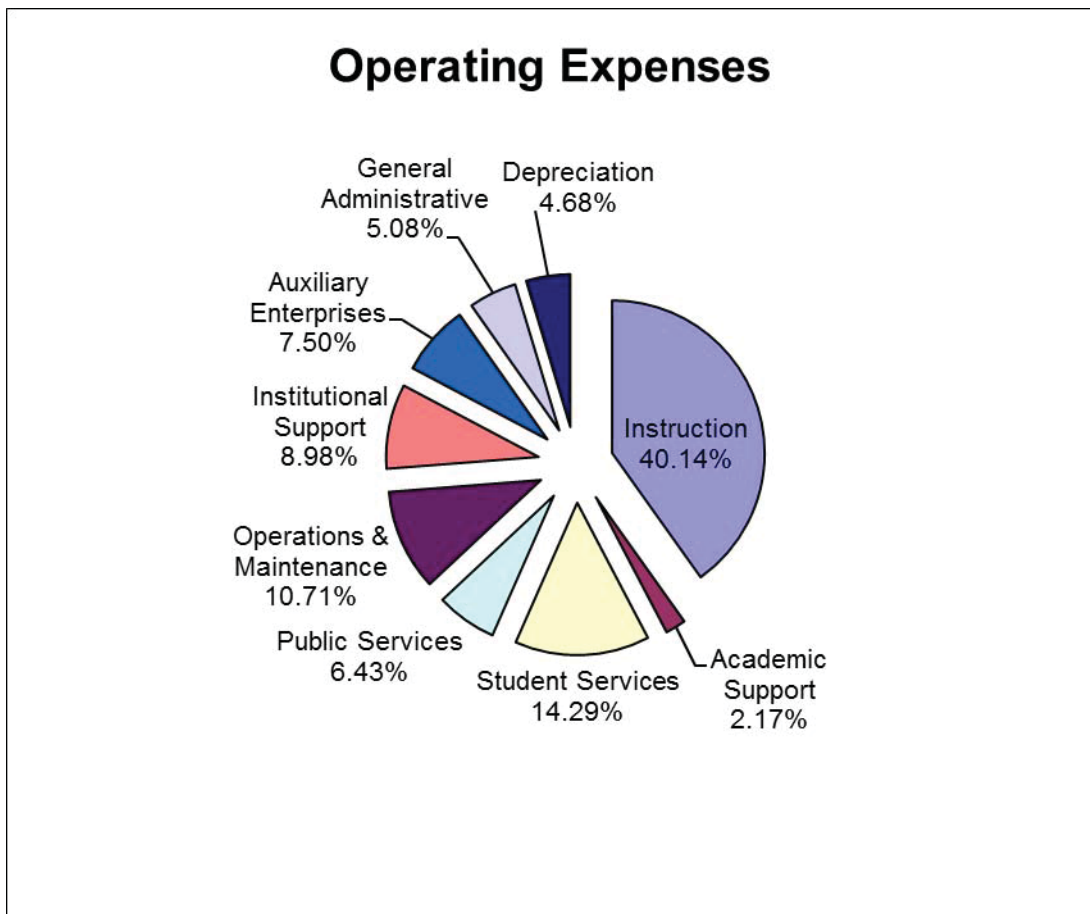
Expenses:

Total operating expenses for the year are \$54,263,252 which is an increase of \$2,091,456 from 2016 or 4%. A breakdown and categorical comparison is as follows:

OPERATING EXPENSES	2017	% OF TOTAL EXPENSES	2016	% OF TOTAL EXPENSES
Instruction	\$ 21,783,974	40.14%	\$ 21,252,072	40.72%
Academic Support	1,179,924	2.17%	1,155,560	2.21%
Student Services	7,753,717	14.29%	5,796,733	11.11%
Public Services	3,489,848	6.43%	4,040,787	7.74%
Operations & Maintenance	5,814,228	10.71%	5,201,235	9.96%
Institutional Support	4,874,981	8.98%	4,877,607	9.34%
Auxiliary Enterprises	4,069,967	7.50%	3,761,642	7.21%
General Administrative	2,757,986	5.08%	3,444,855	6.60%
Depreciation	2,538,627	4.68%	2,665,055	5.11%
TOTAL EXPENSES	\$ 54,263,252		\$ 52,195,546	

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

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017



The primary message throughout the expenditure side of the equation remains controlling expenditures. If SURS on-behalf payments are backed out, operating expenditures would be less than in 2016. 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.

While economic times are challenging, the commitment to not cutting programs is evident with the \$531,902 increase in instructional costs. Total employees decreased again this year down to 467. That is 151 less employees than just four years ago. This reduction in force is across all spectrums and primarily the result of the Board approved slow fill policy for retiring employees.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

Debt:

The College issued \$9.97 million general obligation new debt with a long-term rating of A+ with a stable outlook. Standard & Poor's cited the following in arriving at its rating:

- Access to the deep and diverse Chicago metropolitan area economy, and
- Very strong available reserves despite recent drawdowns

Please refer to the notes to the Basic Financial Statements for more detailed information on Long-Term Debt of the College.

Capital Assets:

The College has invested \$68,493,125 (not adjusted for inflation) in capital assets, including buildings, vehicles, equipment, land and land improvements as of June 30, 2017. Net of accumulated depreciation, the College's net capital assets at June 30, 2017 were \$17,221,181. This amount represents a net decrease of \$2,069,819 over the June 30, 2015 balance of \$20,101,299. A drop in the valuation of capital assets due to scheduled accumulated depreciation of existing assets was more than the additions. Please refer to the notes to the Basic Financial Statements for more detailed information on Capital Assets of the College.

Overall Financial Position:

The end result was that net position declined significantly from the previous year since the State budget was not passed until after the end of the fiscal year. The State of Illinois' fiscal position and the negative trend in enrollment remain a reason for concern moving forward. The net position should be favorable since the State has passed a 2018 budget along with revenue from 2017 which will be recorded in 2018.

The College's bottom line remains stable with a comfortable, yet dwindling, fund balance in the Operating fund as affirmed by Standard and Poors A+ rating. 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.

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 and, it is inevitable that a portion of the State's pension liability will be passed along to the local community colleges at some point in time.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2017

The downward economic cycle that the region and state are experiencing along with a tightening of Title IV funding 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 POSITION
June 30, 2017

STATEMENT 1

	Primary <u>Institution</u>	Component Unit <u>Foundation</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,310,369	\$ 5,495
Short-term investments	9,419,694	1,608
Taxes receivable, net	9,618,534	-
Other receivables, net	4,289,800	-
Inventories	447,871	-
Total current assets	<u>25,086,268</u>	<u>7,103</u>
Noncurrent assets:		
Investments	10,566,053	1,046,728
Capital assets, not being depreciated	1,460,632	-
Capital assets, net of accumulated depreciation	15,760,549	-
Total noncurrent assets	<u>27,787,234</u>	<u>1,046,728</u>
Total assets	<u>52,873,502</u>	<u>1,053,831</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,597,454	93,700
Accrued payroll	514,685	-
Unearned tuition revenue	2,255,768	-
Current portion of bonds payable	2,110,000	-
Current portion of compensated absences	75,276	-
Current portion of other long-term liabilities	618,724	-
Total current liabilities	<u>7,171,907</u>	<u>93,700</u>
Noncurrent liabilities:		
Bonds payable	25,252,287	-
Compensated absences	908,407	-
Other long-term liabilities	1,075,291	-
Total noncurrent liabilities	<u>27,235,985</u>	<u>-</u>
Total liabilities	<u>34,407,892</u>	<u>93,700</u>
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue	8,864,311	-
Total deferred inflows of resources	<u>8,864,311</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	(526,614)	-
Restricted for:		
Expendable:		
Scholarships	-	434,724
Working Cash	7,213,941	-
Debt Service	390,859	-
Non-expendable:		
Scholarships	-	480,690
Unrestricted	2,523,113	44,717
Total net position	<u>\$ 9,601,299</u>	<u>\$ 960,131</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 POSITION
Year Ended June 30, 2017

	<u>Primary Institution</u>	<u>Component Unit Foundation</u>
REVENUES		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$10,141,375)	\$ 1,873,022	\$ -
Auxiliary enterprise revenue	2,272,116	-
Donations and contributions	-	156,143
Fund raising	-	70,879
Total operating revenues	<u>4,145,138</u>	<u>227,022</u>
EXPENSES		
Operating expenses:		
Instruction	21,783,974	-
Academic support	1,179,924	135,861
Student services	7,753,717	-
Public services	3,489,848	-
Operations and maintenance	5,814,228	-
Institutional support	4,874,981	-
Auxiliary enterprises	4,069,967	-
General administrative	2,757,986	135,625
Fund raising	-	33,376
Depreciation	2,538,627	-
Total operating expenses	<u>54,263,252</u>	<u>304,862</u>
Operating income (loss)	<u>(50,118,114)</u>	<u>(77,840)</u>
NON-OPERATING REVENUES (EXPENSES)		
State sources	18,912,296	-
Property taxes	15,671,729	-
Federal grants and contracts	10,453,983	-
Local sources	607,134	-
Investment income	38,609	102,714
Interest on capital asset related debt	(1,309,090)	-
Other nonoperating revenues	178,396	-
Net non-operating revenues	<u>44,553,057</u>	<u>102,714</u>
Increase (decrease) in net position	<u>(5,565,057)</u>	<u>24,874</u>
NET POSITION		
Net position - beginning of year	<u>15,166,356</u>	<u>935,257</u>
Net position - end of year	<u>\$ 9,601,299</u>	<u>\$ 960,131</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, 2017

STATEMENT 3

	<u>Primary Institution</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 1,661,223
Auxiliary enterprises	2,225,475
Payments to:	
Employees	(26,452,536)
Suppliers	<u>(10,942,419)</u>
Net cash used from operating activities	<u>(33,508,257)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	5,598,037
Property taxes	16,021,943
Other local sources	785,530
Federal grants & contracts	<u>10,453,983</u>
Net cash provided by noncapital financing activities	<u>32,859,493</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets and construction	(468,808)
Principal paid on capital debt and leases	(2,149,479)
Proceeds from issuance of debt certificates	9,700,000
Payments for issuance of debt certificates	<u>(14,457)</u>
Net cash provided by capital financing activities	<u>7,067,256</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	38,609
Purchases of investments	<u>(6,862,129)</u>
Net cash used from investing activities	<u>(6,823,520)</u>
NET DECREASE IN CASH	(405,028)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,715,397</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,310,369</u>
RECONCILIATION OF NET OPERATING REVENUES/(EXPENSES) TO NET CASH USED FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ (50,118,114)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,538,627
State payment for retirement obligation	14,353,572
Changes in assets and liabilities:	
Inventories and other assets	(46,641)
Accounts payable and accrued liabilities	445
Accrued salaries and wages	(24,347)
Unearned tuition revenue	<u>(211,799)</u>
Net cash used from operating activities	<u>\$ (33,508,257)</u>
NONCASH TRANSACTIONS	
OPERATING ACTIVITIES	
State university retirement revenue	\$ 14,353,572
State university retirement expense	(14,353,572)
CAPITAL FINANCING ACTIVITIES	
Accretion of interest added to capital debt	\$ 1,025,289
Proceeds from issuance of capital appreciation bonds	9,969,344
Payments for refunding of debt certificates	(9,969,344)

The accompanying notes are an integral part of this statement.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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* amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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, all liabilities (whether current or non-current) and all deferred inflows of resources associated with its activity are included on its statement of net position.

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. 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 cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. 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, 2017

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 2017 was \$2,538,627 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. The Illinois Funds is an external investment pool administered by the Illinois State Treasurer that is recorded at amortized cost. The Illinois School District Liquid Asset Fund is composed of savings deposit accounts that are recorded at cost. Certificates of deposit are recorded at cost. All other investments are stated at fair value in accordance with GASB 31. 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 Position.

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 2016 were allocated 50% to fiscal year 2017. The College includes a provision for uncollectible property taxes of 3% of the receivable.

Accrued Vacations Payable, 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, 2017

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 \$983,683 in accrued vacations payable on an accrual basis at the year end. Of this amount \$75,276 was determined to be a current liability and the balance of \$908,407 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 GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Unearned Tuition and Fee Revenue/Deferred Inflows of Resources: Tuition and fee revenues collected during the fiscal year, which relate to the period after June 30, 2017, have been recognized as unearned revenues. Unearned revenues arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the College has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet or statement of net position and revenue is recognized.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The College has only one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is reported in the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts for which the property taxes are levied.

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 position, except for interest expense which is classified as nonoperating.

Bond Issuance Costs: Bond issuance costs are reported an expense in the year of issuance in accordance with GASB Statement 65, *Items Previously Reported as Assets and Liabilities*.

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

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

- **Net Investment in Capital Assets** – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- **Restricted Net Position** –
 - Nonexpendable*** - Net Position subject to externally imposed stipulations that they be maintained permanently by the College.
 - 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 Position** – 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.

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

For the purposes of financial reporting, the State of Illinois (the State) and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities. As such, the net pension liability, related deferred inflows of resources, deferred outflows of resources and pension expense are not reflected on the College's basic financial statements.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 2 - BUDGET AND BUDGETARY ACCOUNTING

The College follows these procedures in establishing the budgetary data:

- 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.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents: The carrying amount of cash was \$1,310,369 for the College and \$5,495 for the Foundation at June 30, 2017. The bank balances were \$1,541,974 and \$7,870, 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, 2017. All Foundation account balances at banks were insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 at June 30, 2017. 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 \$7,430,000 for the College and \$0 for the Foundation as of June 30, 2017. 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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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
- Fixed Income

The following schedule reports the values and maturities (using the segmented time distribution method) for the College's investments at June 30, 2017.

Investment Type	Investment Maturities				
	Reported Value	Less than One Year	One to Five Years	Five to Ten Years	Greater than Ten Years
U.S. Agencies	\$ 5,020,196	\$ 1,411,713	\$ 2,086,076	\$ 1,522,407	\$ -
Municipal Bonds	617,007	175,437	366,166	75,404	-
Total	<u>5,637,203</u>	<u>\$ 1,587,150</u>	<u>\$ 2,452,242</u>	<u>\$ 1,597,811</u>	<u>\$ -</u>
Investments Not Sensitive to Interest Rate Risk:					
Illinois Funds	7,372				
Money Market Funds	<u>6,911,172</u>				
Total Investments	<u>\$12,555,747</u>				

The Foundation maintains all investments with US Bank. The following schedule reports the values and maturities (using the segmented time distribution method) for these investments at June 30, 2017 (note that all investments held by the Foundation are mutual funds who do not have maturity dates and thus not subject to interest rate risk).

Investment Type	Reported Value
Money Market Mutual Fund	<u>\$ 1,608</u>
Total current investments	<u>1,608</u>
Mutual Funds International Equity	234,722
Mutual Funds Domestic Equity	427,242
Mutual Funds Fixed Income	<u>384,764</u>
Total noncurrent investments	<u>1,046,728</u>
Total	<u>\$ 1,048,336</u>

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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 and the Illinois Funds as described by Standard & Poor's at June 30, 2017 are as follows:

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Amount</u>	<u>% of Total Investments</u>
State Treasurer – Illinois Funds	AAAm	\$ 7,372	0.06%
FHLB's	AA+	1,771,494	14.11%
FFCB's	AA+	1,489,199	11.86%
FNMA's	AA+	1,260,797	10.04%
FHLMC's (Freddie Mac)	AA+	498,706	3.97%
Municipal Bonds	AA	617,007	4.91%
Investments not subject to credit risk	N/A	<u>6,911,172</u>	24.10%
Total investments		<u>\$12,555,747</u>	

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, 2017.

Concentration of Credit Risk – The College places no limit on the amount that may be invested in any one issuer. See above for listing of investments whose balance is greater than 5% of the College's total investments. The Foundation limits investments in domestic equities to 59% of the total portfolio, international equities to 41%, and fixed income to 60%. Investments in domestic equities, international equities and fixed income equities were 40.75%, 22.39% and 36.7%, respectively of the total investments at year-end.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The College has the following recurring fair value measurements as of June 30, 2017 using a matrix pricing model:

	June 30, 2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Debt securities				
Federal Home Loan Bank Note	\$ 1,771,494	\$ -	\$ 1,771,494	\$ -
Federal National Mortgage Association Note	1,260,797	-	1,260,797	-
Federal Farm Credit Bank Note	1,489,199	-	1,489,199	-
Freddie Mac Global Notes	498,706	-	498,706	-
Local Government Municipal Bonds	617,007	-	614,007	-
Total debt securities	5,637,203	-	5,637,203	-
Total investments measured at fair value	<u>\$ 5,637,203</u>	<u>\$ -</u>	<u>\$ 5,637,203</u>	<u>\$ -</u>

Reconciliation of footnote to Statement 1:

College

Per Footnote:

Total Certificates of Deposit	\$ 7,430,000
Total Investments	<u>12,555,747</u>
Total per Footnote	<u>\$ 19,985,747</u>

Per Financial Statements:

Short-Term Investments	\$ 9,419,694
Long-Term Investments	<u>10,566,053</u>
Total per Statement 1	<u>\$ 19,985,747</u>

Foundation

Per Footnote:

Total Investments	<u>\$ 1,048,336</u>
-------------------	---------------------

Per Financial Statements:

Short-Term Investments	\$ 1,608
Long-Term Investments	<u>1,046,728</u>
Total Investments per Statement 1	<u>\$ 1,048,336</u>

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 4 - LONG-TERM DEBT

A summary of general long-term debt transactions for the year ended June 30, 2017 are as follows:

	<u>Balance July 1, 2016</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
General obligation bonds	\$ 18,477,654	\$ 20,694,633*	\$ 11,810,000	\$ 27,362,287	\$ 2,110,000
Capital lease payable	124,985	-	39,479	85,506	41,623
Early retirement benefits (Note 9)	1,671,959	564,409	627,859	1,608,509	577,101
Accrued vacations payable (Note 1)	<u>975,507</u>	<u>80,965</u>	<u>72,789</u>	<u>983,683</u>	<u>75,276</u>
Total general long-term debt	<u>\$ 21,250,105</u>	<u>\$ 21,340,007</u>	<u>\$ 12,550,127</u>	<u>\$ 30,039,985</u>	<u>\$ 2,804,000</u>

* This amount represents the addition of the Series 2016 Debt Certificates and Series 2017 Capital Appreciation Bonds as well as accretion of interest for the Series 2002 Capital Appreciation Bonds, Series 2008 Capital Appreciation Bonds and the Series 2017 Capital Appreciation Bonds.

The outstanding bonds at June 30, 2017 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>
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	5.70	<u>2,135,000</u>	<u>640</u>
Total		<u>10,575,000</u>	<u>\$ 1,056,657</u>
Accreted Value at June 30, 2017		<u>\$ 9,518,343</u>	

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 4 - LONG-TERM DEBT (Continued)

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.

<u>Year Ending June 30</u>	<u>Interest Rate</u>	<u>Principal Payments</u>	<u>Accretion of Interest</u>
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	56,139
2028	5.53	<u>1,070,000</u>	<u>-</u>
Total		<u>11,595,000</u>	<u>\$ 3,860,193</u>
Accreted Value at June 30, 2017		<u>\$ 7,734,807</u>	

General Obligation Limited Tax College Capital Appreciation Bonds Series 2017

Original Amount	\$9,969,344
Bond Issue	February 15, 2017
Interest Rates	4.49% - 5.02%
Final Payment Date	December 1, 2035
Payment dates	June 1, with final payment December 1, 2035

The bonds were issued to refund the previously issued Series 2016 Debt Certificates. Interest is not paid, but rather accretes to principal each June 1st. The proceeds of the 2017 bonds, net of issuance costs, were used to advance refund \$9,700,000 of outstanding 2016 Debt Certificates, which were issued on December 7, 2016 to fund capital improvements at the College. The net proceeds of the refunding issue were placed in an irrevocable escrow account and invested in U.S. Government Securities. The Debt Certificates were subsequently called and as of June 30, 2017, \$0 of the 2016 Debt Certificates remained outstanding. The aggregate difference in debt service between the refunding debt and the refunded debt is \$9,605,387, and the economic loss on the transaction was \$811,634.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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>
2018	-	\$ -	\$ 487,173
2019	-	-	510,679
2020	-	-	535,321
2021	-	-	561,154
2022	-	-	588,235
2023	-	-	616,624
2024	-	-	646,385
2025	-	-	677,584
2026	-	-	710,291
2027	-	-	744,578
2028	4.49%	1,360,000	749,752
2029	4.57	2,430,000	1,033,424
2030	4.65	2,430,000	578,424
2031	4.71	2,430,000	491,087
2032	4.78	2,430,000	397,930
2033	4.88	2,430,000	297,761
2034	4.94	2,430,000	191,226
2035	4.97	2,430,000	78,235
2036	5.02	<u>1,635,000</u>	<u>-</u>
Total		<u>20,005,000</u>	<u>\$ 9,895,863</u>
Accreted Value at June 30, 2017		<u>\$ 10,109,137</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>
2018	\$ 2,110,000
2019	2,110,000
2020	2,110,000
2021	2,110,000
2022	2,135,000
2023-2027	10,525,000
2028-2032	12,150,000
2033-2036	<u>8,925,000</u>
Total	<u>\$ 42,175,000</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, 2017, the equalized assessed valuation of the College is \$2,985,543,407 and the legal debt margin is \$257,503,119. The College is in compliance with this requirement.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 4 - LONG-TERM DEBT (Continued)

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 end. Noncompliance could result in the bondholders filing legal action against the College compelling the College to complete its filings. As of June 30, 2017, the College did complete its 2016 filing and but was not in compliance as disclosure of the annual financial information did not occur within the required 210 days after fiscal year end.

Leases:

Capital Lease – The College leases copying machines with a historical cost and accumulated depreciation of \$197,946 and \$118,767 respectively, under capital lease arrangements for the year ended June 30, 2017.

Future minimum lease payments at June 30, 2017 are as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2018	\$ 45,153
2019	<u>45,153</u>
Total minimum lease payments	90,306
Less amounts representing interest	<u>4,800</u>
Present value of minimum lease payments	<u>\$ 85,506</u>

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT

Plan Description: In addition to the pension plan described in Note 10, 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, 2017, 2016, and 2015 were \$95,925 and \$101,876, and \$100,423, respectively. The College contributions were equal to the required contributions for the years ending June 30, 2017, 2016 and 2015. 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*.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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 \$0. Under the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the College has not accrued this amount in its financial statements.

NOTE 7 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the College's employees. The College's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. In addition, the College is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the College attorney the resolution of these matters will not have a material adverse effect on the financial statements of the College.

NOTE 8 - RECEIVABLES

Accounts receivable and allowance for uncollectible accounts as of June 30, 2017 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
Taxes receivable:			
Property taxes	\$ 10,068,276	\$ 548,308	\$ 9,519,968
Personal property replacement taxes	<u>98,566</u>	<u>-</u>	<u>98,566</u>
Total	<u>\$ 10,166,842</u>	<u>\$ 548,308</u>	<u>\$ 9,618,534</u>
Other receivables:			
Student tuition and fees	\$ 6,812,389	\$ 3,567,832	\$ 3,244,557
Federal, state and private grants and contracts	<u>1,045,243</u>	<u>-</u>	<u>1,045,243</u>
Total	<u>\$ 7,857,632</u>	<u>\$ 3,567,832</u>	<u>\$ 4,289,800</u>

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 - CAPITAL ASSETS

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

	Balance Beginning of Year <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance End of Year <u>June 30, 2017</u>
Primary Institution:				
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	47,433,136	258,061	-	47,691,197
Equipment and vehicles	12,182,329	172,340	-	12,354,669
Land improvements and infrastructure	<u>5,487,588</u>	<u>38,407</u>	<u>-</u>	<u>5,525,995</u>
Total capital assets being depreciated	<u>65,103,053</u>	<u>468,808</u>	<u>-</u>	<u>67,032,493</u>
Less accumulated depreciation:				
Buildings and improvements	(32,551,927)	(1,617,207)	-	(34,169,134)
Equipment and vehicles	(10,458,302)	(740,991)	-	(11,199,293)
Land improvements and infrastructure	<u>(4,262,456)</u>	<u>(180,429)</u>	<u>-</u>	<u>(4,442,885)</u>
Total accumulated depreciation	<u>(47,272,685)</u>	<u>(2,538,627)</u>	<u>-</u>	<u>(49,811,312)</u>
Total capital assets being depreciated, net	<u>17,830,368</u>	<u>(2,069,819)</u>	<u>-</u>	<u>15,760,549</u>
Total capital assets, net	<u>\$ 19,291,000</u>	<u>\$ (2,069,819)</u>	<u>\$ -</u>	<u>\$ 17,221,181</u>

NOTE 10 - RETIREMENT COMMITMENTS

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

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 (the latest information available) can be found in the SURS' comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2016 and 2017 respectively, was 12.69% and 12.53% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period). There were no such liabilities for the College at year-end.

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

Net Pension Liability: At June 30, 2016, SURS reported a net pension liability (NPL) of \$25,965,271,744.

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$144,263,404 or 0.5556%. This amount is not recognized in the financial statements. The net pension liability was measured as of June 30, 2016, and the total pension used to calculate the net pension liability was determined based on the June 30, 2015 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of the net pension liability is the actual reported employee contributions made to SURS during fiscal year 2016.

Pension Expense: At June 30, 2016 SURS reported a collective net pension expense of \$2,566,164,865.

Employer Proportionate Share of Pension Expense: The employer proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported employee contributions made to SURS during fiscal year 2016. As a result, the College recognized on-behalf revenue and pension expense of \$14,257,647 for the fiscal year ended June 30, 2017.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 14,215,882	\$ 2,298,574
Change in assumption	655,463,758	-
Net difference between projected and actual earnings on pension plan investments	1,431,081,306	635,552,976
	<u>\$ 2,100,760,946</u>	<u>\$ 637,851,550</u>

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

Net Deferred Outflows of Resources
\$ 539,536,680
275,426,885
401,520,624
246,425,207
<u>\$ 1,462,909,396</u>

Employer Deferral of Fiscal Year 2017 Pension Expense

The College paid \$77,357 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability date of June 30, 2016 and but due to their immaterial nature are not recognized as Deferred Outflows of Resources as of June 30, 2017.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
Total	100%	5.09%
Inflation		2.75%
Expected Arithmetic Return		7.84%

Discount Rate: A single discount rate of 7.010%, which is a decrease of 0.11% from the prior year rate of return of 7.120%, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.010%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.01%	7.01%	8.01%
<u>\$ 31,348,831,631</u>	<u>\$ 25,965,271,744</u>	<u>\$ 21,502,421,700</u>

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

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, 2017, the College was contractually obligated to pay \$1,608,509 over the next five years under these programs.

NOTE 11 – TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The College is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities within the College area have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the College and the other impacted taxing districts than would have been generated if the development had not occurred. The College's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal years ending June 30, 2017, the College's share of the abatement granted to the Class 6b properties was approximately \$71,000.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the College's fiscal year ended June 30, 2018. This statement will have an effect on the College and the OPEB liability will be added to the Statement of Net Position.

In March 2016, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. This Statement provides accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement is effective for the College's fiscal year ended June 30, 2018. This statement will have no effect on the College.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement is effective for the College's fiscal year ended June 30, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the College's fiscal year ended June 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for the College's fiscal year ended June 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In March 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the College's fiscal year ended June 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the College's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

NOTE 13 – SUBSEQUENT EVENT

On July 6, 2017, the State of Illinois General Assembly passed Public Act 100-0021, authorizing several appropriations for costs incurred through June 30, 2017. The College will recognize these amounts as revenues in its fiscal year 2018 due to the fact that the appropriations did not exist at the date of these financial statements. The amounts to be recognized as revenue in fiscal year 2018 are:

Base Operating Grant	\$ 1,479,669
Equalization Grant	2,043,744
Federal Basic Grant	394,999
State Basic Grant	497,000
State Performance Grant	140,295
Total	<u>\$ 4,555,707</u>

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
REQUIRED SUPPLEMENTARY INFORMATION
SURS

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Fiscal Year
(UNAUDITED)

	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
State Universities Retirement System			
a) Employer's Proportion Percentage of the Collective Net Pension Liability	0.0000%	0.0000%	0.0000%
b) Employer's Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Employer	144,263,404	130,236,758	123,143,553
Total b) + c)	<u>\$ 144,263,404</u>	<u>\$ 130,236,758</u>	<u>\$ 123,143,553</u>
Employer Covered-employee payroll	\$ 24,253,570	\$ 24,348,996	\$ 20,572,165
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	594.81%	534.88%	598.59%
SURS Plan Net Position as a Percentage of Total Pension Liability	39.57%	42.37%	44.39%

The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior.

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

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
REQUIRED SUPPLEMENTARY INFORMATION
SURS
SCHEDULE OF COLLEGE CONTRIBUTIONS
Last Fiscal Year
(UNAUDITED)

	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
State Universities Retirement System			
Federal, Trust, Grant and Other Contribution	\$ 77,357	\$ 55,301	\$ 69,473
Contribution in Relation to Required Contribution	<u>77,357</u>	<u>55,301</u>	<u>69,473</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Employer Covered-employee payroll	 \$ 617,374	 \$ 435,784	 \$ 583,317
 Contributions as a Percentage of Covered-employee Payroll	 12.53%	 12.69%	 11.91%

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

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
REQUIRED SUPPLEMENTARY INFORMATION
SURS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Last Fiscal Year
(UNAUDITED)

Changes of benefit terms: There were no benefit changes recognized in the Total Pension Liability as of June 30, 2016.

Changes of assumptions: In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- Mortality rates - Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
 - Salary increase - Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
 - Normal retirement rates - Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
 - Early retirement rates - Change to a slight increase to the rates at ages 55 and 56.
 - Turnover rates - Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
 - Disability rates - Decrease rates and have separate rates for males and females to reflect observed experience.
 - Dependent assumption- Change the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.
-

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510

DETAIL OF EXPENSES BY FUNCTION AND OBJECT (UNAUDITED)

Year Ended June 30, 2017

	Salaries	Benefits	Services	Supplies	Utilities	Other	Totals
Instruction	\$ 11,227,284	\$ 8,935,163	\$ 857,582	\$ 675,116	\$ -	\$ 88,829	\$ 21,783,974
Academic support	570,187	491,653	-	117,387	-	697	1,179,924
Student services	2,777,898	2,574,955	146,204	326,899	-	1,927,761	7,753,717
Public services	1,448,577	1,254,777	268,574	318,687	148,708	50,525	3,489,848
Operations and maintenance of plant	2,071,551	1,748,448	402,191	657,920	859,995	74,123	5,814,228
Institutional support	584,988	2,606,004	966,067	262,746	-	455,176	4,874,981
Auxiliary enterprises	1,170,690	1,261,731	202,977	1,377,426	-	57,143	4,069,967
General administrative	1,514,206	543,649	146,998	394,963	-	158,170	2,757,986
Depreciation	-	-	-	-	-	2,538,627	2,538,627
Totals	<u>\$ 21,365,381</u>	<u>\$ 19,416,380</u>	<u>\$ 2,990,593</u>	<u>\$ 4,131,144</u>	<u>\$ 1,008,703</u>	<u>\$ 5,351,051</u>	<u>\$ 54,263,252</u>

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES (UNAUDITED)

Year Ended June 30, 2017

Salaries	\$ -
Employee benefits	454,188
Material and supplies	110,293
Contractual services	140,882
Fixed charges	<u>565,101</u>
 Total tort immunity purposes expenditures	 <u>\$ 1,270,464</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 2016 as levied by Cook County is \$1,338,882. 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 Position by Component (Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:										
Net investment in capital assets	\$ (526,614)	\$ 688,359	\$ 295,418	\$ 720,344	\$ 1,177,077	\$ (587,644)	\$ (1,842,240)	\$ (1,251,706)	\$ (1,032,383)	\$ 217,594
Restricted										
Working Cash	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941	7,213,941
Debt service	390,859	471,847	244,329	107,503	3,693,739	3,244,600	2,738,055	2,754,498	2,717,185	2,860,721
Unrestricted	<u>2,523,113</u>	<u>6,792,209</u>	<u>12,697,341</u>	<u>12,621,696</u>	<u>11,929,908</u>	<u>11,571,533</u>	<u>10,092,845</u>	<u>8,028,165</u>	<u>9,268,010</u>	<u>8,652,493</u>
Total net position	<u>\$ 9,601,299</u>	<u>\$ 15,166,356</u>	<u>\$ 20,451,029</u>	<u>\$ 20,663,484</u>	<u>\$ 24,014,665</u>	<u>\$ 21,442,430</u>	<u>\$ 18,202,601</u>	<u>\$ 16,744,898</u>	<u>\$ 18,166,753</u>	<u>\$ 18,944,749</u>

Source: South Suburban College Comprehensive Annual Financial Reports

Note: In 2011, the College corrected the calculation for Net investment in capital assets for long-term debt not related to capital assets.

Net position for 2012 was restated due to the implementation of GASB Statement No. 65, which caused a change in accounting policy eliminating unamortized bond costs of \$171,116.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING REVENUES										
Student tuition and fees net of scholarship allowances	\$ 1,873,022	\$ 1,503,308	\$ 1,537,290	\$ 1,345,574	\$ 3,888,606	\$ 8,271,491	\$ 5,300,510	\$ 5,857,401	\$ 3,671,700	\$ 5,330,406
Auxiliary enterprises revenue	2,272,116	2,650,871	3,084,451	3,431,181	3,996,734	4,901,779	5,357,911	4,923,918	4,026,503	3,702,406
Other operating revenue	-	-	-	-	-	30,846	46,723	100	340	890
Total operating revenues	<u>4,145,138</u>	<u>4,154,179</u>	<u>4,621,741</u>	<u>4,776,755</u>	<u>7,885,340</u>	<u>13,204,116</u>	<u>10,705,144</u>	<u>10,781,419</u>	<u>7,698,543</u>	<u>9,033,702</u>
OPERATING EXPENSES										
Instruction	21,783,974	21,252,072	19,055,857	20,787,667	19,821,673	20,624,866	19,141,519	19,710,582	17,761,357	15,627,173
Academic support	1,179,924	1,155,560	1,122,072	1,095,639	1,122,013	1,109,047	1,216,512	1,134,718	1,369,422	1,246,730
Student services	7,753,717	5,796,733	8,373,691	8,168,567	10,895,010	15,745,020	16,963,275	14,795,709	8,984,287	11,226,391
Public services	3,489,848	4,040,787	3,748,608	4,519,549	3,588,575	3,381,336	2,420,279	2,635,420	2,784,080	2,849,204
Operation and maintenance	5,814,228	5,201,235	5,551,627	4,781,339	4,242,294	4,422,403	4,382,205	4,533,753	4,590,001	4,562,197
Institutional support	4,874,981	4,877,607	4,306,878	4,377,694	4,448,721	3,914,438	3,869,368	4,679,511	4,967,725	4,070,421
Depreciation	2,538,627	2,665,055	2,715,775	2,913,332	2,936,731	2,604,364	2,445,615	2,258,429	2,289,139	1,699,571
General administrative	2,757,986	3,444,855	3,647,714	3,701,233	3,109,322	2,832,022	2,769,173	2,849,354	2,384,155	2,183,560
Auxiliary enterprises	4,069,967	3,761,642	3,943,902	4,097,675	4,621,667	4,914,156	5,287,589	4,802,941	3,749,767	3,554,009
Total operating expenses	<u>54,263,252</u>	<u>52,195,546</u>	<u>52,466,124</u>	<u>54,442,695</u>	<u>54,786,006</u>	<u>59,547,652</u>	<u>58,495,535</u>	<u>57,400,417</u>	<u>48,879,933</u>	<u>47,019,256</u>
Operating income (loss)	<u>(50,118,114)</u>	<u>(48,041,367)</u>	<u>(47,844,383)</u>	<u>(49,665,940)</u>	<u>(46,900,666)</u>	<u>(46,343,536)</u>	<u>(47,790,391)</u>	<u>(46,618,998)</u>	<u>(41,181,390)</u>	<u>(37,985,554)</u>
NON-OPERATING REVENUES (EXPENSES)										
Local property taxes	15,671,729	16,651,175	15,890,218	15,612,876	15,465,151	14,786,793	15,069,964	13,044,965	15,046,716	13,573,010
State appropriations	18,912,296	13,043,250	17,988,796	15,127,052	16,338,335	15,782,038	12,776,953	14,611,910	13,175,906	14,245,144
Federal grants and contracts	10,453,983	12,866,652	14,012,498	15,801,620	17,778,680	19,565,506	21,669,149	17,859,444	12,364,709	11,005,732
Other local sources	607,134	549,710	695,278	570,292	544,167	544,892	582,942	488,054	53,412	80,369
Investment income	38,609	381,189	193,271	162,145	103,043	130,891	123,925	170,325	738,055	823,036
Interest on capital asset-related debt	(1,309,090)	(944,203)	(1,362,241)	(1,150,394)	(1,058,946)	(1,225,051)	(1,205,351)	(1,251,546)	(1,187,878)	(1,070,876)
Other non-operating revenues	178,396	208,921	214,108	191,168	302,471	169,412	230,512	273,991	212,474	375,980
Net non-operating revenues (expenses)	<u>44,553,057</u>	<u>42,756,694</u>	<u>47,631,928</u>	<u>46,314,759</u>	<u>49,472,901</u>	<u>49,754,481</u>	<u>49,248,094</u>	<u>45,197,143</u>	<u>40,403,394</u>	<u>39,032,395</u>
CHANGE IN NET POSITION	<u>\$ (5,565,057)</u>	<u>\$ (5,284,673)</u>	<u>\$ (212,455)</u>	<u>\$ (3,351,181)</u>	<u>\$ 2,572,235</u>	<u>\$ 3,410,945</u>	<u>\$ 1,457,703</u>	<u>\$ (1,421,855)</u>	<u>\$ (777,996)</u>	<u>\$ 1,046,841</u>

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

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>
2015	\$	2,985,543,407	\$	0.6068	\$	9,047,101,233		33%
2014		2,974,237,204		0.6202		9,012,840,012		33%
2013		3,109,474,542		0.5990		9,422,650,127		33%
2012		3,336,752,258		0.5590		10,111,370,479		33%
2011		3,681,325,985		0.5105		11,155,533,288		33%
2010		4,519,956,088		0.4497		13,696,836,630		33%
2009		4,569,947,896		0.3658		13,848,326,958		33%
2008		4,558,628,650		0.3473		13,814,026,212		33%
2007		4,167,399,431		0.3456		12,628,483,124		33%
2006		4,126,727,160		0.3616		12,505,233,818		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		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed valuation (000's)		\$ 2,985,543	\$ 2,974,237	\$ 3,109,475	\$ 3,336,752	\$ 3,681,326	\$ 4,519,956	\$ 4,569,948	\$ 4,558,629	\$ 4,167,399	\$ 4,126,727
Tax rates:											
Education		\$ 0.3874	\$ 0.3957	\$ 0.3786	\$ 0.3778	\$ 0.3411	\$ 0.3043	\$ 0.2388	\$ 0.2136	\$ 0.1997	\$ 0.2019
Operations and Maintenance		0.0970	0.1000	0.1000	0.1000	0.0950	0.0817	0.0557	0.0507	0.0474	0.0518
Bond and Interest Fund		0.0742	0.0766	0.0754	0.0716	0.0665	0.0603	0.0491	0.0487	0.0491	0.0537
Audit Fund		0.0034	0.0038	0.0036	0.0036	0.0033	0.0029	0.0024	0.0022	0.0021	0.0022
Protection, Health and Safety Fund		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0073	0.0091	0.0080
Liability, Protection Settlement Fund		0.0448	0.0441	0.0414	0.0060	0.0046	0.0005	0.0131	0.0248	0.0382	0.0440
		<u>\$ 0.6068</u>	<u>\$ 0.6202</u>	<u>\$ 0.5990</u>	<u>\$ 0.5590</u>	<u>\$ 0.5105</u>	<u>\$ 0.4497</u>	<u>\$ 0.3658</u>	<u>\$ 0.3473</u>	<u>\$ 0.3456</u>	<u>\$ 0.3616</u>
Tax extensions:											
Education		\$ 11,567,736	\$ 11,439,323	\$ 11,121,985	\$ 11,682,919	\$ 11,364,601	\$ 11,174,683	\$ 10,550,255	\$ 9,737,763	\$ 9,003,942	\$ 8,333,357
Operations and Maintenance		2,896,964	2,891,059	2,937,178	3,092,301	3,166,403	2,999,198	2,511,843	2,311,548	2,137,353	2,137,353
Bond and Interest Fund		2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	2,215,676	2,218,475	2,215,127	2,217,353
Audit Fund		101,970	109,273	106,090	112,213	108,945	105,772	106,204	102,485	95,375	90,177
Protection, Health and Safety Fund		-	-	-	-	-	-	301,790	332,690	412,000	328,879
Liability, Protection Settlement Fund		1,338,882	1,275,648	1,215,400	185,400	154,500	17,871	593,043	956,408	1,723,157	1,816,036
		<u>\$ 18,121,052</u>	<u>\$ 17,930,803</u>	<u>\$ 17,596,153</u>	<u>\$ 17,288,333</u>	<u>\$ 17,009,949</u>	<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>
Fiscal year		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tax collections:											
Levy Year 2016		\$ 8,208,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Levy Year 2015		8,440,540	7,600,916	-	-	-	-	-	-	-	-
Levy Year 2014		104,316	8,917,359	7,712,188	-	-	-	-	-	-	-
Levy Year 2013		-	319,417	8,125,544	7,705,836	-	-	-	-	-	-
Levy Year 2012		-	-	366,763	7,817,860	7,661,734	-	-	-	-	-
Levy Year 2011		-	-	-	-	7,678,527	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
Levy Year Prior Year Refunds		(586,924)	(456,734)	-	-	-	-	-	-	-	-
		<u>\$ 16,166,584</u>	<u>\$ 16,380,958</u>	<u>\$ 16,204,495</u>	<u>\$ 15,523,696</u>	<u>\$ 15,340,261</u>	<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>

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxing Bodies										
Overlapping Rates:										
Cook County	\$ 0.533	\$ 0.552	\$ 0.568	\$ 0.560	\$ 0.531	\$ 0.462	\$ 0.423	\$ 0.394	\$ 0.415	\$ 0.446
Cook County Forest Preserve District	0.063	0.069	0.069	0.069	0.063	0.058	0.051	0.049	0.051	0.053
Consolidated Elections	0.000	0.034	0.000	0.031	0.000	0.025	0.000	0.021	0.000	0.012
Thornton Township	0.535	0.530	0.550	0.517	0.513	0.442	0.387	0.367	0.358	0.372
Thornton Township General Assistance	0.314	0.313	0.262	0.214	0.153	0.129	0.096	0.091	0.089	0.092
Thornton Township Road and Bridge	0.034	0.034	0.032	0.030	0.027	0.023	0.018	0.017	0.016	0.016
Village of Lansing	2.787	2.591	2.378	2.085	1.811	1.643	1.201	1.124	0.972	1.023
Village of Lansing Library Fund	0.726	0.727	0.666	0.582	0.503	0.457	0.367	0.345	0.335	0.353
School District #158	7.516	7.082	6.988	6.380	5.453	4.902	5.039	4.862	4.735	4.986
Thornton Twp Fractional High School District #215	5.465	5.543	5.335	4.997	4.548	3.873	3.040	2.882	2.871	3.006
Lan Oak Park District	0.503	0.500	0.491	0.457	0.422	0.376	0.306	0.292	0.292	0.310
Metro Water Reclamation District of Greater Chicago	0.406	0.426	0.430	0.417	0.370	0.320	0.274	0.261	0.252	0.263
South Cook County Mosquito Abatement District	0.017	0.017	0.017	0.016	0.014	0.012	0.010	0.009	0.009	0.006
Suburban Cook County T B Sanitrium District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total overlapping rates	18.899	18.418	17.786	16.355	14.408	12.722	11.212	10.714	10.395	10.938
South Suburban College	0.607	0.620	0.599	0.559	0.511	0.450	0.366	0.347	0.346	0.362
Total rate	<u>\$ 19.506</u>	<u>\$ 19.038</u>	<u>\$ 18.385</u>	<u>\$ 16.914</u>	<u>\$ 14.919</u>	<u>\$ 13.172</u>	<u>\$ 11.578</u>	<u>\$ 11.061</u>	<u>\$ 10.741</u>	<u>\$ 11.300</u>

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

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
2016 compared to 2007 (Unaudited)*

2016				2007			
<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>
Namdar Realty Grp LLC	Shopping center, Theater	\$ 23,069,739	0.77%	Simon Property Group	Shopping center	\$ 47,001,659	1.14%
Walmart Property Tax Dept	Retail	17,504,320	0.59%	Three Galleria Tower	Office and retail building	37,210,711	0.90%
Hanson Aggregates	Numerous industrial parcels	12,232,537	0.41%	Walmart Stores 6489	Retail	27,964,174	0.68%
Landings Mall Rlty LLC	One story commercial bldg, Shopping center	11,415,500	0.38%	Sears D768 Tax B2 109A	Retail	21,844,775	0.53%
New Albertson's	Jewel Supermarkets	8,583,634	0.29%	Albertson's Prop Tax	Jewel Supermarkets	15,946,052	0.39%
River Oaks West I LLC	One story commercial building	7,856,083	0.26%	SBC Ameritech	Industrial properties and 2 or 3	13,920,922	0.34%
Allied Tube & Conduit	Industrial building	7,768,177	0.26%	Allied Tub	Industrial building	12,987,429	0.31%
Villa Healthcare	Special commercial structure	7,470,859	0.25%	Tucker Development Co.	Theaters	12,607,703	0.31%
Sears D768 Tax B2 109A	Shopping center	7,325,050	0.25%	Canterbury Plaza Prop.	Commerical property	12,193,390	0.30%
Mnr Cr Hlth Serv 388	Special commercial structure	7,108,032	0.24%	Panduit Corp	Manufacturing	11,839,241	0.29%
		<u>\$ 110,333,931</u>	<u>3.70%</u>			<u>\$ 213,516,056</u>	<u>5.19%</u>

(1) Includes property parcels with 2016 equalized assessed valuations over approximately \$100,000 as recorded in the County Assessor's office. Information from 2007 includes property parcels with 2007 equalized assessed valuations over approximately \$100,000 as recorded in the County Assessor's office.
Information regarding principal employers not available at time of printing.

* Data for 2016 and 2007 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>
2015	\$ 2,985,543,407	\$ 0.6068	\$ 18,121,052	\$ 8,208,652	45.30%
2014	2,974,237,204	0.6202	17,930,803	16,041,456	89.46%
2013	3,109,474,542	0.5990	17,596,153	16,733,863	95.10%
2012	3,336,752,258	0.5590	17,288,333	16,150,797	93.42%
2011	3,681,325,985	0.5105	17,009,949	15,846,357	93.16%
2010	4,519,956,088	0.4497	16,513,024	15,226,415	92.21%
2009	4,569,947,896	0.3658	16,278,811	14,909,469	91.59%
2008	4,558,628,650	0.3473	14,453,443	14,889,144	103.01%
2007	4,167,399,431	0.3456	13,934,664	14,385,078	103.23%
2006	4,126,727,160	0.3616	13,405,391	14,836,407	110.67%

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 Headcount</u>	<u>FTE</u>	----- Tuition and Fee Rates -----			<u>Total Semester Credit Hours Generated</u>	<u>Tuition & Fee Revenue</u>
			<u>In District Tuition and Fees per Semester Hour</u>	<u>Out of District Tuition and Fees per Semester Hour</u>	<u>Out of State Tuition and Fees per Semester Hour</u>		
2017	4,115	2,090.17	\$ 135.00	\$ 333.00	\$ 388.00	70,935	\$ 1,873,022
2016	4,401	2,281.53	135.00	333.00	388.00	79,338	1,503,308
2015	4,401	2,557.83	120.00	318.00	373.00	83,740	1,537,290
2014	5,508	3,236.59	120.00	318.00	373.00	83,740	1,345,574
2013	6,211	3,634.81	120.00	318.00	373.00	94,974	3,888,606
2012	7,281	4,119.00	110.00	288.00	343.00	100,994	8,271,491
2011	7,579	4,259.75	110.00	288.00	343.00	130,744	5,300,510
2010	6,482	3,726.21	100.00	278.00	333.00	141,971	5,857,401
2009	7,273	4,180.92	90.00	268.00	323.00	153,172	3,671,700
2008	6,072	3,444.57	90.00	268.00	323.00	125,267	5,330,406

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>
2017	377,622	\$ 9,047,101,233	\$ 27,362,287	\$ 390,859	\$ 26,971,428	0.298%	\$ 71	\$ 23,275
2016	377,321	9,012,840,012	18,477,654	471,847	18,005,807	0.200%	48	17,269
2015	335,000	9,422,650,127	19,643,451	244,329	19,399,122	0.206%	58	16,518
2014	335,000	10,111,370,479	20,393,710	107,503	20,286,207	0.201%	61	17,274
2013	335,000	11,155,533,288	22,409,995	3,693,739	18,716,256	0.168%	56	15,937
2012	335,000	13,696,836,630	23,303,995	3,244,600	20,059,395	0.146%	60	17,081
2011	335,000	13,848,326,958	24,157,147	2,738,055	21,419,092	0.155%	64	16,196
2010	335,000	13,814,026,212	24,958,205	2,754,498	22,203,707	0.161%	66	16,790
2009	335,000	12,628,483,124	20,898,072	2,717,185	18,180,887	0.144%	54	13,748
2008	335,000	12,505,233,818	21,892,951	2,860,721	19,032,230	0.152%	57	14,391

Source: College Records

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
Computation of Direct and Overlapping General Obligation Bonded Debt (Unaudited)
June 30, 2017

Table 10

Overlapping Districts:	Outstanding Bonds	Applicable to District	
		Percentage	Amount
Cook County	\$ 3,213,141,750	2.059%	\$ 66,158,589
Cook County Forest Preserve	159,440,240	2.059%	3,282,875
Metropolitan Water Reclamation District	2,583,922,748 (1)	2.097%	54,184,860
<u>Municipalities:</u>			
Blue Island	1,031,675 (2)	4.255%	43,898
Calumet City	41,620,000	100.000%	41,620,000
Country Club Hills	44,775,000	58.362%	26,131,586
Crestwood	775,000 (2)	0.098%	760
Dolton	23,625,000	100.000%	23,625,000
East Hazel Crest	385,000	100.000%	385,000
Harvey	35,014,946	100.000%	35,014,946
Hazel Crest	690,000	78.047%	538,524
Homewood	600,000	1.136%	6,816
Lansing	13,960,000	99.571%	13,900,112
Lynwood	435,000 (2)	48.190%	209,627
Markham	34,934,288 (2)	100.000%	34,934,288
Midlothian	10,053,864 (2)	98.191%	9,871,990
Oak Forest	27,965,000	84.217%	23,551,284
Phoenix	36,000	100.000%	36,000
Posen	1,190,000	99.974%	1,189,691
Riverdale	13,460,000 (2)	100.000%	13,460,000
Robbins	384,442 (2)	0.088%	338
South Holland	16,204,126 (3)	100.000%	16,204,126
Thornton	2,575,000	94.378%	2,430,234
Tinley Park	24,260,000	18.926%	4,591,448
<u>Libraries:</u>			
Acorn	- (2)	79.757%	-
Glenwood-Lynwood	- (2)	25.721%	-
Harvey	6,000,000	100.000%	6,000,000
<u>Parks:</u>			
Blue Island	204,920	4.481%	9,182
Calumet Memorial	2,375,000	100.000%	2,375,000
Country Club Hills	575,580 (2)	58.317%	335,661
Dolton	208,000	100.000%	208,000
Harvey	350,000	100.000%	350,000
Hazel Crest	725,000 (2)	78.047%	565,841
Homewood Flossmoor	996,560 (2)	0.688%	6,856
Lan Oak	397,990 (2)	99.568%	396,271
Markham	164,175	100.000%	164,175
Midlothian	160,000	98.191%	157,106
Oak Forest	1,255,000	91.419%	1,147,308
Riverdale	134,125	100.000%	134,125
Robbins	93,000	0.086%	80
Tinley Park	7,158,000	21.421%	1,533,315
<u>School Districts:</u>			
132	3,429,000	4.153%	142,406
133	1,195,000	100.000%	1,195,000
142	6,315,193 (3)	85.044%	5,370,693
143	1,000,000	68.378%	683,780
143 1/2	14,125,000	62.444%	8,820,215
144	58,452,954 (3)	100.000%	58,452,954
145	27,660,274 (3)	100.000%	27,660,274
146	16,635,000	48.762%	8,111,559
147	6,250,000	100.000%	6,250,000
148	26,099,661 (3)(4)	100.000%	26,099,661
149	14,598,882 (2)(3)	100.000%	14,598,882
150	3,565,000	100.000%	3,565,000
151	14,460,000	100.000%	14,460,000
152 1/2	6,553,949 (3)	100.000%	6,553,949
154	1,625,000	100.000%	1,625,000
154 1/2	484,240 (2)	100.000%	484,240
155	27,728,873 (3)	100.000%	27,728,873
156	7,090,000	100.000%	7,090,000
157	23,263,030 (3)	100.000%	23,263,030
158	22,021,919 (2)(3)	100.000%	22,021,919
160	14,826,621 (3)	43.339%	6,425,709
161	6,925,000	1.139%	78,876
171	3,869,483	94.221%	3,645,866
<u>High School Districts:</u>			
205	56,455,000 (2)	100.000%	56,455,000
215	16,260,000 (2)	100.000%	16,260,000
228	63,525,000	97.032%	61,639,578
<u>Special Service Areas:</u>			
Calumet City #1998-1	315,000	100.000%	315,000
Total Overlapping General Obligation Bonded Debt			793,752,376
<u>Direct Debt</u>			
South Suburban Community College 510	27,362,287 (3)	100.000%	27,362,287
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$821,114,663</u>

(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 notes, bank loans and lease or purchase agreements.

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>
2016	\$	9,047,101,233	2.8750%	\$ 260,104,160	\$ 27,362,287	\$ 232,741,873	10.52%
2015		9,012,840,012	2.8750%	259,119,150	18,477,654	240,641,496	7.13%
2014		9,422,650,127	2.8750%	270,901,191	19,643,451	251,257,740	7.25%
2013		10,111,370,479	2.8750%	290,701,901	20,393,710	270,308,191	7.02%
2012		11,155,533,288	2.8750%	320,721,582	22,409,995	298,311,587	6.99%
2011		13,696,836,630	2.8750%	393,784,053	23,303,995	370,480,058	5.92%
2010		13,848,326,958	2.8750%	398,139,400	24,157,147	373,982,253	6.07%
2009		13,814,026,212	2.8750%	397,153,254	24,958,205	372,195,049	6.28%
2008		12,628,483,124	2.8750%	363,068,890	20,898,072	342,170,818	5.76%
2007		12,505,233,818	2.8750%	359,525,472	21,892,951	337,632,521	6.09%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Faculty										
Full time	88	89	97	106	108	116	124	121	124	127
Part time	114	150	237	235	226	227	228	237	230	213
Administrators	25	24	26	26	23	22	21	22	26	28
Mid-management	27	25	26	27	26	27	26	29	21	18
Classified staff	138	139	162	167	153	160	149	151	181	200
Part-time	75	51	59	57	37	37	34	45	88	68
Total employees	<u>467</u>	<u>478</u>	<u>607</u>	<u>618</u>	<u>573</u>	<u>589</u>	<u>582</u>	<u>605</u>	<u>670</u>	<u>654</u>

Data Source: College records

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

Fall Term

<u>Year</u>	<u>Head count</u>	<u>Full time equivalent</u>	<u>Gender</u>		<u>Attendance</u>		<u>Academic</u>		<u>Enrollment status</u>			<u>In-District residency %</u>	<u>Average Age</u>
			<u>Male</u>	<u>Female</u>	<u>Full time</u>	<u>Part time</u>	<u>Freshman</u>	<u>Other</u>	<u>Continuing</u>	<u>New</u>	<u>Re-admit</u>		
2017	4,115	2,090.17	33%	67%	36%	64%	57%	43%	56%	29%	15%	85%	25
2016	3,867	2,281.53	35%	65%	35%	65%	58%	42%	54%	30%	16%	86%	23
2015	4,401	2,557.83	32%	68%	37%	63%	58%	42%	56%	30%	14%	85%	29
2014	5,508	3,236.59	34%	66%	38%	62%	58%	42%	59%	31%	10%	88%	29
2013	6,211	3,634.81	34%	66%	38%	62%	58%	42%	54%	36%	10%	88%	29
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

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Baccalaureate	17,627.00	18,871.00	19,864.00	23,688.50	25,888.50	29,505.00	31,721.00	30,259.50	24,697.50	24,820.50
Business B occupational	2,730.00	2,504.00	2,746.50	3,617.50	3,355.50	3,482.50	3,573.00	4,447.50	4,169.50	4,063.50
Technical B occupational	1,694.50	1,514.50	1,617.50	1,668.10	2,293.00	1,863.00	1,822.00	2,526.30	1,671.20	2,023.90
Health B Occupational	3,052.00	3,398.50	3,470.00	3,806.50	4,387.50	6,452.00	6,482.00	7,576.50	7,014.50	5,921.00
Remedial Development	5,661.00	6,101.00	6,718.00	8,641.00	10,129.00	11,301.00	11,513.00	11,277.00	8,770.00	9,037.00
Adult Basic/Secondary Education	<u>2,188.00</u>	<u>2,834.00</u>	<u>2,380.00</u>	<u>2,926.00</u>	<u>50.00</u>	<u>5,615.50</u>	<u>5,489.00</u>	<u>5,681.00</u>	<u>8,046.50</u>	<u>7,803.00</u>
TOTAL CREDIT HOURS	<u>32,952.50</u>	<u>35,223.00</u>	<u>36,796.00</u>	<u>44,347.60</u>	<u>46,103.50</u>	<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>

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 2017 was 377,622
Estimated population forecast for 2040 is 446,976

DEMOGRAPHICS:

Per capita income in 2015 was \$23,299
Personal income in 2015 was \$437,599,274
Median age of population is 37.9
Unemployment rate in 2017 was 8.5%

13.8 percent of population is Hispanic
37.1 percent of population is White
46.1 percent of population is African American
0.2 percent of population is American Indian
1.2 percent of population is Asian
1.4 percent of population is two or more races
0.0 percent of population is Pacific Islander
0.2 percent of population is other

Total number of households in 2015 was 131,800
Household forecast for 2040 is 161,649
Total number of housing units in the district is 141,029

SSC DEMOGRAPHICS:

<u>Total Undergrads (Percent)</u>	<u>Fall 2017</u>	<u>Total Enrollment</u>	<u>Fall 2017</u>	
			<u>Number</u>	<u>Percent</u>
Under 18	17.40%			
18-19	19.20%	African-American	2,230	54.2%
20-21	16.60%	American Indian	13	0.3%
22-24	12.20%	Asian/P.I	61	1.5%
25-29	10.10%	Hawaiian/Pacific Islander	8	0.2%
30-34	5.90%	Hispanic	830	20.2%
35-39	4.50%	White	793	19.3%
40-49	6.20%	Two or More Races	147	3.6%
50-64	6.00%	Unknown	33	0.7%
65 and Over	1.90%	Total	4,115	100.0%
Total	<u>100.00%</u>			

Median age of enrollment is 23

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
		<hr/> 606,107 <hr/>
Rented Facilities	College Center One	5,457
		<hr/> 611,564 <hr/> <hr/>

Source: College records

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<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	\$ 1,460,632
Construction in progress	-	-	-	-	-	-	-	-	-	-
Buildings and building improvements	47,691,197	47,433,136	45,863,266	45,207,889	44,829,870	42,275,587	41,216,575	40,694,224	40,137,002	37,891,361
Equipment and vehicles	12,354,669	12,182,329	11,940,359	11,795,049	10,988,333	10,095,584	8,344,878	7,560,078	6,659,988	3,862,070
Land improvements and infrastructure	5,525,995	5,487,588	5,444,672	5,349,545	5,262,454	5,150,036	5,150,036	5,150,036	5,150,036	5,123,556
Total capital assets	<u>67,032,493</u>	<u>66,563,685</u>	<u>64,708,929</u>	<u>63,813,115</u>	<u>62,541,289</u>	<u>58,981,839</u>	<u>56,172,121</u>	<u>54,864,970</u>	<u>53,407,658</u>	<u>48,337,619</u>
Accumulated depreciation	49,811,312	47,272,685	44,607,630	42,605,947	39,692,615	36,755,884	34,151,520	31,705,905	29,447,476	27,158,337
Net capital assets	<u>\$ 17,221,181</u>	<u>\$ 19,291,000</u>	<u>\$ 20,101,299</u>	<u>\$ 21,207,168</u>	<u>\$ 22,848,674</u>	<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>

Data Source: College records

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other debt:										
Capital lease obligations	\$ 85,506	\$ 124,985	\$ 162,430	\$ 93,114	\$ 248,358	\$ 403,604	\$ 558,848	\$ 253,622	\$ 34,360	\$ 63,616
Total other debt	<u>\$ 85,506</u>	<u>\$ 124,985</u>	<u>\$ 162,430</u>	<u>\$ 93,114</u>	<u>\$ 248,358</u>	<u>\$ 403,604</u>	<u>\$ 558,848</u>	<u>\$ 253,622</u>	<u>\$ 34,360</u>	<u>\$ 63,616</u>
Other debt per student	<u>\$ 2.59</u>	<u>\$ 3.55</u>	<u>\$ 4.41</u>	<u>\$ 2.10</u>	<u>\$ 5.39</u>	<u>\$ 6.93</u>	<u>\$ 9.22</u>	<u>\$ 4.11</u>	<u>\$ 0.63</u>	<u>\$ 1.19</u>

Date Source: College Records

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

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

Special Reports

SPECIAL REPORTS SECTION

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY

Year Ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Protection, Health, and Safety Fund	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund
Fund balance/net position July 1, 2016	\$ 18,867,705	\$ (7,343,873)	\$ 305,752	\$ (161,517)	\$ 471,847	\$ 3,306,472	\$ 1,287,548
Revenues:							
Local tax revenue	9,972,975	2,564,235	-	-	2,044,512	-	-
All other local revenue	303,567	303,567	-	-	-	-	-
ICCB grants	3,991,786	1,265,615	-	-	-	-	1,244,214
All other state revenue	435,873	49,371	-	-	-	-	737,485
Federal revenue	15,676	-	-	-	-	-	11,026,862
Student tuition and fees	11,465,896	-	-	-	-	-	606,101
All other revenue	205,730	2,231	19,678,349	-	-	2,272,116	39
Total revenue	26,391,503	4,185,019	19,678,349	-	2,044,512	2,272,116	13,614,701
Expenditures:							
Instruction	13,509,004	-	-	-	-	-	981,569
Academic support	795,371	-	-	-	-	-	-
Student services	3,200,472	-	-	-	-	-	10,020,624
Public services	858,995	-	-	-	-	-	1,653,884
Operations and maintenance	191,750	4,265,114	68,073	-	-	-	1,508
Auxiliary services	2,888	-	-	-	-	2,244,913	847,852
General administration	2,363,451	-	9,968,301	-	2,125,500	-	-
Institutional support	2,792,037	142,093	-	-	-	-	-
Scholarships, grants, waivers	1,711,357	-	-	-	-	-	-
Depreciation	-	-	-	-	-	10,783	-
Total expenditures	25,425,325	4,407,207	10,036,374	-	2,125,500	2,255,696	13,505,437
Net transfers in (out)	-	-	-	-	-	-	-
Fund balance/net position June 30, 2017	\$ 19,833,883	\$ (7,566,061)	\$ 9,947,727	\$ (161,517)	\$ 390,859	\$ 3,322,892	\$ 1,396,812

Note: This statement is prepared under the regulatory basis proscribed by the Illinois Community College Board, which varies from accounting principles generally accepted in the United States of America (GAAP)

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY

Year Ended June 30, 2017

	Working Cash <u>Fund</u>	Trust and Agency <u>Fund</u>	Audit <u>Fund</u>	Liability, Protection Settlement <u>Fund</u>	<u>Total UFRS</u>	Reconciling Items for GAAP <u>Presentation</u>	Total for GAAP <u>Presentation</u>
Fund balance/net position July 1, 2016	\$ 7,213,941	\$ -	\$ 45,713	\$ (1,652,502)	\$ 22,341,086	\$ (7,174,730)	\$ 15,166,356
Revenues:							
Local tax revenue	-	-	96,480	1,176,707	15,854,909	(183,180)	15,671,729
All other local revenue	-	-	-	-	607,134	-	607,134
ICCB grants	-	-	-	-	6,501,615	11,187,952	17,689,567
All other state revenue	-	-	-	-	1,222,729	-	1,222,729
Federal revenue	-	-	-	-	11,042,538	(588,555)	10,453,983
Student tuition and fees	-	-	-	-	12,071,997	(10,198,975)	1,873,022
All other revenue	-	-	-	-	22,158,465	(19,669,344)	2,489,121
Total revenue	-	-	96,480	1,176,707	69,459,387	(19,452,102)	50,007,285
Expenditures:							
Instruction	-	-	-	-	14,490,573	7,293,401	21,783,974
Academic support	-	-	-	-	795,371	384,553	1,179,924
Student services	-	-	-	-	13,221,096	(5,467,379)	7,753,717
Public services	-	-	-	-	2,512,879	976,969	3,489,848
Operations and maintenance	-	-	-	66,471	4,592,916	1,221,312	5,814,228
Auxiliary services	-	-	-	-	3,095,653	974,314	4,069,967
General administration	-	-	-	-	14,457,252	(10,390,176)	4,067,076
Institutional support	-	-	137,742	1,203,993	4,275,865	(1,112,241)	3,163,624
Scholarships, grants, waivers	-	-	-	-	1,711,357	-	1,711,357
Depreciation	-	-	-	-	10,783	2,527,844	2,538,627
Total expenditures	-	-	137,742	1,270,464	59,163,745	(3,591,403)	55,572,342
Net transfers in (out)	-	-	-	-	-	-	-
Fund balance/net position June 30, 2017	\$ 7,213,941	\$ -	\$ 4,451	\$ (1,746,259)	\$ 32,636,728	\$ (23,035,429)	\$ 9,601,299

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2

Year Ended June 30, 2017

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<u>Capital assets</u>				
Land	\$ 1,460,632	\$ -	\$ -	\$ 1,460,632
Land improvements	5,487,588	38,407	-	5,525,995
Buildings and improvements	47,433,136	258,061	-	47,691,197
Equipment and vehicles	<u>12,182,329</u>	<u>172,340</u>	<u>-</u>	<u>12,354,669</u>
Total capital assets	<u>66,563,685</u>	<u>468,808</u>	<u>-</u>	<u>67,032,493</u>
Accumulated depreciation	<u>47,272,685</u>	<u>2,538,627</u>	<u>-</u>	<u>49,811,312</u>
Total capital assets	<u>\$ 19,291,000</u>	<u>\$ (2,069,819)</u>	<u>\$ -</u>	<u>\$ 17,221,181</u>
<u>Debt</u>				
Bonds payable	\$ 18,477,654	\$ 20,694,633 *	\$ 11,810,000	\$ 27,362,287
Other liabilities	<u>2,772,451</u>	<u>645,374</u>	<u>740,127</u>	<u>2,677,698</u>
Total debt	<u>\$ 21,250,105</u>	<u>\$ 21,340,007</u>	<u>\$ 12,550,127</u>	<u>\$ 30,039,985</u>

* - This amount represents accretion of interest

Note: This statement is prepared under the regulatory basis proscribed by the Illinois Community College Board, which varies from 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, 2017

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	Total Operating <u>Funds</u>
OPERATING REVENUES BY SOURCE			
Local government revenue:			
Local taxes	\$ 9,972,975	\$ 2,564,235	\$ 12,537,210
Chargeback revenue	-	-	-
Capital lease proceeds	-	-	-
PPRT	303,567	303,567	607,134
	<u>10,276,542</u>	<u>2,867,802</u>	<u>13,144,344</u>
TOTAL LOCAL GOVERNMENT			
State government:			
ICCB credit hours grants	1,265,616	1,265,615	2,531,231
ICCB equalized grants	2,726,170	-	2,726,170
ICCB vocalization grants	435,873	-	435,873
Other	-	49,371	49,371
	<u>4,427,659</u>	<u>1,314,986</u>	<u>5,742,645</u>
TOTAL STATE GOVERNMENT			
Federal government:			
Dept. of education	15,676	-	15,676
	<u>15,676</u>	<u>-</u>	<u>15,676</u>
TOTAL FEDERAL GOVERNMENT			
Student tuition and fees:			
Tuition	10,253,976	-	10,253,976
Fees	1,211,920	-	1,211,920
	<u>11,465,896</u>	<u>-</u>	<u>11,465,896</u>
TOTAL TUITION AND FEES			
Other sources:			
Facilities revenue	148,709	-	148,709
Investment revenue	29,562	4	29,566
Other	27,459	2,227	29,686
	<u>205,730</u>	<u>2,231</u>	<u>207,961</u>
TOTAL OTHER REVENUE			
TOTAL REVENUE	<u>26,391,503</u>	<u>4,185,019</u>	<u>30,576,522</u>
Less: nonoperating items*			
Capital lease proceeds	-	-	-
Tuition chargeback revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED REVENUES	<u>\$ 26,391,503</u>	<u>\$ 4,185,019</u>	<u>\$ 30,576,522</u>

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

Note: This statement is prepared under the regulatory basis proscribed by the Illinois Community College Board, which varies from 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, 2017
(Continued)

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	Total Operating <u>Funds</u>
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 13,509,004	\$ -	\$ 13,509,004
Academic support	795,371	-	795,371
Student services	3,200,472	-	3,200,472
Public service/continuing education	858,995	-	858,995
General administration	2,363,451	-	2,363,451
Operations and maintenance	191,750	4,265,114	4,456,864
Institutional support	2,792,037	142,093	2,934,130
Auxiliary services	2,888	-	2,888
Scholarships, grants and waivers	1,711,357	-	1,711,357
	<u>25,425,325</u>	<u>4,407,207</u>	<u>29,832,532</u>
TOTAL EXPENDITURES			
	<u>25,425,325</u>	<u>4,407,207</u>	<u>29,832,532</u>
Less nonoperating items*			
Tuition chargeback	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EXPENDITURES	<u>25,425,325</u>	<u>4,407,207</u>	<u>29,832,532</u>
BY OBJECT			
Salaries	16,375,075	2,188,344	18,563,419
Employee benefits	3,724,084	376,625	4,100,709
Contractual services	1,727,145	402,191	2,129,336
General materials and supplies	1,434,047	398,191	1,832,238
Travel and conference/meeting expenses	108,930	-	108,930
Fixed charges	165,728	6,050	171,778
Utilities	148,708	859,995	1,008,703
Capital outlay	30,251	175,811	206,062
Student grants and scholarships	1,711,357	-	1,711,357
	<u>25,425,325</u>	<u>4,407,207</u>	<u>29,832,532</u>
TOTAL EXPENDITURES			
	<u>25,425,325</u>	<u>4,407,207</u>	<u>29,832,532</u>
Less nonoperating items*			
Tuition chargeback	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EXPENDITURES	<u>\$ 25,425,325</u>	<u>\$ 4,407,207</u>	<u>\$ 29,832,532</u>

* 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, 2017

	Restricted Purposes Fund
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	\$ -
State government:	
ICCB - program improvement grant	23,506
ICCB - adult education	1,212,883
ICCB - other	7,825
Illinois student assistance commission	-
Other	737,485
TOTAL STATE GOVERNMENT	1,981,699
Federal Government:	
Department of Education	10,342,618
Department of Labor	447,378
Other	236,866
TOTAL FEDERAL GOVERNMENT	11,026,862
Other sources:	
Tuition and fees	606,101
Other	39
TOTAL OTHER SOURCES	606,140
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 13,614,701
EXPENDITURES BY PROGRAM	
Instruction	\$ 981,569
Academic support	-
Student services	10,020,624
Public service/continuing education	1,653,884
Auxiliary services	847,852
Operations and maintenance	1,508
Institutional support	-
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 13,505,437
EXPENDITURES BY OBJECT	
Salaries	\$ 2,049,681
Employee benefits	401,072
Contractual services	516,938
General materials and supplies	925,857
Travel and conference/meeting expenses	125,450
Fixed charges	-
Utilities	-
Capital outlay	192,692
Other (Student financial aid)	9,293,747
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 13,505,437

Note: This statement is prepared under the regulatory basis proscribed by the Illinois Community College Board, which varies from 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, 2017

INSTRUCTION	
Instructional programs	\$ 10,594,213
Other	3,896,360
Total instruction	<u>14,490,573</u>
ACADEMIC SUPPORT	
Library center	541,747
Educational media services	-
Academic computing support	253,624
Total academic support	<u>795,371</u>
STUDENT SERVICES	
Admissions and records	2,510,285
Counseling and career services	1,090,294
Financial aid administration	384,052
Other	9,236,465
Total student services	<u>13,221,096</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Customized training (Instructional)	2,389,344
Other	123,535
Total public service/continuing education	<u>2,512,879</u>
ORGANIZED RESEARCH	
	<u>-</u>
AUXILIARY SERVICES	
	<u>3,106,436</u>
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	1,088,395
Custodial services	1,231,301
Grounds	25,941
Campus security	1,115,878
Utilities	1,063,328
Total operations and maintenance of plant	<u>4,524,843</u>
INSTITUTIONAL SUPPORT	
Executive management	1,131,776
Fiscal operations	752,316
Community relations	259,626
Administrative support services	212,000
Board of trustees	119,852
General institutional	3,473,528
Institutional research	219,666
Administrative data processing	460,319
Other	10,233
Total institutional support	<u>6,639,316</u>
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	
	<u>1,711,357</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 47,001,871</u></u>

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

Note: This statement is prepared under the regulatory basis proscribed by the Illinois Community College Board, which varies from accounting principles generally accepted in the United States of America (GAAP)

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2018

ALL FISCAL YEAR 2017 NONCAPITAL AUDITED OPERATING EXPENEDITURES FROM THE FOLLOWING FUND:

1	Education Fund	<u>\$25,395,074</u>
2.	Operations and Maintenance Fund	<u>\$4,231,396</u>
3.	Public Building Commission Operation and Maintenance Fund	<u>\$9,968,301</u>
4.	Bond and Interest Fund	<u>\$2,125,500</u>
5.	Public Building Commission Rental Fund	<u>\$ -</u>
6.	Restricted Purposes Fund	<u>\$13,312,745</u>
7.	Audit Fund	<u>\$137,742</u>
8.	Liability, Protection, and Settlement Fund	<u>\$1,270,464</u>
9.	Auxiliary Enterprises Fund (subsidy only)	<u>\$ -</u>
10.	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u>\$56,441,222</u>
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$2,538,627</u>
12.	TOTAL COSTS INCLUDED (line 10 plus line 11)	<u>\$58,979,849</u>
13.	Total certified semester credit hours for FY 2017	<u>70,935</u>
14.	PER CAPITA COST (line 12 divided by line 13)	<u>\$831.46</u>
15.	All FY 2017 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	<u>\$10,710,853</u>
16.	FY 2017 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$151.00</u>
17.	District's average ICCB grant rate (excluding equalization grants) for FY 2018	<u>\$26.01</u>
18.	District's student tuition and fee rate per semester credit hour for FY 2018	<u>\$145.00</u>
19.	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$509.45</u>

Approved: Mary Lareau
Chief Fiscal Officer

10/2/17
Date

Approved: Don Manning
Chief Executive Officer

10/2/17
Date

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the South Suburban College – Community College District No. 510 (the College) State Adult Education (State Basic, Public Assistance, and Performance, schedules 1 and 2), and Career and Technical Education – Program Improvement (schedules 4 and 5) (Grant Programs), and the related notes to the financial statements, as of June 30, 2017 and for the year then ended, which collectively comprise the Grant Programs' financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 and the guidelines of the Illinois Community College Board *Fiscal Management Manual*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's Grant Programs as of June 30, 2017, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Grant Programs and do not purport to, and do not, present fairly the financial position of the College as of June 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The supplementary information in schedule 3 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information in schedule 3 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. Such 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 in schedule 3 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report of Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 2017 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* in considering the College's internal control over financial reporting and compliance.



Crowe Horwath LLP

Oak Brook, Illinois
October 13, 2017

INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the South Suburban College – Community College District No. 510 (the College) State Adult Education (State Basic, Public Assistance, and Performance) and Career and Technical Education – Program Improvement (Grant Programs) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements, and have issued our report thereon dated October 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) of the Grant Programs to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether these 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*.

Purpose of this Report

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

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 13, 2017

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

STATE ADULT EDUCATION GRANT PROGRAM

BALANCE SHEET
June 30, 2017

	State Basic	State Public Assistance	State Performance	Total (Memorandum Only)
ASSETS				
Accounts receivable	\$ 126,787	\$ -	\$ 66,769	\$ 193,556
Total assets	<u>\$ 126,787</u>	<u>\$ -</u>	<u>\$ 66,769</u>	<u>\$ 193,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Due to other College funds	\$ 450,806	\$ -	\$ 271,491	\$ 722,297
Total liabilities	<u>450,806</u>	<u>-</u>	<u>271,491</u>	<u>722,297</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable grants	<u>126,787</u>	<u>-</u>	<u>66,769</u>	<u>193,556</u>
Total deferred inflows of resources	<u>126,787</u>	<u>-</u>	<u>66,769</u>	<u>193,556</u>
FUND BALANCE				
Fund balance - unassigned	<u>(450,806)</u>	<u>-</u>	<u>(271,491)</u>	<u>(722,297)</u>
Total fund balance	<u>(450,806)</u>	<u>-</u>	<u>(271,491)</u>	<u>(722,297)</u>
Total liabilities, deferred inflows or resources and fund balance	<u>\$ 126,787</u>	<u>\$ -</u>	<u>\$ 66,769</u>	<u>\$ 193,556</u>

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, 2017

	State Basic	State Public Assistance	State Performance	Total (Memorandum Only)
Revenue				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-
Expenditures by program				
Instructional and student services:				
Instruction	267,028	-	-	267,028
Social work services	-	-	-	-
Guidance services	-	-	-	-
Assessment and testing	24,602	-	-	24,602
Student transportation services	-	-	-	-
Literacy services	-	-	-	-
Subtotal instructional and student services	291,630	-	-	291,630
Program support:				
Improvement of instructional services	-	-	-	-
General administration	32,389	-	204,722	237,111
Operation & maintenance of plant services	-	-	-	-
Data and information services	-	-	-	-
Subtotal program support	32,389	-	204,722	237,111
Total expenditures	324,019	-	204,722	528,741
Excess of revenues over (under) expenditures	(324,019)	-	(204,722)	(528,741)
Fund Balance July 1, 2016	(126,787)	-	(66,769)	(193,556)
Fund Balance June 30, 2017	\$ (450,806)	\$ -	\$ (271,491)	\$ (722,297)

See accompanying notes to ICCB State Grants financial statements.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

ICCB COMPLIANCE STATEMENT FOR THE
STATE ADULT EDUCATION GRANT PROGRAM

EXPENDITURES AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
Year Ended June 30, 2017

State Basic	Actual Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 267,028	82.4%
General administration (15% maximum allowed)	32,389	10.0%

State Public Assistance	Actual Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ -	0.0%
General administration (15% Maximum allowed)	-	0.0%

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

SCHEDULE 4

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM

BALANCE SHEET
June 30, 2017

ASSETS	\$ -
LIABILITIES AND FUND BALANCE	
Due to other College Funds	<u>\$ 23,427</u>
Total liabilities	<u>23,427</u>
Total fund balance	<u>(23,427)</u>
Total liabilities and fund balance	<u><u>\$ -</u></u>

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2017

Revenue	
State sources	\$ -
Expenditures	
Travel	23,427
Total expenditures	23,427
Excess of revenue over (under) expenditures	(23,427)
Fund balance July 1, 2016	-
Fund balance June 30, 2017	\$ (23,427)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The accompanying statements include only those transactions resulting from the ICCB State Adult Education and Career and Technical Education-Program Improvement grants programs. Accordingly, due to the omission of government-wide financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the College as of June 30, 2017, and the changes in its financial position and where applicable, cash flows thereof, for the year then ended. The above referenced 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, 2017. 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.

Deferred Inflows of Resources: State basic and performance revenue have been deferred in the fund statements because the funding was not received within 60 days of year-end. The revenue pertains to the State's fiscal year 2017 but is not recognized as revenue at the fund level for the College because it is unavailable.

NOTE 2 - ENCUMBRANCES

Current year encumbrances for goods and services obligated before June 30, 2017 are reflected as unearned revenue while payments for prior year encumbrances for goods received prior to August 31, 2017 are reflected as expenditures of the current fiscal year.

INDEPENDENT ACCOUNTANT'S 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, 2017. 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 attestation 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 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 for the year ended June 30, 2017.

The supplementary information on pages 78-80 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 do not express an opinion or provide any assurance on them.

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

Oak Brook, Illinois
October 13, 2017

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

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

Year Ended June 30, 2017

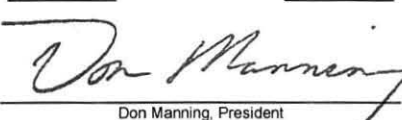

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)								
Notes 1 and 2	Summer		Fall		Spring		Total	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
Baccalaureate	4,757.0	-	17,627.0	-	16,644.0	-	39,028.0	-
Business occupational	462.0	-	2,730.0	-	3,069.0	-	6,261.0	-
Technical occupational	295.0	-	1,694.5	-	1,732.0	-	3,721.5	-
Health occupational	820.0	-	3,052.0	-	2,176.5	-	6,048.5	-
Remedial development	697.0	-	5,661.0	-	4,195.0	-	10,553.0	-
Adult basic/ secondary education	<u>36.0</u>	<u>-</u>	<u>279.0</u>	<u>1,909.0</u>	<u>246.0</u>	<u>2,853.0</u>	<u>561.0</u>	<u>4,762.0</u>
Total	<u>7,067.0</u>	<u>-</u>	<u>31,043.5</u>	<u>1,909.0</u>	<u>28,062.5</u>	<u>2,853.0</u>	<u>66,173.0</u>	<u>4,762.0</u>

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)	<u>61,094.0</u>	<u>9,841.0</u>	<u>70,935.0</u>
	Dual Credit	Dual Enrollment	
Semester credit hours (all terms)	<u>2,077.5</u>	<u>2,943.5</u>	
District prior year equalized assessed valuation			<u>\$ 2,985,543,407</u>

Correctional Semester Credit Hours by Term					
	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Spring</u>	<u>Total</u>
Baccalaureate	-	-	-	-	-
Business occupational	-	-	-	-	-
Technical occupational	-	-	-	-	-
Health occupational	-	-	-	-	-
Remedial development	-	-	-	-	-
Adult basic/secondary education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Signatures	 Don Manning, President		 Martin Lareau, Vice President of Administration		

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

Year Ended June 30, 2017

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	<u>Difference</u>	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	<u>Difference</u>
Baccalaureate	39,028.0	39,028.0	-	-	-	-
Business occupational	6,261.0	6,261.0	-	-	-	-
Technical occupational	3,721.5	3,721.5	-	-	-	-
Health occupational	6,048.5	6,048.5	-	-	-	-
Remedial development	10,553.0	10,553.0	-	-	-	-
Adult basic/ secondary education	561.0	561.0	-	4,762.00	4,762.00	-
Total	66,173.0	66,173.0	-	4,762.00	4,762.00	-

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

	Total Attending (Unrestricted and Restrictd)	Total Attending as Certified to the ICCB Unrestricted and Restrictd	Difference
In-district residents	61,094.0	61,094.0	-
Out-of-district on chargeback or contractual agreement	9,841.0	9,841.0	-
Total	70,935.0	70,935.0	-
	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual credit	2,077.5	2,077.5	-
Dual enrollment	2,943.5	2,943.5	-

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>
2016	\$ 2,985,543,407
2015	2,974,237,204
2014	3,109,474,542

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (UNAUDITED)
June 30, 2017

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

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.

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.