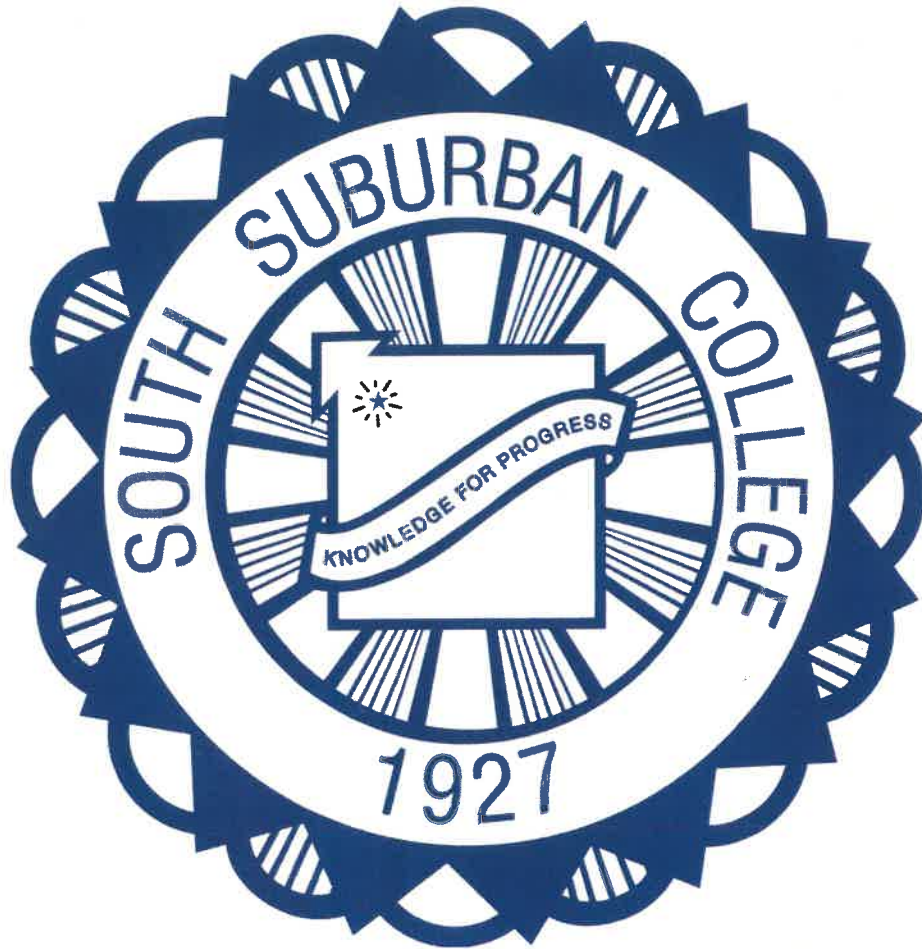


COMPREHENSIVE Annual Financial Report



Fiscal Year Ended June 30, 2018

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, 2018

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, 2018

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SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
June 30, 2018

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COMMUNITY COLLEGE DISTRICT NO. 510
June 30, 2018

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INTRODUCTORY SECTION



SOUTH SUBURBAN COLLEGE

15800 S. State St.
South Holland, IL
60473-1200
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Board of Trustees

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Terry R. Wells

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Dr. Lynette D. Stokes,
College President

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

October 25, 2018

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, 2018 is hereby submitted.

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

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

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

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

BACKGROUND INFORMATION

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

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

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

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

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

MISSION & GOALS

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

SSC is dedicated to:

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

Goals:

1. Provide credit courses and associate degree programs for academically prepared student body to assist them in preparing for effective transfer to a four-year college or university. The College will be accountable for the quality of academic programs and utilization of assessment data for effective programming and instructional changes.
2. Provide high quality, accessible, and affordable credit courses and associate degree and certificate programs for academically prepared students to assist them in preparing for occupations that require career education beyond the high school level.
3. Provide developmental instruction in reading, writing, mathematics, adult basic education, adult secondary education, and English as a Second Language skills to students requiring such in order to succeed in other college programs or to complete a high school equivalency or General Education Development (GED) Program, and to expand adult education to include bridging to a college credit program or immediate employment.
4. Support the diversity of our student population who complete training and educational programs by providing academic advising, learning resources, and supportive services, such as specialized learning assistance and English as a Second Language instruction for students with a wide range of academic needs.

5. Partner with local businesses and industry to sustain strong economic growth and to maintain a competitive workforce. The College will provide universal technical skills training to qualify community residents for employment, and will assist businesses in workforce development.
6. Complement classroom instruction with student opportunities through workplace internships, cooperative education and other work-based learning approaches which will help in employability and to prepare for certification exams.
7. Offer activities, services, and programs that enhance student life and enrich the educational experience of the student to increase knowledge of societal and civic responsibilities in a complex society. Design and implement programs that develop student leadership, ethical decision-making, and international cultural understanding.
8. Collaborate with area elementary and secondary school districts to develop and provide educational services to their students and staff.
9. Provide high quality educational programs by utilizing quality measures such as input from advisory committees, assessment of student learning outcomes, and recommendations from our accrediting agencies.
10. Maintain fiscal responsibility by continually improving productivity, cost effectiveness, and accountability.
11. Demonstrate social justice and inclusion by embracing educational and cultural opportunities that generate support for historically marginalized groups, including, but not limited to: physically challenged, underprivileged, ethnic minorities, and women.
12. Create a climate where diversity of beliefs, intellectual abilities, style, ethnic background, individual needs, and culture is to be encouraged, respected, developed, shared and celebrated. Demonstrate proper representation of these concepts.
13. Design and implement programs that develop student leadership, ethical decision-making, and international cultural understanding. Incorporate proper ethical decision making ideas into the college community by opening the lines of communication with student, faculty, and staff on the idea of ethics in the college setting.

ECONOMIC CONDITION AND OUTLOOK

The College is located approximately 25 miles south of downtown Chicago, Illinois and services an area of 94 square miles. The population served is estimated to be 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 \$2,997,805,050 in Tax Levy Year 2017 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 2018. The SSCFAO was responsible for awarding 2,523 students with Pell Grants totaling \$7,832,993. In addition, the FA office awarded 863 students with Monetary Award Program grants from the State of Illinois equaling \$1,090,392. The SSCFAO also helped over 200 veterans with federal and state veteran's assistance totaling over \$200,000.

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 25 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 \$130,000 in total awards in fiscal year ended 2018, and its endowment as of July 31, 2018 was \$ 1,104,206. Additionally, the Foundation held a 90th Anniversary Capital Campaign to assist with the development of SSC Circle—a much needed, state-of-the-art student assistance facility. The SSCF will contribute \$90,000 upon completion of this project in the fall.

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 165 or above on each 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.

48th HSE Commencement Held

The Adult Education Department celebrated its 48th graduating class on May 18, 2018. During these 48 years, SSC has graduated more than 5,000 students, including 92 for 2018. Many HSE graduates have registered and graduated from SSC’s various certificate and/or degree programs. Out of the 47 students that graduated in 2018 25% 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.

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. 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 Trustee Joe Whittington, and Yusuf Ali-El. 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 92 graduates in 2018, 36 took advantage for the Second Chance Scholarship.

SouthWorks Maker Lab

The SouthWorks Maker Lab at South Suburban College continues to provide students with access to state-of-the-art technology for completion of projects in a variety of applied engineering programs. In addition, several other disciplines have begun to investigate how the Maker Lab can be incorporated into their curriculum. The goal of the lab is to provide not only our students, but also local entrepreneurs, community members and inventors access to high quality tools they may not otherwise have available. SouthWorks Maker Lab continues to collaborate with other regional Maker Labs and STEM initiatives while hosting the 2nd annual SouthWorks Engineering & Robotics Olympics in 2018 with 21 regional schools participating.

Developmental Math Curriculum

As year three begins, students continue to succeed in the newly redesign developmental math curriculum. A larger number of students are successfully completing one or two lower-level developmental education math courses in a single semester. This coupled with higher placement test scores is reducing the time needed to reach the gateway math courses needed for their programs.

Dual Credit

Academic Services continuously offer ways to link the students from the college's nine feeder high schools to Career and Technical Education (CTE) programs offered by SSC. This is done by inviting designated liaisons from the high schools to visit the campus and learn more about specific career programs. This past year dual credit high school students in the Child Development Program attended workshops where appropriate sessions emphasized the content of the Teacher Aide/Child Development career program offered at SSC. Students from three feeder high schools were involved in hands-on activities in Graphic Design. In addition, over 100 high school students participated in the annual

SSC Video Competition which showcases the students' skills in various categories and culminates in a formal presentation of winners. Endeavors such as these provide the high schools students with information about SSC's certificates and degrees.

Art & Design

The Art & Design department features exhibitions, visiting artist lectures, and classes that serve our community, native student population and high school students. All of our college-level art classes are co-listed with the continuing education sections to reach our community of adult learners and non-degree seeking students who wish to pursue their artistic goals. Our galleries bring in many community connections and the Regional High School Art Exhibition bring over 300 high school students and instructors yearly onto our campus culminating in a festival day. The annual high school art festival features a visiting artist keynote speaker, awards ceremony and artist workshops led by our instructors to highlight the outstanding facilities and instruction at the college. The department's faculty curate three galleries located within the college, which host over a dozen exhibitions annually. Local, regional and national artists exhibit their works, provide artist lectures, and engage with our students during receptions, granting students the unique experience of meeting professional experts in their field of study. Another part of our ongoing mission for the galleries and department is to display student artworks at our college. The Art & Design department also grants nine Foundation scholarships each semester for artistic excellence and we have recruited two new SSC Foundation sponsors for additional art scholarships. The Graphic Design program is geared to immediate employment and college transfer. Each semester we offer one-day mini-workshops to district high schools.

Music

In Fall 2018, the Department of Music has launched a new program—the Associate in Arts (AA) Degree with a concentration in Music Business. After satisfactorily completing degree requirements for the curriculum, students will be academically eligible for transfer to a four-year College to earn a baccalaureate degree in Music Business, Music Administration, Music Production, Art Administration or Audio Engineering. In January 2018, a “2+2” articulation agreement between South Suburban College (SSC) and Illinois State University (ISU) on the new degree was signed. This allows SSC students to have a hassle-free transfer process to complete their upper division courses in a baccalaureate degree in Music Business at ISU.

PBI Grant

The South Suburban College Predominantly Black Institution (PBI) Grant receives funding from the Department of Education. SSC received \$560,138.00 this past year as part of efforts to fulfill Title III legislation goals to improve academic performance in Reading, Math and English thus address remediation needs that are hindering the persistence and completion of many SSC students. The primary focus of this grant is to

increase African-American male persistence as well as developmental level students at SSC to enhance the probability of their success in college courses and retention from semester-to-semester. The ultimate goal is degree and certificate completion.

Nearly 70% of SSC's traditional students require some form of remedial education. This presents a great challenge to meet the higher education needs of students struggling to break the cycle of continued remedial education and eventually enroll in college-ready courses. Most students (80%) are Pell-eligible, and this funding source is crucial for continued enrollment of district students who lack the resources to enroll in college.

Reading Center

The Reading Center continues to offer reading assistance to students in an individual or small group setting. With support of the PBI grant, full- and part-time reading faculty provide students with academic support that aligns with learning outcomes as defined by the Reading Department. In an effort to have more direct impact on learning outcomes, a plan is being developed to incorporate discipline specific reading strategies as part of the academic support being provided.

Carl Perkins Grant

This past year the college received \$569,578. 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.

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 2017, SSC ADN program NCLEX-RN pass rate was 86%.

Pharmacy Technician Program

The SSC Pharmacy Technician Program is an example of a true career ladder. For the last eight years, the Pharmacy Technician Program offered courses to qualified High School District #205 AP Chemistry students. As can be seen on the SSC website, some of these students are now in medically-related professions and will soon be serving our local community with their healthcare education.

Once the high school students graduate, they can then enter the SSC ASHP-ACPE accredited (recently awarded another 3 years of accreditation) PHT program where they will spend one more year in class in order to graduate with their PHT certificate. They can also opt for an Associate's degree or completion of the pre-pharmacy courses at SSC before applying to a college of pharmacy. Students enrolled in the PHT program have a

strong mentorship with college of pharmacy students from local universities who complete their academic rotation here in their last year of pharmacy school. These universities are University of Illinois at Chicago, Chicago State University, Midwestern University Chicago College of Pharmacy, Purdue University and the University of Iowa. These students of pharmacy are models for students at SSC. The college of pharmacy students tutor and assist the PHT students when needed, showing the PHT students that with hard work and determination they too can achieve a higher goal.

SSC's mission statement is represented in all that the PHT Program does for our students and the community. It educates the local residents in whatever means it can to meet the needs of the medical community to offer a better life whether that is for their own personal educational goals or for all to have a better lifestyle. SSC responds to all.

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, technology and software 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 2017 graduates passed the certification exam. 4 students represented SSC at the American Occupational Therapy Association National Conference in Philadelphia, PA.

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 and simulated phantoms. Students are able to use the active lab with the simulated phantoms. This technology is unique because most labs are non-active. Students are able to evaluate "bad" radiographs. Critical thinking and radiographic critique are essential 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.

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. This year, the program has solicited for accreditation with the

Commission on Accreditation of Allied Health Education Programs (CAAHEP) - Joint Review Committee on Education in Cardiovascular Technology (JRC-CVT). In July, the program had a site visit and was awarded 5 years of accreditation, shortly after. By having JRC-CVT accreditation, the program is able to obtain additional clinical affiliation agreements. In addition, students will have greater success on the licensure exam and obtain valuable diagnostic skills with these additional affiliate partners.

There are two main certification agencies for graduates of these fields. These certifications are offered by Cardiovascular Credentialing International (CCI) and the American Registry for Diagnostic Medical Sonography (ARDMS). CCI offers Registered Cardiac Sonographer

HPOG- Step-Up

South Suburban College has received \$3.2 million dollars for five years through the Administration for Children and Families, U.S. Department of Health & Human Services. The grant, entitled Partnership to STEP-UP in Health Careers (STEP-UP), is a collaborative effort between Proactive Community Services and Metropolitan Family Services-Calumet and Chicago State University being the lead or principal investigator to provide education and training to Temporary Assistance for Needy Families (TANF) recipients and other low-income individuals for high demand health professions of community/public health, health information administration, nursing, and occupational therapy.

The STEP-UP program will provide a “wrap-around” approach of supportive services that addresses social, economic, and academic barriers to ensure participant success and attainment of highest level of education possible. The program is designed to offer eligible residents on Chicago’s South Side and neighboring South Suburbs the following assistance:

- Targeted competencies and training for health professions in high demand with career ladder options.
- Supportive services with educational training services with the intent to reach the highest career trajectory level.
- Clear articulated career pathways from the certificate level through the undergraduate degree level with necessary credentialing.
- Access to internships and employment support to help to overcome obstacles to attaining and maintaining employment.

The HPOG STEP-UP grant spans a period of 5-years and aims to achieve three specific goals: (1) enroll 700 participants in training and education programs, (2) train 486 participants to program completion and (3) place 438 participants in healthcare related employment following degree completion.

COMPLETED PROJECTS

As part of the PBI Grant, two remaining English Labs were renovated. The updated layout is more conducive to collaboration with computers around the room and tables in the center. Students are better able to focus on the lecture portion of class when appropriate. When students are working at the computers, instructors can see what is happening at all stations by glancing around the classroom and can quickly assist where needed.

Using the same model, a math lab was renovated based on the success and positive outcomes with the English labs. The math lab will hold our statistics courses as well as other college-level courses utilizing course software in their curriculum. Going forward it is the intention to also provide open lab time for students to obtain assistance as well as a Rescue Math program for students who need to improve their placement test standing.

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.

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.

Bathroom Renovations - \$1,763,241

The College will be renovating 15 bathrooms this year with total bids accepted in the amount of \$1,763,241. This project will greatly improve the aesthetics and functionality of these bathrooms for our students while making them all ADA compliant.

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 \$4,000,000

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

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.

Painting Exterior Building

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 (pages 4 - 10), which focuses on current activities, accounting changes, and currently known facts.

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

Tests are made by the College's independent auditors to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the College has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2018 provided no instance of material weaknesses in the internal control structure.

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 unqualified.

Awards: The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for School Systems to South Suburban College for its CAFR for the fiscal year ended June 30, 2017. 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 26th 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,



Dr. Lynette D. Stokes
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, 2017.**

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



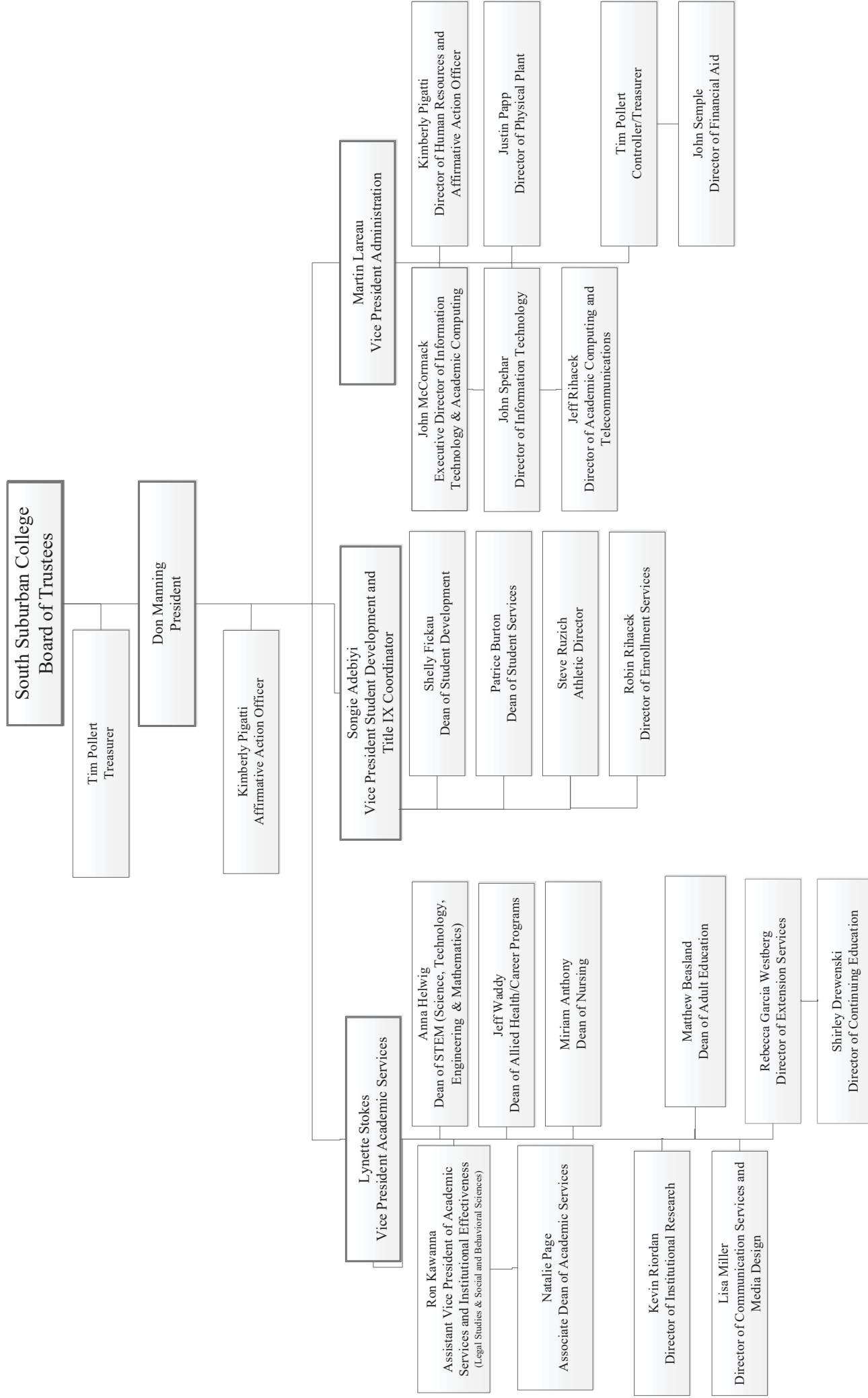
A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

South Suburban College Administrative Organizational Chart 2017 - 2018



PRINCIPAL OFFICIALS

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

Fiscal Year Ended June 30, 2018

BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Frank M. Zuccarelli	Chairman	2023
John Daly	Vice Chair	2021
Anthony DeFilippo	Trustee	2019
Janet Rogers	Trustee	2021
Vivian Payne	Trustee	2019
Terry R. Wells	Trustee	2023
Joseph Whittington, Jr.	Trustee	2023

OFFICERS OF THE COLLEGE

Dr. Lynette Stokes	College President
Tasha Williams	Vice President, Academic Affairs
Martin Lareau	Vice President, Administration
Songie Adebiji	Vice President, Student Development

OFFICIAL ISSUING REPORT

Martin Lareau	Vice President, Administration
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DIVISION ISSUING REPORT

Business and Accounting Office



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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in June 2015 the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 is effective for the College's fiscal year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identified the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about defined benefit OPEB also are addressed. As a result, net position was restated by \$20,361,459 as of July 1, 2017, for the cumulative effect of the application of this pronouncement. Our opinion is not modified with respect to this matter.

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 65 – 71 is required by the Illinois Community College Board and is presented on the regulatory basis of accounting.

The State supplemental reports included on pages 65-71 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

(Continued)

with auditing standards generally accepted in the United States of America. In our opinion, the State supplemental reports included on pages 65-71 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 as listed 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 25, 2018 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.



Crowe LLP

Oak Brook, Illinois
October 25, 2018

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, 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 (GASB) 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, deferred outflows of resources, 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 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, 2018 total assets and deferred outflows of resources reported by the College were \$52,755,417 of which \$15,478,077 represents capital assets net of accumulated depreciation. Total liabilities and deferred inflows of resources were \$65,510,935 of which \$46,539,580 represents long term obligations.
 - The College's net position decreased by \$1,995,358 in fiscal year 2018 from (\$10,760,160) to (\$12,755,518).
 - The College's net position as of July 1, 2017 was restated to account for the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Note 14 for further details. The 2017 information in this analysis as well as the statistical section of the report was not restated.
-

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

- The College's largest asset is its investment in capital assets, including land, land improvements and infrastructure, buildings, and equipment. Capital assets represent 29% of the College's total assets.
- The College's net position consist of capital assets net of related debt, expendable restricted net position and unrestricted net position. Expendable restricted net position represent assets whose use is restricted by a party independent of the College. In this case, \$372,978 is restricted for our debt service fund with \$7,213,941 restricted for working cash purposes as required by Illinois law.
- This is the fifteenth year that the College was required to include the Foundation on its financial statements as a component unit. As of June 30, 2018, the Foundation has \$1,104,206 in assets, \$116,677 in liabilities with net position totaling \$987,529. This represents an increase in total net position of \$27,398 from 2017. Total assets and total liabilities increased \$50,375 and \$22,977, respectively.

	<u>2018</u>	<u>2017</u>
Assets/Deferred outflows:		
Current & other assets	\$ 37,180,557	\$ 35,652,321
Capital assets	15,478,077	17,221,181
Deferred outflows	96,783	-
Total assets	<u>52,755,417</u>	<u>52,873,502</u>
Liabilities/Deferred inflows:		
Other liabilities	8,083,503	7,171,907
Long-term liabilities	46,539,580	27,235,985
Deferred inflows	10,887,852	8,864,311
Total liabilities /deferred inflows	<u>65,510,935</u>	<u>43,272,203</u>
Net position:		
Net investment in capital assets	(2,063,492)	(526,614)
Restricted	7,586,919	7,604,800
Unrestricted	<u>(18,278,945)</u>	<u>2,523,113</u>
Total net position	<u>\$ (12,755,518)</u>	<u>\$ 9,601,299</u>

Financial Statement Summaries

The statement of revenues, expenses, and changes in net position presents the College's results of operations. Operating revenues decreased for fiscal year 2018 to \$3,326,162 from \$4,145,138 in 2017. This decrease was primarily the result of continued enrollment declines which is negatively affecting auxiliary enterprise revenues, specifically with the College bookstore.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

The overall net position of the College decreased from \$9,601,299 in 2017 (previously reported) to (\$12,755,518) in 2018. The College's overall change in total net position are a result of GASB 75 and the change in how post employee retirement benefits other than pensions are to be reflected in the financial statements. The implementation of this standard required a restatement of beginning net position of (\$20,361,459) due to the change in accounting principle. The College has no direct control over this number.

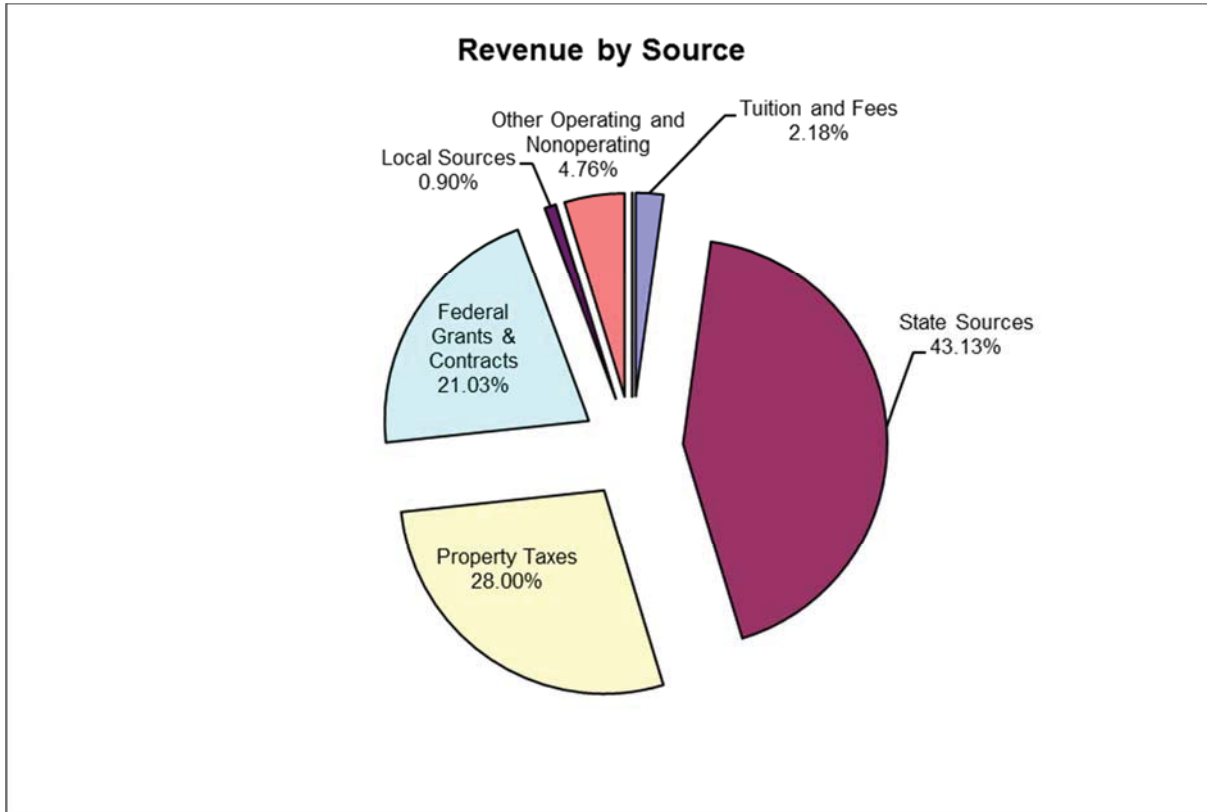
Please refer to the notes to the Basic Financial Statements for more detailed information on Other Post-Employment Benefits.

Revenue:

REVENUES	2018	% OF TOTAL REVENUE	2017	% OF TOTAL REVENUE
Tuition and Fees	\$ 1,211,130	2.18%	\$ 1,873,022	3.75%
State Sources	23,936,063	43.13%	18,912,296	37.82%
Property Taxes	15,541,553	28.00%	15,671,729	31.34%
Federal Grants & Contracts	11,671,607	21.03%	10,453,983	20.90%
Local Sources	499,784	0.90%	607,134	1.21%
Other Operating and Nonoperating	<u>2,642,495</u>	4.76%	<u>2,489,121</u>	4.98%
TOTAL REVENUES	<u>\$ 55,502,632</u>		<u>\$ 50,007,285</u>	

A graphic illustration of each revenue source is as follows:

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018



Total Operating and Non-Operating revenue increased by \$5,495,347 or 11%. State sources showed a noticeable spike to \$23,936,063 compared to \$18,912,296 in 2017. The primary reason was that the State approved \$4,555,707 on July 6, 2017 for its FY17 appropriation for the College. These proceeds were supposed to be applied to the 2017 fiscal year. However, since the date fell into fiscal year 2018, those proceeds were then realized in 2018. An additional \$1,128,958 of on-behalf revenue for the State's contribution to the Other Post Employment Health Benefits Plan (OPEB) was recognized in FY18, which was new under the provisions of GASB Statement 75.

Federal sources improved to \$11,671,607 from a 2017 balance of \$10,453,983. The prime reason for the increase was grant proceeds from the prior year that were part of the State appropriation that recognized in FY18.

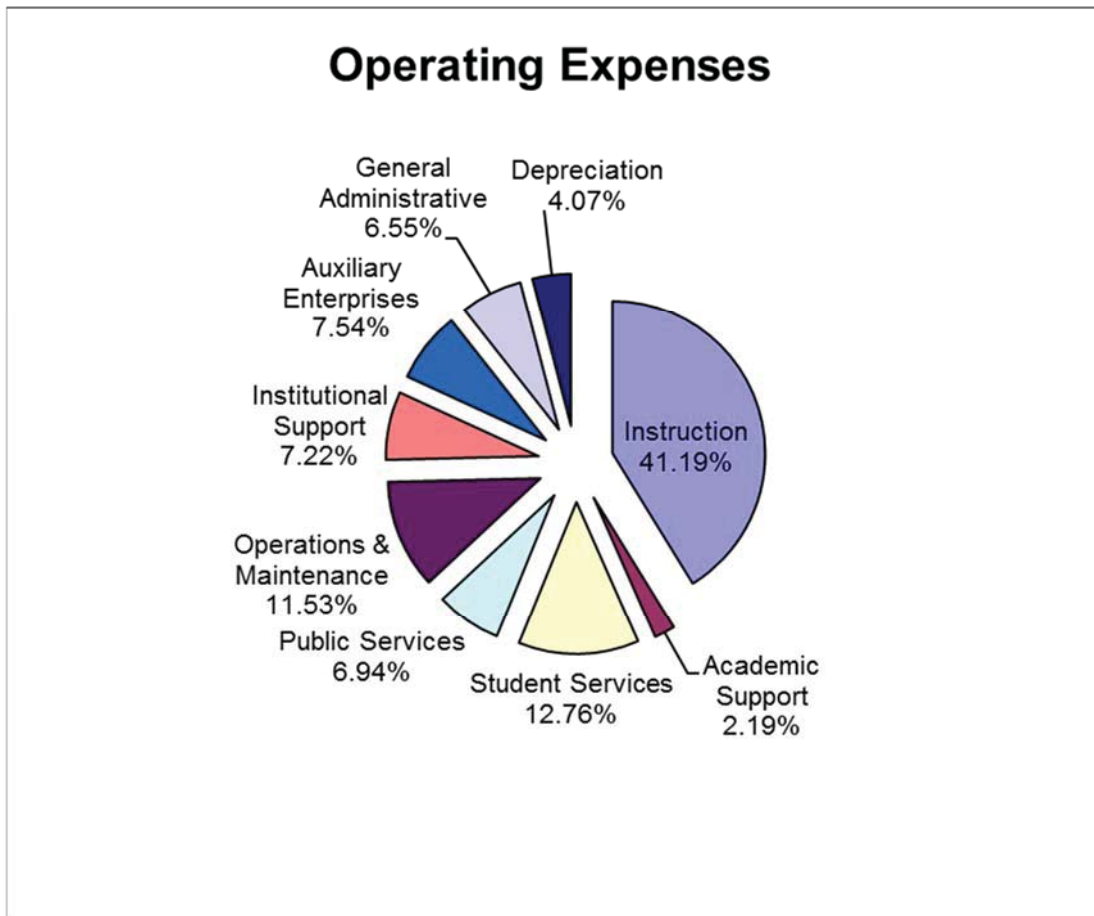
Expenses:

Total operating expenses for the year are \$56,188,989 which is an increase of \$1,925,737 from 2017 or 3.5%. A breakdown and categorical comparison is as follows:

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING EXPENSES	2018	% OF TOTAL EXPENSES	2017	% OF TOTAL EXPENSES
Instruction	\$ 23,145,201	41.19%	\$ 21,783,974	40.14%
Academic Support	1,232,316	2.19%	1,179,924	2.17%
Student Services	7,169,781	12.76%	7,753,717	14.29%
Public Services	3,897,307	6.94%	3,489,848	6.43%
Operations & Maintenance	6,478,200	11.53%	5,814,228	10.71%
Institutional Support	4,059,439	7.22%	4,874,981	8.98%
Auxiliary Enterprises	4,237,146	7.54%	4,069,967	7.50%
General Administrative	3,681,079	6.55%	2,757,986	5.08%
Depreciation	2,288,520	4.07%	2,538,627	4.68%
TOTAL EXPENSES	<u>\$ 56,188,989</u>		<u>\$ 54,263,252</u>	

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



The primary message throughout the expenditure side of the equation remains controlling expenditures. If OPEB on-behalf payments are backed out as well as the OPEB expense now

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

required by GASB 75 of \$1,702,977 to account for the changes in the net OPEB liability and deferred inflows/outflows now required to be presented, operating expenditures would be \$53,357,054, which is less than in 2017. 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 \$1,361,227 increase in instructional costs. Total employees decreased again this year down to 411. That is 56 fewer than 2017 and 207 less employees than just five years ago. This reduction in force is across all spectrums and primarily the result of the Board approved slow fill policy for retiring employees.

Debt:

The College issued \$9.97 million general obligation debt with a long-term rating of A+ with a stable outlook in 2017. 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 \$67,577,909 (not adjusted for inflation) in capital assets, including buildings, vehicles, equipment, land and land improvements as of June 30, 2018. Net of accumulated depreciation, the College's net capital assets at June 30, 2018 were \$15,478,077. This amount represents a net decrease of \$1,743,104 over the June 30, 2017 balance of \$17,221,181. 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 from the previous year as a result of continued declining enrollment. The College is trying to mitigate this trend without cutting services to our students or programs.

The College's bottom line continues to take a hit which is reflected in the overall decline fund balance. 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. By not filling or slow filling non-critical positions, the College was able to operate with 56 fewer employees. The College remains resilient during these tough economic times and would expect that trend to continue into the future.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Economic Factors:

The overall negative financial position of the State of Illinois has had a trickledown effect that appears to continue into the foreseeable future. The College now has to include on the financial statements post-employment benefits that should be funded by the State (in a similar manner that pensions currently are). However, with the State of Illinois crippled with pension debt, it is inevitable that a portion of the State's pension liability will be passed along to the local community colleges at some point in time.

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, 2018

STATEMENT 1

	<u>Primary Institution</u>	<u>Component Unit Foundation</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,667,941	\$ 16,213
Short-term investments	15,635,340	2,963
Taxes receivable, net	9,478,660	-
Other receivables, net	4,703,362	-
Inventories	347,569	-
Total current assets	31,832,872	19,176
Noncurrent assets:		
Investments	5,347,685	1,085,030
Capital assets, not being depreciated	1,460,632	-
Capital assets, net of accumulated depreciation	14,017,445	-
Total noncurrent assets	20,825,762	1,085,030
Total assets	52,658,634	1,104,206
DEFERRED OUTFLOWS OF RESOURCES		
OPEB	96,783	-
Total deferred outflows of resources	96,783	-
LIABILITIES		
Current liabilities:		
Accounts payable	1,714,913	116,677
Accrued payroll	489,591	-
Unearned tuition revenue	2,214,157	-
Unearned rental revenue	999,167	-
Current portion of bonds payable	2,110,000	-
Current portion of compensated absences	65,077	-
Current portion of capital lease	43,883	-
Current portion of other long-term liabilities	446,715	-
Total current liabilities	8,083,503	116,677
Noncurrent liabilities:		
Bonds payable	24,451,288	-
Compensated absences	958,745	-
Net OPEB liability	20,163,500	-
Other long-term liabilities	966,047	-
Total noncurrent liabilities	46,539,580	-
Total liabilities	54,623,083	116,677
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue	8,872,133	-
OPEB	2,015,719	-
Total deferred inflows of resources	10,887,852	-
NET POSITION		
Net investment in capital assets	(2,063,492)	-
Restricted for:		
Expendable:		
Scholarships	-	453,124
Working cash	7,213,941	-
Debt service	372,978	-
Non-expendable:		
Scholarships	-	496,545
Unrestricted	(18,278,945)	37,860
Total net position	\$ (12,755,518)	\$ 987,529

The accompanying notes are an integral part of this statement.

11.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2018

	<u>Primary Institution</u>	<u>Component Unit Foundation</u>
REVENUES		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$10,910,866)	\$ 1,211,130	\$ -
Auxiliary enterprise revenue	2,115,032	-
Donations and contributions	-	182,847
Fund raising	-	82,872
Total operating revenues	<u>3,326,162</u>	<u>265,719</u>
EXPENSES		
Operating expenses:		
Instruction	23,145,201	-
Academic support	1,232,316	144,543
Student services	7,169,781	-
Public services	3,897,307	-
Operations and maintenance	6,478,200	-
Institutional support	4,059,439	-
Auxiliary enterprises	4,237,146	-
General administrative	3,681,079	130,279
Fund raising	-	49,288
Depreciation	2,288,520	-
Total operating expenses	<u>56,188,989</u>	<u>324,110</u>
Operating income (loss)	<u>(52,862,827)</u>	<u>(58,391)</u>
NON-OPERATING REVENUES (EXPENSES)		
State sources	23,936,063	-
Property taxes	15,541,553	-
Federal grants and contracts	11,671,607	-
Local sources	499,784	-
Investment income	223,750	85,789
Interest on capital asset related debt	(1,309,001)	-
Other nonoperating revenues	303,713	-
Net non-operating revenues	<u>50,867,469</u>	<u>85,789</u>
Increase (decrease) in net position	(1,995,358)	27,398
NET POSITION		
Net position - beginning of year, as restated	<u>(10,760,160)</u>	<u>960,131</u>
Net position - end of year	<u>\$ (12,755,518)</u>	<u>\$ 987,529</u>

SOUTH SUBURBAN COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510
STATEMENT OF CASH FLOWS
Year Ended June 30, 2018

	<u>Primary Institution</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 1,169,519
Auxiliary enterprises	2,215,334
Payments to:	
Employees	(26,788,018)
Suppliers	(10,881,858)
Net cash used from operating activities	<u>(34,285,023)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	8,949,642
Property taxes	15,689,249
Other local sources	1,802,664
Federal grants & contracts	11,671,607
Net cash provided by noncapital financing activities	<u>38,113,162</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets and construction	(545,416)
Principal paid on capital debt and leases	(2,151,623)
Net cash used from capital financing activities	<u>(2,697,039)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	223,750
Purchases of investments	(997,278)
Net cash used from investing activities	<u>(773,528)</u>
NET INCREASE IN CASH	357,572
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,310,369</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,667,941</u>
RECONCILIATION OF NET OPERATING REVENUES/(EXPENSES) TO NET CASH USED FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ (52,862,827)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,288,520
State payment for retirement obligation	12,947,985
OPEB expense	3,345,851
Changes in assets and liabilities:	
Inventories and other assets	100,302
Accounts payable	117,459
Accrued salaries and wages	(180,702)
Unearned tuition revenue	(41,611)
Net cash used from operating activities	<u>\$ (34,285,023)</u>
NONCASH TRANSACTIONS	
OPERATING ACTIVITIES	
State university retirement revenue	\$ 12,947,985
State university retirement expense	(12,947,985)
Community college health insurance security fund revenue	1,624,874
Community college health insurance security fund expense	(1,624,874)
CAPITAL FINANCING ACTIVITIES	
Accretion of interest added to capital debt	\$ 1,309,001

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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, 2018

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 2018 was \$2,288,520 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 2017 were allocated 50% to fiscal year 2018. 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, 2018

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 \$1,023,822 in accrued vacations payable on an accrual basis at the year end. Of this amount \$65,077 was determined to be a current liability and the balance of \$958,745 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, 2018, 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 statement of net position and revenue is recognized.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents 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 two types of items which arises only under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, the first 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. The second item is for OPEB and include differences between expected and actual experience and changes in OPEB assumptions and are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan, determined as of the beginning of the measurement period and differences between projected and actual earnings on OPEB plan investments.

Deferred Outflows of Resources: In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represent an disposition of net position that applies to a future period (s) and so will *not* be recognized as an outflow of resources (expense) until that time. The College has one item which only arises under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, for OPEB, deferred outflows of resources include (1) changes in proportion and differences between College contributions and proportionate share of contributions are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan, determined as of the beginning of the measurement period (2) College contributions subsequent to the measurement date which are recognized in the subsequent period.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System 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.

OPEB: For purposes of measuring the College's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Illinois Department of Central Management Services Community College Health Insurance Security Fund ("CCHISF") and additions to/deductions from the CCHISF Plan's fiduciary net position have been determined on the same basis as they are reported by the CCHISF Plan. For this purpose, the CCHISF Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - BUDGET AND BUDGETARY ACCOUNTING (Continued)

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 \$1,667,941 for the College and \$16,213 for the Foundation at June 30, 2018. The bank balances were \$1,801,874 and \$75,853, 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, 2018. All Foundation account balances at banks were insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 at June 30, 2018. 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, 2018. In accordance with College policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 110% of the funds on deposit. All investment collateral is held in safekeeping in the College's name by financial institutions acting as the College's agent. Collateral is priced to market monthly and monitored regularly with additional collateral requested as necessary.

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

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

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

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

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The following schedule reports the values and maturities (using the segmented time distribution method) for the College's investments at June 30, 2018.

<u>Investment Type</u>	<u>Investment Maturities</u>				
	<u>Reported Value</u>	<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Five to Ten Years</u>	<u>Greater than Ten Years</u>
U.S. Agencies	\$ 4,060,252	\$ 1,248,200	\$ 1,415,059	\$ 1,396,993	\$ -
Municipal Bonds	794,696	75,063	719,633	-	-
Total	<u>4,854,948</u>	<u>\$ 1,323,263</u>	<u>\$ 2,134,692</u>	<u>\$ 1,396,993</u>	<u>\$ -</u>
Investments Not Sensitive to Interest Rate Risk:					
Illinois Funds	589,483				
Money Market Funds	<u>8,108,595</u>				
Total Investments	<u>\$13,553,025</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, 2018 (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).

<u>Investment Type</u>	<u>Reported Value</u>
Money Market Mutual Fund	\$ 2,963
Total current investments	<u>2,963</u>
Mutual Funds International Equity	216,305
Mutual Funds Domestic Equity	460,446
Mutual Funds Fixed Income	<u>408,279</u>
Total noncurrent investments	<u>1,085,030</u>
Total	<u>\$ 1,087,993</u>

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

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

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Credit ratings for the College's investments in debt securities and the Illinois Funds as described by Standard & Poor's at June 30, 2018 are as follows:

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Amount</u>	<u>% of Total Investments</u>
State Treasurer – Illinois Funds	AAAm	\$ 589,483	4.35%
FHLB's	AA+	1,725,268	12.73%
FFCB's	AA+	1,341,157	9.90%
FNMA's	AA+	993,827	7.33%
Municipal Bonds	AA	794,696	5.86%
Investments not subject to credit risk	N/A	<u>8,108,595</u>	59.83%
Total investments		<u>\$13,553,025</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, 2018.

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 42.32%, 19.88% and 37.53%, respectively of the total investments at year-end.

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, 2018 using a matrix pricing model:

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level				
Debt securities				
Federal Home Loan Bank Note	\$ 1,725,268	\$ -	\$ 1,725,268	\$ -
Federal National Mortgage Association Note	993,827	-	993,827	-
Federal Farm Credit Bank Note	1,341,157	-	1,341,157	-
Local Government Municipal Bonds	794,696	-	794,696	-
US Treasury FRN	499,911	-	499,911	-
Total debt securities	<u>5,354,859</u>	<u>-</u>	<u>5,354,859</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 5,354,859</u>	<u>\$ -</u>	<u>\$ 5,354,859</u>	<u>\$ -</u>

Reconciliation of footnote to Statement 1:

College

Per Footnote:

Total Certificates of Deposit	\$ 7,430,000
Total Investments	<u>13,553,025</u>
Total per Footnote	<u>\$ 20,983,025</u>

Per Financial Statements:

Short-Term Investments	\$ 15,635,340
Long-Term Investments	<u>5,347,685</u>
Total per Statement 1	<u>\$ 20,983,025</u>

Foundation

Per Footnote:

Total Investments	<u>\$ 1,087,993</u>
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Per Financial Statements:

Short-Term Investments	\$ 2,963
Long-Term Investments	<u>1,085,030</u>
Total Investments per Statement 1	<u>\$ 1,087,993</u>

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 - LONG-TERM DEBT

A summary of general long-term debt transactions for the year ended June 30, 2018 are as follows:

	Restated Balance <u>July 1, 2017</u>	<u>Issuances</u>	<u>Retirements</u>	Balance <u>June 30, 2018</u>	Current <u>Portion</u>
General obligation bonds	\$ 27,362,287	\$ 1,309,001	\$ 2,110,000	\$ 26,561,288	\$ 2,110,000
Capital lease payable	85,506	-	41,623	43,883	43,883
Early retirement benefits (Note 10)	1,608,509	307,515	503,262	1,412,762	446,715
Accrued vacations payable (Note 1)	983,683	115,415	75,276	1,023,822	65,077
Net OPEB liability (Note 5)	<u>20,457,384</u>	<u>-</u>	<u>293,994</u>	<u>20,163,500</u>	<u>-</u>
Total general long-term debt	<u>\$ 50,497,369</u>	<u>\$ 1,731,931</u>	<u>\$ 3,024,045</u>	<u>\$ 49,205,255</u>	<u>\$ 2,665,675</u>

* This amount represents the 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, 2018 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>
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>8,465,000</u>	<u>\$ 649,178</u>
Accreted Value at June 30, 2018		<u>\$ 7,815,822</u>	

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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>
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>\$ 3,445,844</u>
Accreted Value at June 30, 2018		<u>\$ 8,149,156</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, 2018

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>
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	78,289
2036	5.02	<u>1,635,000</u>	<u>-</u>
Total		<u>20,005,000</u>	<u>\$ 9,408,690</u>
Accreted Value at June 30, 2018		<u>\$ 10,596,310</u>	

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

<u>Fiscal Year</u>	<u>Principal</u>
2019	\$ 2,110,000
2020	2,110,000
2021	2,110,000
2022	2,135,000
2023	2,085,000
2024-2028	10,870,000
2029-2033	12,150,000
2034-2037	<u>6,495,000</u>
Total	<u>\$ 40,065,000</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, 2018, the equalized assessed valuation of the College is \$2,997,805,050 and the legal debt margin is \$258,560,686. The College is in compliance with this requirement.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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, 2018, the College has completed its 2017 filing and is in compliance.

Leases:

Capital Lease – The College leases copying machines with a historical cost and accumulated depreciation of \$197,946 and \$158,356, respectively, under capital lease arrangements for the year ended June 30, 2018.

Future minimum lease payments at June 30, 2018 are as follows:

	<u>Year ended June 30</u>	<u>Amount</u>
2019		\$ <u>45,153</u>
Total minimum lease payments		45,153
Less amounts representing interest		<u>1,270</u>
Present value of minimum lease payments		<u>\$ 43,883</u>

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT

Plan Description: The State of Illinois Department of Central Management Services Community Health Insurance Security Fund (“CCHISF”) is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CCHISF is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the state of Illinois, excluding the City Colleges of Chicago. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to CCHISF were transferred to the Department of Central Management Services as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. All members receiving benefits from the State Universities Retirement System (“SURS”) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CCHISF contributions prior to retirement are eligible to participate in CCHISF. Survivors of an annuitant or benefit recipient eligible for CCHISF coverage are also eligible for coverage under CCHISF. CCHISF issues a publicly available report that can be obtained at <https://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/CMS/CCHISP/FY17-CMS-CCHISF-Fin-Full.pdf>.

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

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT (Continued)

Contributions: The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees.

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF. The College and the State each contributed to the OPEB plan \$96,783 for the year ended June 30, 2018, respectively.

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

At June 30, 2018, the College reported a liability of \$20,163,500 for its proportionate share of the collective net OPEB liability.

College's proportionate share of the collective net OPEB liability	\$ 20,163,500
State's proportionate share that is associated with the College	<u>19,927,029</u>
Total	<u>\$ 40,090,529</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The College's proportion of the collective net OPEB liability was based on the College's fiscal year 2017 contributions to the OPEB plan relative to the fiscal year 2017 contributions of all participating Colleges. At June 30, 2017, the College's proportion was 1.105670 percent, which was a decrease of 0.018391 percent from its proportion measured as of June 30, 2016 (1.124061 percent).

For the year ended June 30, 2018, the College recognized OPEB expense of \$3,345,851. The College's proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the College's financial statements. The basis of allocation used is the actual OPEB expense for contributing entities. As a result, the College recognized on-behalf revenue and OPEB expense of \$1,624,874.

See Note 14 for the adjustment of the College's beginning net position for the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT (Continued)

At June 30, 2018, the College reported deferred outflows and inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 57,067
Changes in assumptions	-	1,679,603
Net difference between projected and actual earnings on plan investments	-	212
Changes in proportionate and differences between College contributions and proportionate share for contributions	-	278,837
College contributions subsequent to the measurement date	96,783	-
Total	\$ 96,783	\$ 2,015,719

Of the total amount reported as deferred outflows of resources related to OPEB, \$96,783 resulting from College contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year ended June 30,	
2019	\$ (403,154)
2020	(403,154)
2021	(403,154)
2022	(403,154)
2023	(403,103)
Total	\$ (2,015,719)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Sale MP-2014.

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 to June 30, 2014.

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

Discount Rate: Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CCHISF is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017, an increase of 0.71%.

During the Plan year ending June 30, 2017, the trust earned \$24,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2017, is a negative \$51 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Sensitivity of the College's proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate: The following presents the College's proportionate share of the collective net OPEB liability, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	Discount Rate		
	1% Decrease	3.56%	1% Increase
College's proportionate share of the collective net OPEB liability	\$ 23,060,214	\$ 20,163,500	\$ 17,666,153

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - OTHER POST-EMPLOYMENT BENEFIT (Continued)

Sensitivity of the College's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the College's proportionate share of the collective net OPEB liability, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trends Rates Assumption	1% Increase (b)
College's proportionate share of the collective net OPEB liability	\$ 16,727,667	\$ 20,163,500	\$ 25,135,555

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare

(b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CCHISF financial report.

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 8 - RECEIVABLES

Accounts receivable and allowance for uncollectible accounts as of June 30, 2018 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
Taxes receivable:			
Property taxes	\$ 9,920,885	\$ 540,781	\$ 9,380,104
Personal property replacement taxes	<u>98,556</u>	<u>-</u>	<u>98,556</u>
Total	<u>\$ 10,019,441</u>	<u>\$ 540,781</u>	<u>\$ 9,478,660</u>
Other receivables:			
Student tuition and fees	\$ 6,986,073	\$ 3,993,485	\$ 2,992,588
Federal, state and private grants and contracts	<u>1,710,774</u>	<u>-</u>	<u>1,710,774</u>
Total	<u>\$ 8,696,847</u>	<u>\$ 3,993,485</u>	<u>\$ 4,703,362</u>

NOTE 9 - CAPITAL ASSETS

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

	Balance Beginning of Year <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance End of Year <u>June 30, 2018</u>
<u>Primary Institution:</u>				
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	47,691,197	342,841	-	48,034,038
Equipment and vehicles	12,354,669	147,235	-	12,501,904
Land improvements and infrastructure	<u>5,525,995</u>	<u>55,340</u>	<u>-</u>	<u>5,581,335</u>
Total capital assets being depreciated	<u>65,571,861</u>	<u>545,416</u>	<u>-</u>	<u>66,117,277</u>
Less accumulated depreciation:				
Buildings and improvements	(34,169,134)	(1,602,413)		(35,771,547)
Equipment and vehicles	(11,199,293)	(508,447)		(11,707,740)
Land improvements and infrastructure	<u>(4,442,885)</u>	<u>(177,660)</u>	<u>-</u>	<u>(4,620,545)</u>
Total accumulated depreciation	<u>(49,811,312)</u>	<u>(2,288,520)</u>	<u>-</u>	<u>(52,099,832)</u>
Total capital assets being depreciated, net	<u>15,760,549</u>	<u>(1,743,104)</u>	<u>-</u>	<u>14,017,445</u>
Total capital assets, net	<u>\$ 17,221,181</u>	<u>\$ (1,743,104)</u>	<u>\$ -</u>	<u>\$ 15,478,077</u>

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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. 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, 2017 (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 2017 and 2018 respectively, was 12.53% and 12.46% 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, 2017, SURS reported a net pension liability (NPL) of \$25,481,105,995.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

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, as the State of Illinois has ownership of the liability per statute. The proportionate share of the State's net pension liability associated with the College is \$135,712,371 or 0.5326%. This amount is not recognized in the financial statements. The net pension liability was measured as of June 30, 2017, and the total pension used to calculate the net pension liability was determined based on the June 30, 2016 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 2017.

Pension Expense: At June 30, 2017 SURS reported a collective net pension expense of \$2,412,918,129.

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 2017. As a result, the College recognized on-behalf revenue and pension expense of \$12,947,985 for the fiscal year ended June 30, 2018.

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	\$ 139,193,227	\$ 1,170,771	
Change in assumption	205,004,315	259,657,577	
Net difference between projected and actual earnings on pension plan investments	<u>94,620,827</u>	<u>-</u>	
	<u>\$ 438,818,369</u>	<u>\$ 260,828,348</u>	

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

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

Year Ending June 30	Net Deferred Outflow of Resources
2018	\$ 55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
2022	-
Thereafter	-
	\$ 177,990,021

Employer Deferral of Fiscal Year 2018 Pension Expense

The College paid \$93,597 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability date of June 30, 2017 and but due to their immaterial nature are not recognized as Deferred Outflows of Resources as of June 30, 2018.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2017 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, 2017 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.

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, 2017, these best estimates are summarized in the following table:

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	1%	6.71%
Total	100%	5.20%
Inflation		2.75%
Expected Arithmetic Return		7.95%

Discount Rate: A single discount rate of 7.090%, which is an increase of 0.080% from the prior year rate of return of 7.010%, 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 7.25% and a municipal bond rate of 3.56% (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 7.090%, 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:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.09%	7.09%	8.09%
\$30,885,146,279	\$ 25,481,105,995	\$20,997,457,586

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 - RETIREMENT COMMITMENTS (Continued)

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, 2018, the College was contractually obligated to pay \$1,412,762 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, 2018, the College's share of the abatement granted to the Class 6b properties was approximately \$348,496.

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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 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.

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. 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 June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. 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.

(Continued)

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 13 –STATE OF ILLINOIS REVENUE RECOGNITION

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 recognized 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 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	\$ 4,555,707

NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLE

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. A specific change to the College’s financial statements relates to the recognition of the College’s OPEB Liabilities and related Deferred Inflows of Resources and Deferred Outflows of Resources with a net value of \$20,361,459 that was not previously reported on the financial statements. Due to the requirements of GASB 75, these amounts are now required to be included on the College’s financial statements and thus were added to the financial statements as an adjustment to net position. A reconciliation for net position from the 2017 financial statements to beginning net position as reported on the 2018 financial statements is as follows.

Previously reported net position as of June 30, 2017	\$ 9,601,299
Net position restatements from State of Illinois CCHISF Plan	
Deferred outflow of resources - contributions made after measurement date	95,925
Net OPEB liability beginning of year	(20,457,384)
Net position as of July 1, 2017 as restated	\$ (10,760,160)

See Note 5 for more information.

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, 2018	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%	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	135,712,371	144,263,404	130,236,758	123,143,553
Total b) + c)	<u>\$ 135,712,371</u>	<u>\$ 144,263,404</u>	<u>\$ 130,236,758</u>	<u>\$ 123,143,553</u>
Employer Covered Payroll	\$ 22,979,318	\$ 24,253,570	\$ 24,348,996	\$ 20,572,165
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	590.58%	594.81%	534.88%	598.59%
SURS Plan Net Position as a Percentage of Total Pension Liability	42.04%	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, 2018	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	\$ 93,597	\$ 77,357	\$ 55,301	\$ 69,473
Contribution in Relation to Required Contribution	93,597	77,357	55,301	69,473
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Employer Covered Payroll	\$ 751,179	\$ 617,374	\$ 435,784	\$ 583,317
Contributions as a Percentage of Covered Payroll	12.46%	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.

See notes to required supplementary information.

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, 2017.

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
REQUIRED SUPPLEMENTARY INFORMATION
CCHISF
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Fiscal Year
(UNAUDITED)

	Year Ended June 30, 2018	Year Ended June 30, 2017
Community College Health Insurance Security Fund		
Employer's Proportion Percentage of the Collective Net OPEB Liability	1.1057%	1.1241%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$ 20,163,500	\$ 20,457,384
State's Proportion Amount of the Collective Net OPEB Liability	<u>19,927,029</u>	<u>21,359,100</u>
Total Net OPEB Liability	<u>\$ 40,090,529</u>	<u>\$ 41,816,484</u>
Employer Covered Payroll	\$ 19,356,337	\$ 19,184,864
Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	104.17%	106.63%
CCHISF Plan Net Position as a Percentage of Total OPEB Liability	-2.87%	N/A
Employer's Fiduciary's Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%

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

Note: The College implemented GASB No. 75 in fiscal year 2018. 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
CCHISF
SCHEDULE OF COLLEGE CONTRIBUTIONS
Last Fiscal Year
(UNAUDITED)

	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
Community College Health Insurance Security Fund			
Statutorily Required Contribution	\$ 96,783	\$ 95,925	\$ 101,876
Contribution in Relation to Required Contribution	96,783	95,925	101,876
Contribution Deficiency (Excess)	-	-	-
Employer Covered Payroll	\$ 19,356,337	\$ 19,184,864	\$ 20,375,207
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%

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

See notes to required supplementary information.

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

Changes of benefit terms: There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2017.

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.

- The discount rate was changed from 4.50 percent to 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017
 - The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2016, projected plan cost for plan year end June 30, 2017, premium changes through plan year end 2018, and expectation of future trend increases after June 30, 2017
 - The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2017
 - Per capita claim costs for plan year end June 30, 2017, were updated based on projected claims and enrollment experience through June 30, 2017, and updated premium rates through plan year 2018
 - The morbidity factors, used to adjust per capita claim cost by age and gender, were updated
 - Healthcare plan participation rates by plan were updated based on observed experience
-

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510

DETAIL OF EXPENSES BY FUNCTION AND OBJECT (UNAUDITED)

Year Ended June 30, 2018

	Salaries	Benefits	Services	Supplies	Utilities	Other	Totals
Instruction	\$ 11,350,539	\$ 9,941,851	\$ 888,135	\$ 584,380	-	\$ 380,296	\$ 23,145,201
Academic support	585,169	552,703	-	94,318	-	126	1,232,316
Student services	2,835,381	2,743,641	118,180	409,538	-	1,063,041	7,169,781
Public services	1,290,731	1,377,935	236,483	822,669	123,837	45,652	3,897,307
Operations and maintenance of plant	2,241,274	2,215,705	123,212	1,069,069	822,690	6,250	6,478,200
Institutional support	605,596	1,904,607	844,947	253,993	-	450,296	4,059,439
Auxiliary enterprises	1,187,662	1,117,836	472,365	1,350,172	-	109,111	4,237,146
General administrative	1,554,646	1,395,876	185,697	404,597	-	140,263	3,681,079
Depreciation	-	-	-	-	-	2,288,520	2,288,520
Totals	\$ 21,650,998	\$ 21,250,154	\$ 2,869,019	\$ 4,988,736	\$ 946,527	\$ 4,483,555	\$ 56,188,989

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES (UNAUDITED)

Year Ended June 30, 2018

Salaries	\$ -
Employee benefits	415,995
Material and supplies	139,228
Contractual services	98,791
Fixed charges	<u>499,894</u>
 Total tort immunity purposes expenditures	 <u>\$ 1,153,908</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 2017 as levied by Cook County is \$1,381,807. 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.



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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Position:										
Net investment in capital assets	\$ (2,063,492)	\$ (526,614)	\$ 688,359	\$ 295,418	\$ 720,344	\$ 1,177,077	\$ (587,644)	\$ (1,842,240)	\$ (1,251,706)	\$ (1,032,383)
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	372,978	390,859	471,847	244,329	107,503	3,693,739	3,244,600	2,738,055	2,754,498	2,717,185
Unrestricted	(18,278,945)	2,523,113	6,792,209	12,697,341	12,621,696	11,929,908	11,571,533	10,092,845	8,028,165	9,268,010
Total net position	\$ (12,765,518)	\$ 9,601,299	\$ 15,166,356	\$ 20,451,029	\$ 20,663,484	\$ 24,014,665	\$ 21,442,430	\$ 18,202,601	\$ 16,744,898	\$ 18,166,753

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. Net position for 2018 was restated due to the implementation of GASB Statement No. 75, which caused a change in accounting policy reporting OPEB activity of \$20,361,459

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OPERATING REVENUES										
Student tuition and fees net of scholarship allowances	\$ 1,211,130	\$ 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
Auxiliary enterprises revenue	2,115,032	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
Other operating revenue	3,326,162	4,145,138	4,154,179	4,621,741	4,776,755	7,885,340	30,846	46,723	100	340
Total operating revenues	6,652,324	8,290,276	8,308,358	9,243,482	9,553,510	15,770,680	13,204,116	10,705,144	10,781,419	7,698,543
OPERATING EXPENSES										
Instruction	23,145,201	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
Academic support	1,232,316	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
Public services	7,169,761	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
Operation and maintenance	3,897,307	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
Institutional support	6,478,200	5,814,228	5,201,235	5,551,627	4,781,339	4,242,294	4,422,403	4,362,205	4,533,753	4,590,001
Depreciation	4,059,439	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
General administrative	2,288,520	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
Auxiliary enterprises	3,681,079	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
	4,237,146	4,069,967	3,761,642	3,943,902	4,097,675	4,621,667	4,914,156	5,287,989	4,802,941	3,749,767
Total operating expenses	56,188,969	54,263,252	52,195,546	52,466,124	54,442,695	54,786,006	59,547,652	58,495,535	57,400,417	48,879,833
Operating income (loss)	(52,862,827)	(50,118,114)	(48,041,367)	(47,844,383)	(49,665,940)	(46,900,666)	(46,343,536)	(47,790,391)	(46,618,998)	(41,181,390)
NON-OPERATING REVENUES (EXPENSES)										
Local property taxes	15,541,553	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
State appropriations	23,936,063	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
Federal grants and contracts	11,671,607	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
Other local sources	499,784	607,134	549,710	695,278	570,292	544,167	544,892	582,942	488,054	53,412
Investment income	223,750	38,609	381,189	193,271	162,145	103,043	130,891	123,925	170,325	738,055
Interest on capital asset-related debt	(1,309,001)	(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)
Other non-operating revenues	303,713	178,396	208,921	214,108	191,168	302,471	169,412	230,512	273,991	212,474
Net non-operating revenues (expenses)	50,867,469	44,553,057	42,756,694	47,631,928	46,314,759	49,472,901	49,754,481	49,248,094	45,197,143	40,403,394
CHANGE IN NET POSITION	\$ (1,995,358)	\$ (5,565,057)	\$ (5,284,673)	\$ (212,455)	\$ (3,351,181)	\$ 2,572,235	\$ 3,410,945	\$ 1,457,703	\$ (1,421,855)	\$ (777,996)

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>	Total Taxable Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>	Estimated Actual Assessed <u>Value</u>	Taxable Assessed Value vs Estimated Actual Assessed <u>Value</u>
2017	\$ 2,997,805,050	\$ 0.5774	\$ 9,084,257,727	33%
2016	2,985,543,407	0.6068	9,047,101,233	33%
2015	2,974,237,204	0.6202	9,012,840,012	33%
2014	3,109,474,542	0.5990	9,422,650,127	33%
2013	3,336,752,258	0.5590	10,111,370,479	33%
2012	3,681,325,985	0.5105	11,155,533,288	33%
2011	4,519,956,088	0.4497	13,696,836,630	33%
2010	4,569,947,896	0.3658	13,848,326,958	33%
2009	4,558,628,650	0.3473	13,814,026,212	33%
2008	4,167,399,431	0.3456	12,628,483,124	33%

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed valuation (000's)	\$ 2,997,805	\$ 2,965,543	\$ 2,974,237	\$ 3,109,475	\$ 3,336,762	\$ 3,661,326	\$ 4,519,956	\$ 4,569,948	\$ 4,558,629	\$ 4,167,399
Tax rates:										
Education	\$ 0.3684	\$ 0.3874	\$ 0.3957	\$ 0.3786	\$ 0.3778	\$ 0.3411	\$ 0.3043	\$ 0.2388	\$ 0.2136	\$ 0.1997
Operations and Maintenance	0.0935	0.0970	0.1000	0.1000	0.1000	0.0950	0.0817	0.0557	0.0507	0.0474
Bond and Interest Fund	0.0691	0.0742	0.0766	0.0754	0.0716	0.0665	0.0603	0.0491	0.0487	0.0491
Audit Fund	0.0033	0.0034	0.0038	0.0036	0.0036	0.0033	0.0029	0.0024	0.0022	0.0021
Protection, Health and Safety Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0073	0.0091
Liability, Protection Settlement Fund	0.0431	0.0448	0.0441	0.0414	0.0060	0.0046	0.0005	0.0131	0.0248	0.0382
	<u>\$ 0.5774</u>	<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>
Tax extensions:										
Education	\$ 11,815,213	\$ 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
Operations and Maintenance	2,997,805	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
Bond and Interest Fund	2,215,500	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
Audit Fund	105,029	101,970	109,273	106,090	112,213	108,945	105,772	106,204	102,485	95,375
Protection, Health and Safety Fund	-	-	-	-	-	-	-	301,790	332,690	412,000
Liability, Protection Settlement Fund	1,381,807	1,338,882	1,275,648	1,215,400	185,400	154,500	17,871	593,043	956,408	1,723,157
	<u>\$ 18,515,354</u>	<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>
Fiscal year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tax collections:										
Levy Year	\$ 8,364,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	8,309,043	8,208,796	-	-	-	-	-	-	-	-
2015	(146,659)	8,440,540	7,603,675	-	-	-	-	-	-	-
2014	(179,724)	104,316	8,917,359	7,712,188	-	-	-	-	-	-
2013	(215,706)	(167,879)	319,417	8,125,544	7,705,836	-	-	-	-	-
2012	(146,721)	(127,923)	(96,515)	366,763	7,817,860	7,661,734	-	-	-	-
2011	(66,028)	(104,496)	(60,534)	-	7,678,527	-	7,547,888	-	-	-
2010	(29,052)	(56,768)	(34,274)	-	-	-	7,693,900	7,215,569	-	-
2009	(16,681)	(15,725)	(30,472)	-	-	-	-	7,684,255	7,204,889	-
2008	(3,457)	1,566	(6,903)	-	-	-	-	-	8,094,282	6,290,796
2007	(22,948)	2,275	(2,472)	-	-	-	-	-	-	8,084,676
Prior Year Refunds	(157,553)	(117,973)	(232,770)	-	-	-	-	-	-	-
	<u>\$ 15,689,248</u>	<u>\$ 16,166,729</u>	<u>\$ 16,376,511</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>

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Taxing Bodies										
Overlapping Rates:										
Cook County	\$ 0.496	\$ 0.533	\$ 0.552	\$ 0.588	\$ 0.560	\$ 0.531	\$ 0.462	\$ 0.423	\$ 0.394	\$ 0.415
Cook County Forest Preserve District	0.062	0.063	0.069	0.069	0.069	0.063	0.058	0.051	0.049	0.051
Consolidated Elections	0.031	0.000	0.034	0.000	0.031	0.000	0.025	0.000	0.021	0.000
Thornton Township	0.529	0.535	0.530	0.550	0.517	0.513	0.442	0.387	0.367	0.358
Thornton Township General Assistance	0.305	0.314	0.313	0.262	0.214	0.153	0.129	0.096	0.091	0.069
Thornton Township Road and Bridge	0.034	0.034	0.034	0.032	0.030	0.027	0.023	0.018	0.017	0.016
Village of Lansing	2.991	2.787	2.991	2.378	2.085	1.811	1.643	1.201	1.124	0.972
Village of Lansing Library Fund	0.676	0.726	0.727	0.666	0.582	0.503	0.457	0.367	0.345	0.335
School District #158	7.187	7.516	7.082	6.988	6.380	5.453	4.902	5.039	4.862	4.735
Thornton Twp Fractional High School District #215	5.290	5.465	5.543	5.335	4.997	4.548	3.873	3.040	2.882	2.871
Lan Oak Park District	0.477	0.503	0.500	0.491	0.457	0.422	0.376	0.306	0.292	0.292
Metro Water Reclamation District of Greater Chicago	0.402	0.406	0.426	0.430	0.417	0.370	0.320	0.274	0.261	0.252
South Cook County Mosquito Abatement District	0.016	0.017	0.017	0.017	0.016	0.014	0.012	0.010	0.009	0.009
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	18.466	18.899	18.418	17.786	16.355	14.408	12.722	11.212	10.714	10.395
South Suburban College	0.577	0.607	0.620	0.589	0.559	0.511	0.450	0.366	0.347	0.346
Total rate	\$ 19.043	\$ 19.506	\$ 19.038	\$ 18.385	\$ 16.914	\$ 14.919	\$ 13.172	\$ 11.578	\$ 11.061	\$ 10.741

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
2017 compared to 2008 (Unaudited)*

		2017		2008	
<u>Employer</u>	<u>Type of Business</u>	<u>Equalized Assessed Valuation (1)</u>	<u>Percent of District's Total EAV</u>	<u>Equalized Assessed Valuation (1)</u>	<u>Percent of District's Total EAV</u>
Namdar Realty Grp LLC	Shopping center, Theater	\$ 19,996,610	0.62%	Simon Property Group	Shopping center
Walmart Property Tax Dept	Retail	18,626,243	0.58%	Walmart Stores 6489	Retail
Hanson Aggregates	Numerous industrial parcels	16,280,098	0.51%	Three Galleria Tower	Office and retail building
Landings Mall Rlty LLC	One story commercial building, Shopping center	12,295,243	0.38%	Sears D768 Tax B2-109A	Retail
HCR Manor Care Health Services	Skilled nursing, memory care, rehab	9,530,170	0.30%	Tucker Development Co.	Theaters
New Albertson's	Jewel Supermarkets	9,127,123	0.28%	KFS Landings LLC	One story commercial building
Wal Mart	Department store	9,063,862	0.28%	Albertson's Prop Tax	Jewel Supermarkets
River Oaks West I LLC	One story commercial building	8,820,103	0.28%	Panduit Corp	Manufacturing
Ralph Edgar	Commercial buildings	7,883,305	0.25%	SBC Amertech	Industrial properties and 2 or 3
Allied Tube & Conduit	Industrial building	7,788,087	0.24%	Canterbury Plaza Prop	One story commercial building, Shopping center
		<u>\$ 119,410,844</u>	<u>3.72%</u>	<u>\$ 219,966,940</u>	<u>4.87%</u>

(1) Includes property parcels with 2017 equalized assessed valuations over approximately \$100,000 as recorded in the County Assessor's office. Information from 2008 includes property parcels with 2008 equalized assessed valuations over approximately \$100,000 as recorded in the County Assessor's office. Information from 2008 includes property parcels with 2008 equalized assessed valuations over approximately \$100,000 as recorded in the County Assessor's office.

* Data for 2018 and 2009 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>
2017	\$ 2,997,805,050	\$ 0.5774	\$ 18,515,354	8,364,734	45.18%
2016	2,985,543,407	0.6068	18,121,052	16,517,839	91.15%
2015	2,974,237,204	0.6202	17,930,803	15,897,556	88.66%
2014	3,109,474,542	0.5990	17,596,153	16,554,139	94.08%
2013	3,336,752,258	0.5590	17,288,333	15,767,212	91.20%
2012	3,681,325,985	0.5105	17,009,949	15,475,198	90.98%
2011	4,519,956,088	0.4497	16,513,024	14,995,357	90.81%
2010	4,569,947,896	0.3658	16,278,811	14,789,375	90.85%
2009	4,558,628,650	0.3473	15,659,369	14,826,266	94.68%
2008	4,167,399,431	0.3456	15,586,954	14,376,284	92.23%

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)

Fiscal Year	Headcount	Fall Term	FTE	----- Tuition and Fee Rates -----						Tuition & Fee Revenue
				In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour	Total Semester Credit Hours Generated			
2018	4,393		2,103.57	\$ 145.00	\$ 343.00	\$ 398.00	69,123	\$ 1,211,130		
2017	4,115		2,090.17	135.00	333.00	388.00	70,935	1,873,022		
2016	3,867		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		

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

Fiscal Year	Estimated Population	Estimated Actual Value	Gross Bonded Debt	Less Debt Service Fund	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt to Personal Income
2018	377,622	9,084,257,727	\$ 26,561,288	\$ 390,859	\$ 26,170,429	0.288%	\$ 69	\$ 21,944
2017	377,622	9,047,101,233	27,362,287	471,847	26,890,440	0.297%	71	23,275
2016	377,321	9,012,840,012	18,477,654	244,329	18,233,325	0.202%	48	17,269
2015	335,000	9,422,650,127	19,643,451	107,503	19,535,948	0.207%	58	16,518
2014	335,000	10,111,370,479	20,393,710	3,693,739	16,699,971	0.165%	50	17,274
2013	335,000	11,155,533,288	22,409,995	3,244,600	19,165,395	0.172%	57	15,937
2012	335,000	13,696,836,630	23,303,995	2,738,055	20,565,940	0.150%	61	17,081
2011	335,000	13,848,326,958	24,157,147	2,754,498	21,402,649	0.155%	64	16,196
2010	335,000	13,814,026,212	24,958,205	2,717,185	22,241,020	0.161%	66	16,790
2009	335,000	12,628,483,124	20,898,072	-	20,898,072	0.165%	62	13,748

Source: College Records

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
Computation of Direct and Overlapping General Obligation Bonded Debt (Unaudited)
June 30, 2018

Table 10

Overlapping Districts:	Outstanding Bonds		Applicable to District	
			Percentage	Amount
Cook County	\$ 3,085,186,750	(2)	2.103%	\$ 64,881,477
Cook County Forest Preserve	150,960,000		2.103%	3,174,689
Metropolitan Water Reclamation District	2,480,560,091	(1)	2.143%	53,158,403
Municipalities:				
Blue Island	884,189	(2)	3.991%	35,288
Calumet City	47,745,000		100.000%	47,745,000
Country Club Hills	42,200,000		59.545%	25,127,990
Dolton	23,719,000		100.000%	23,719,000
East Hazel Crest	365,000		100.000%	365,000
Harvey	33,244,865		100.000%	33,244,865
Hazel Crest	10,285,000		77.897%	8,011,706
Homewood	1,145,000		1.061%	12,148
Lansing	12,780,000		99.562%	12,724,024
Lynwood	370,000	(2)	46.701%	172,794
Markham	33,299,887		100.000%	33,299,887
Midlothian	9,407,161	(2)	98.041%	9,222,875
Oak Forest	25,860,000		84.287%	21,796,618
Posen	1,065,000		99.971%	1,064,691
Riverdale	13,180,000	(2)	100.000%	13,180,000
Robbins	323,437	(2)	0.086%	278
South Holland	14,496,699	(3)	100.000%	14,496,699
Thornton	2,370,000		93.715%	2,221,046
Tinley Park	18,275,000		18.830%	3,441,183
Libraries:				
Harvey	5,785,000		100.000%	5,785,000
Parks:				
Blue Island	157,495		4.227%	6,657
Calumet Memorial	2,350,000		100.000%	2,350,000
Country Club Hills	586,890	(2)	59.433%	348,806
Dolton	694,450		100.000%	694,450
Harvey	450,000		100.000%	450,000
Hazel Crest	760,000	(2)	77.897%	592,017
Homewood Flossmoor	1,009,905	(2)	0.632%	6,383
Lan Oak	406,180	(2)	99.559%	404,389
Markham	83,840		100.000%	83,840
Midlothian	165,000		98.041%	161,768
Oak Forest	2,170,000		91.265%	1,980,451
Riverdale	136,375		100.000%	136,375
Robbins	115,290		0.084%	97
Tinley Park	5,206,000		21.101%	1,098,518
School Districts:				
132	3,179,000		4.783%	152,052
133	875,000		100.000%	875,000
142	6,560,193	(3)	85.696%	5,621,823
143	4,145,000		68.322%	2,831,947
143 1/2	16,015,000		61.497%	9,848,745
144	57,368,077	(3)	100.000%	57,368,077
145	26,296,204	(3)	100.000%	26,296,204
146	14,360,000		48.687%	6,991,453
147	5,690,000	(2)	100.000%	5,690,000
148	24,862,840	(3)(4)	100.000%	24,862,840
149	14,264,469	(2)(3)	100.000%	14,264,469
150	3,305,000		100.000%	3,305,000
151	14,030,000		100.000%	14,030,000
152	1,600,000		100.000%	1,600,000
152 1/2	5,562,775	(3)	100.000%	5,562,775
154	1,489,000		100.000%	1,489,000
154 1/2	1,958,020	(2)	100.000%	1,958,020
155	26,688,873	(3)	100.000%	26,688,873
156	6,610,000		100.000%	6,610,000
157	22,111,733	(3)	100.000%	22,111,733
158	21,615,000	(2)	100.000%	21,615,000
160	13,826,621	(3)	43.917%	6,072,237
161	6,035,000		1.159%	69,946
171	4,623,291		94.017%	4,346,679
High School Districts:				
205	50,500,000	(2)	100.000%	50,500,000
215	14,725,000	(2)	100.000%	14,725,000
228	54,705,000		97.166%	53,154,660
Special Service Areas:				
Calumet City #1998-1	160,000		100.000%	160,000
Total Overlapping General Obligation Bonded Debt				773,995,945
Direct Debt				
South Suburban Community College 510	26,561,288	(3)	100.000%	26,561,288
Total Direct and Overlapping General Obligation Bonded Debt				\$ 800,557,233

(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>
2018	\$ 9,084,257,727	2.8750%	\$ 261,172,410	\$ 26,561,288	\$ 234,611,122	10.17%
2017	9,047,101,233	2.8750%	260,104,160	27,362,287	232,741,873	10.52%
2016	9,012,840,012	2.8750%	259,119,150	18,477,654	240,641,496	7.13%
2015	9,422,650,127	2.8750%	270,901,191	19,643,451	251,257,740	7.25%
2014	10,111,370,479	2.8750%	290,701,901	20,393,710	270,308,191	7.02%
2013	11,155,533,288	2.8750%	320,721,582	22,409,995	298,311,587	6.99%
2012	13,696,836,630	2.8750%	393,784,053	23,303,995	370,480,058	5.92%
2011	13,848,326,958	2.8750%	398,139,400	24,157,147	373,982,253	6.07%
2010	13,814,026,212	2.8750%	397,153,254	24,958,205	372,195,049	6.28%
2009	12,628,483,124	2.8750%	363,068,890	20,898,072	342,170,818	5.76%

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>2018</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>
Faculty	82	88	89	97	106	108	116	124	121	124
Full time	71	114	150	237	235	226	227	228	237	230
Part time	29	25	24	26	26	23	22	21	22	26
Administrators	24	27	25	26	27	26	27	26	29	21
Mid-management	138	138	139	162	167	153	160	149	151	181
Classified staff	67	75	51	59	57	37	37	34	45	88
Part-time										
Total employees	411	467	478	607	618	573	589	582	605	670

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

Year	Head count	Full time equivalent	Gender		Attendance		Academic			Enrollment status			In-District residency %	Average Age
			Male	Female	Full time	Part time	Freshman	Other	Continuing	New	Re-admit			
2018	4,393	2,103.57	37%	63%	26%	74%	56%	44%	56%	34%	10%	85%	23	
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	

Source: College records

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

Funding_Category	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Baccalaureate	16,691.00	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
Business B occupational	2,002.50	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
Technical B occupational	2,266.00	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
Health B Occupational	2,413.00	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
Remedial Development	4,891.00	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
Adult Basic/Secondary Education	2,492.00	2,188.00	2,834.00	2,380.00	2,926.00	50.00	5,615.50	5,489.00	5,681.00	8,046.50
TOTAL CREDIT HOURS	30,755.50	32,952.50	35,223.00	36,796.00	44,347.60	46,103.50	58,219.00	60,600.00	61,767.80	54,369.20

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 2016 was 377,321
Estimated population forecast for 2040 is 446,976

DEMOGRAPHICS:

Per capita income in 2016 was \$24,081
Personal income in 2016 was \$450,346,384
Median age of population is 37.5
Unemployment rate in 2017 was 7.9%

14.1 percent of population is Hispanic
37.0 percent of population is White
46.1 percent of population is African American
0.1 percent of population is American Indian
1.2 percent of population is Asian
1.3 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 2018</u>	<u>Total Enrollment</u>	<u>Fall 2018</u>	
			<u>Number</u>	<u>Percent</u>
Under 18	24.70%	African-American	2,407	54.8%
18-19	17.90%	American Indian	22	0.5%
20-21	14.70%	Asian/P.I	65	1.5%
22-24	10.40%	Hawaiian/Pacific Islander	12	0.3%
25-29	10.00%	Hispanic	904	20.6%
30-34	5.50%	White	826	18.8%
35-39	4.20%	Two or More Races	103	2.3%
40-49	5.60%	Unknown	54	1.1%
50-64	5.10%	Total	<u>4,393</u>	<u>99.9%</u>
65 and Over	1.90%			
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
		<u>606,107</u>
Rented Facilities	College Center One	5,457
		<u>611,564</u>

Source: College records

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008
Capital Asset Type:										
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	48,034,038	47,691,197	47,433,136	45,863,266	45,207,889	44,829,870	42,275,587	41,216,575	40,694,224	37,891,361
Equipment and vehicles	12,501,904	12,354,669	12,182,329	11,940,359	11,795,049	10,988,333	10,095,584	8,344,878	7,560,078	3,862,070
Land improvements and infrastructure	5,581,335	5,525,995	5,487,588	5,444,672	5,345,545	5,262,454	5,150,036	5,150,036	5,150,036	5,123,556
Total capital assets	67,577,909	67,032,493	66,563,685	64,708,929	63,813,115	62,541,289	58,981,839	56,172,121	54,864,970	48,337,619
Accumulated depreciation	52,099,832	49,811,312	47,272,685	44,607,630	42,605,947	39,692,615	36,755,884	34,151,520	31,705,905	27,158,337
Net capital assets	\$ 15,478,077	\$ 17,221,181	\$ 19,291,000	\$ 20,101,299	\$ 21,207,168	\$ 22,848,674	\$ 22,225,955	\$ 22,020,601	\$ 23,159,065	\$ 21,179,282

Data Source: College records

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other debt:										
Capital lease obligations	\$ 43,883	\$ 85,506	\$ 124,985	\$ 162,430	\$ 93,114	\$ 248,358	\$ 403,604	\$ 558,848	\$ 253,622	\$ 34,360
Total other debt	\$ 43,883	\$ 85,506	\$ 124,985	\$ 162,430	\$ 93,114	\$ 248,358	\$ 403,604	\$ 558,848	\$ 253,622	\$ 34,360
Other debt per student	\$ 1.43	\$ 2.43	\$ 3.40	\$ 3.66	\$ 2.02	\$ 4.27	\$ 6.66	\$ 9.05	\$ 4.66	\$ #DIV/0!

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



Special Reports

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY

Year Ended June 30, 2018

	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, 2017	\$ 19,833,883	\$ (7,566,061)	\$ 9,947,727	\$ (161,517)	\$ 390,859	\$ 3,322,892	\$ 1,396,812
Revenues:							
Local tax revenue	9,863,346	2,656,009	-	-	2,092,119	-	-
All other local revenue	249,892	249,892	-	-	-	-	-
ICCB grants	1,995,481	1,034,983	-	-	-	-	522,413
All other state revenue	214,070	-	-	-	-	-	13,025,389
Federal revenue	14,977	-	-	-	-	-	11,038,542
Student tuition and fees	11,378,679	-	-	-	-	-	577,431
All other revenue	1,520,121	3,411	1	-	-	2,115,032	3,097
Total revenue	<u>25,236,566</u>	<u>3,944,295</u>	<u>1</u>	<u>-</u>	<u>2,092,119</u>	<u>2,115,032</u>	<u>25,166,872</u>
Expenditures:							
Instruction	13,689,776	-	-	-	-	-	7,938,815
Academic support	790,313	-	-	-	-	-	349,950
Student services	3,326,698	-	-	-	-	-	10,670,479
Public services	705,128	-	-	-	-	-	2,869,936
Operations and maintenance	38,944	4,494,856	727,647	-	-	-	1,340,353
Auxiliary services	4,952	-	-	-	-	2,486,410	1,534,706
General administration	2,582,328	-	-	-	2,110,000	-	929,728
Institutional support	2,262,424	145,034	-	-	-	-	362,166
Scholarships, grants, waivers	2,593,805	-	-	-	-	-	-
Depreciation	-	-	-	-	-	8,999	-
Total expenditures	<u>25,994,368</u>	<u>4,639,890</u>	<u>727,647</u>	<u>-</u>	<u>2,110,000</u>	<u>2,495,409</u>	<u>25,996,133</u>
Net transfers in (out)	-	-	-	-	-	-	-
Fund balance/net position June 30, 2018	<u>\$ 19,076,081</u>	<u>\$ (8,261,656)</u>	<u>\$ 9,220,081</u>	<u>\$ (161,517)</u>	<u>\$ 372,978</u>	<u>\$ 2,942,515</u>	<u>\$ 567,551</u>

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 NUMBER 510

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY

Year Ended June 30, 2018

	Working Cash Fund	Trust and Agency Fund	Audit Fund	Liability, Protection Settlement Fund	Total UJFRS	Reconciling Items for GAAP Presentation	Total for GAAP Presentation
	\$	\$	\$	\$	\$	\$	\$
Fund balance/net position July 1, 2017	7,213,941	-	4,451	(1,746,259)	32,636,728	(43,396,888)	(10,760,160)
Revenues:							
Local tax revenue	-	-	98,133	1,235,840	15,945,447	(403,894)	15,541,553
All other local revenue	-	-	-	-	499,784	-	499,784
ICCB grants	-	-	-	-	3,552,877	7,143,727	10,696,604
All other state revenue	-	-	-	-	13,239,459	-	13,239,459
Federal revenue	-	-	-	-	11,053,519	618,088	11,671,607
Student tuition and fees	-	-	-	-	11,956,110	(10,744,980)	1,211,130
All other revenue	-	-	-	-	3,641,662	(999,167)	2,642,495
Total revenue	<u>7,213,941</u>	<u>98,133</u>	<u>98,133</u>	<u>1,235,840</u>	<u>59,888,858</u>	<u>(4,386,226)</u>	<u>55,502,632</u>
Expenditures:							
Instruction	-	-	-	-	21,628,591	1,516,610	23,145,201
Academic support	-	-	-	-	1,140,263	92,053	1,232,316
Student services	-	-	-	-	13,997,177	(6,827,396)	7,169,781
Public services	-	-	-	-	3,575,064	322,243	3,897,307
Operations and maintenance	-	-	-	62,859	6,664,659	(186,459)	6,478,200
Auxiliary services	-	-	-	-	4,026,068	211,078	4,237,146
General administration	-	-	-	-	5,622,056	(631,976)	4,990,080
Institutional support	-	-	99,725	1,091,049	3,960,398	(2,494,764)	1,465,634
Scholarships, grants, waivers	-	-	-	-	2,593,805	-	2,593,805
Depreciation	-	-	-	-	8,999	-	2,288,520
Total expenditures	<u>7,213,941</u>	<u>99,725</u>	<u>99,725</u>	<u>1,153,908</u>	<u>63,217,080</u>	<u>(5,719,090)</u>	<u>57,497,990</u>
Net transfers in (out)	-	-	-	-	-	-	-
Fund balance/net position June 30, 2018	<u>\$ 7,213,941</u>	<u>\$ -</u>	<u>\$ 2,859</u>	<u>\$ (1,664,327)</u>	<u>\$ 29,308,506</u>	<u>\$ (42,064,024)</u>	<u>\$ (12,755,518)</u>

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2

Year Ended June 30, 2018

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
<u>Capital assets</u>				
Land	\$ 1,460,632	\$ -	\$ -	\$ 1,460,632
Land improvements	5,525,995	55,340	-	5,581,335
Buildings and improvements	47,691,197	342,841	-	48,034,038
Equipment and vehicles	<u>12,354,669</u>	<u>147,235</u>	<u>-</u>	<u>12,501,904</u>
Total capital assets	<u>67,032,493</u>	<u>545,416</u>	<u>-</u>	<u>67,577,909</u>
Accumulated depreciation	<u>49,811,312</u>	<u>2,288,520</u>	<u>-</u>	<u>52,099,832</u>
Total capital assets	<u>\$ 17,221,181</u>	<u>\$ (1,743,104)</u>	<u>\$ -</u>	<u>\$ 15,478,077</u>
<u>Debt</u>				
Bonds payable	\$ 27,362,287	\$ 1,309,001 *	\$ 2,110,000	\$ 26,561,288
Other liabilities	<u>23,135,082</u>	<u>422,930</u>	<u>914,045</u>	<u>22,643,967</u>
Total debt	<u>\$ 50,497,369</u>	<u>\$ 1,731,931</u>	<u>\$ 3,024,045</u>	<u>\$ 49,205,255</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, 2018

OPERATING REVENUES BY SOURCE	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Local government revenue:			
Local taxes	\$ 9,863,346	\$ 2,656,009	\$ 12,519,355
Chargeback revenue	-	-	-
Capital lease proceeds	-	-	-
PPRT	<u>249,892</u>	<u>249,892</u>	<u>499,784</u>
TOTAL LOCAL GOVERNMENT	<u>10,113,238</u>	<u>2,905,901</u>	<u>13,019,139</u>
State government:			
ICCB credit hours grants	1,034,981	1,034,983	2,069,964
ICCB equalized grants	960,500	-	960,500
ICCB vocalization grants	214,070	-	214,070
Other	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL STATE GOVERNMENT	<u>2,209,551</u>	<u>1,034,983</u>	<u>3,244,534</u>
Federal government:			
Dept. of education	<u>14,977</u>	<u>-</u>	<u>14,977</u>
TOTAL FEDERAL GOVERNMENT	<u>14,977</u>	<u>-</u>	<u>14,977</u>
Student tuition and fees:			
Tuition	10,173,792	-	10,173,792
Fees	<u>1,204,887</u>	<u>-</u>	<u>1,204,887</u>
TOTAL TUITION AND FEES	<u>11,378,679</u>	<u>-</u>	<u>11,378,679</u>
Other sources:			
Facilities revenue	1,290,674	-	1,290,674
Investment revenue	223,651	2	223,653
Other	<u>5,796</u>	<u>3,409</u>	<u>9,205</u>
TOTAL OTHER REVENUE	<u>1,520,121</u>	<u>3,411</u>	<u>1,523,532</u>
TOTAL REVENUE	<u>25,236,566</u>	<u>3,944,295</u>	<u>29,180,861</u>
Less: nonoperating items*			
Capital lease proceeds	-	-	-
Tuition chargeback revenue	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED REVENUES	<u>\$ 25,236,566</u>	<u>\$ 3,944,295</u>	<u>\$ 29,180,861</u>

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

Note: This statement is prepared under the 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, 2018
(Continued)

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	Total Operating <u>Funds</u>
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 13,689,776	\$ -	\$ 13,689,776
Academic support	790,313	-	790,313
Student services	3,326,698	-	3,326,698
Public service/continuing education	705,128	-	705,128
General administration	2,582,328	-	2,582,328
Operations and maintenance	38,944	4,494,856	4,533,800
Institutional support	2,262,424	145,034	2,407,458
Auxiliary services	4,952	-	4,952
Scholarships, grants and waivers	<u>2,593,805</u>	<u>-</u>	<u>2,593,805</u>
TOTAL EXPENDITURES	<u>25,994,368</u>	<u>4,639,890</u>	<u>30,634,258</u>
Less nonoperating items*			
Tuition chargeback	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EXPENDITURES	<u>25,994,368</u>	<u>4,639,890</u>	<u>30,634,258</u>
BY OBJECT			
Salaries	16,443,016	2,361,008	18,804,024
Employee benefits	3,558,731	554,295	4,113,026
Contractual services	1,725,813	123,212	1,849,025
General materials and supplies	1,286,797	772,435	2,059,232
Travel and conference/meeting expenses	113,502	-	113,502
Fixed charges	148,867	6,250	155,117
Utilities	123,837	822,690	946,527
Capital outlay	-	-	-
Student grants and scholarships	<u>2,593,805</u>	<u>-</u>	<u>2,593,805</u>
TOTAL EXPENDITURES	<u>25,994,368</u>	<u>4,639,890</u>	<u>30,634,258</u>
Less nonoperating items*			
Tuition chargeback	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EXPENDITURES	<u>\$ 25,994,368</u>	<u>\$ 4,639,890</u>	<u>\$ 30,634,258</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, 2018

	<u>Restricted Purposes Fund</u>
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	\$ <u>-</u>
State government:	
ICCB - adult education	522,413
ICCB - other	-
Illinois student assistance commission	-
SURS - on behalf	12,947,985
Other	<u>77,404</u>
TOTAL STATE GOVERNMENT	<u>13,547,802</u>
Federal Government:	
Department of Education	9,821,710
Department of Labor	450,317
Other	<u>766,515</u>
TOTAL FEDERAL GOVERNMENT	<u>11,038,542</u>
Other sources:	
Tuition and fees	577,431
Other	<u>3,097</u>
TOTAL OTHER SOURCES	<u>580,528</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u>\$ 25,166,872</u>
EXPENDITURES BY PROGRAM	
Instruction	\$ 7,938,815
Academic support	349,950
Student services	10,670,479
Public service/continuing education	2,869,936
Auxiliary services	1,534,706
General administration	929,728
Operations and maintenance	1,340,353
Institutional support	<u>362,166</u>
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 25,996,133</u>
EXPENDITURES BY OBJECT	
Salaries	\$ 2,155,246
Employee benefits	13,330,836
Contractual services	464,458
General materials and supplies	1,400,126
Travel and conference/meeting expenses	146,810
Fixed charges	-
Utilities	-
Capital outlay	12,600
Other (Student financial aid)	<u>8,486,057</u>
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 25,996,133</u>

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, 2018

INSTRUCTION	
Instructional programs	\$ 17,617,419
Other	4,011,172
Total instruction	<u>21,628,591</u>
ACADEMIC SUPPORT	
Library center	881,331
Educational media services	-
Academic computing support	258,932
Total academic support	<u>1,140,263</u>
STUDENT SERVICES	
Admissions and records	2,491,715
Counseling and career services	1,179,697
Financial aid administration	461,911
Other	9,863,854
Total student services	<u>13,997,177</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Customized training (Instructional)	3,443,750
Other	131,314
Total public service/continuing education	<u>3,575,064</u>
ORGANIZED RESEARCH	
	<u>-</u>
AUXILIARY SERVICES	
	<u>4,035,067</u>
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	2,640,359
Custodial services	1,291,549
Grounds	73,336
Campus security	1,235,228
Utilities	696,540
Total operations and maintenance of plant	<u>5,937,012</u>
INSTITUTIONAL SUPPORT	
Executive management	1,194,277
Fiscal operations	836,243
Community relations	277,746
Administrative support services	254,901
Board of trustees	122,160
General institutional	4,050,440
Institutional research	220,243
Administrative data processing	481,675
Other	34,769
Total institutional support	<u>7,472,454</u>
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	
	<u>2,593,805</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 60,379,433</u>

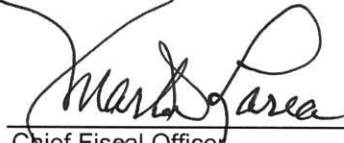
* Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprise; Restricted Purposes; Audit; Liability, Protection Settlement.

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)

SOUTH SUBURBAN COLLEGE
 COMMUNITY COLLEGE DISTRICT #510
 Certification of Charge-back Reimbursement (Unaudited)
 Fiscal Year 2019

All fiscal year 2018 noncapital audited operating expenditures from the following funds:

1. Education Fund	\$ 25,994,368
2. Operations and Maintenance Fund	4,639,890
3. Operations and Maintenance Fund (Restricted)	194,831
4. Bond and Interest Fund	2,110,000
5. Public Building Commission Rental Fund	-
6. Restricted Purposes Fund	13,035,548
7. Audit Fund	99,725
8. Liability, Protection, and Settlement Fund	1,153,908
9. Auxiliary Enterprise Fund (Subsidy Only)	-
10. Total noncapital audited expenditures	<u>47,228,270</u>
11. Plus depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds	<u>2,288,520</u>
12. Total costs included	<u>49,516,790</u>
13. Total certified semester credit hours for FY 2018	<u>69,122.50</u>
14. Per capita cost	<u>716.36</u>
15. All FY 2018 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>10,179,655</u>
16. Less FY 2018 state and federal grants per semester credit hour	<u>147.27</u>
17. Less each district's average ICCB grant rate for fiscal year 2019	<u>28.35</u>
18. Less each district's student tuition per semester credit hour for fiscal year 2019	<u>152.00</u>
19. Equals charge-back reimbursement per semester credit hour	<u>\$ 388.74</u>

Approved:  10/15/18
 Chief Fiscal Officer Date

Approved:  10/15/18
 Chief Executive Officer 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, 2018 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, 2018, 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, 2018, 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 25, 2018 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 LLP

Oak Brook, Illinois
October 25, 2018



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, 2018, and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements, and have issued our report thereon dated October 25, 2018.

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.



Crowe LLP

Oak Brook, Illinois
October 25, 2018

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

STATE ADULT EDUCATION GRANT PROGRAM

BALANCE SHEET
June 30, 2018

	State Basic	State Public Assistance	State Performance	Total (Memorandum Only)
ASSETS				
Accounts receivable	\$ 82,894	-	\$ 21,588	\$ 104,482
Total assets	\$ 82,894	-	\$ 21,588	\$ 104,482
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable - Encumbrances	\$ 16,952	-	\$ 165	\$ 17,117
Due to other College funds	48,992	-	21,258	70,250
Total liabilities	65,944	-	21,423	87,367
DEFERRED INFLOWS OF RESOURCES				
Unavailable grants	82,894	-	21,588	104,482
Total deferred inflows of resources	82,894	-	21,588	104,482
FUND BALANCE				
Fund balance - unassigned	(65,944)	-	(21,423)	(87,367)
Total fund balance	(65,944)	-	(21,423)	(87,367)
Total liabilities, deferred inflows or resources and fund balance	\$ 82,894	-	\$ 21,588	\$ 104,482

See accompanying notes to ICCB State Grants financial statements.

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510

STATE ADULT EDUCATION GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2018

	State Basic	State Public Assistance	State Performance	Total (Memorandum Only)
Revenue				
State sources	\$ 1,333,659	\$ -	401,637	\$ 1,735,296
Total revenue	<u>1,333,659</u>	<u>-</u>	<u>401,637</u>	<u>1,735,296</u>
Expenditures by program				
Instructional and student services:				
Instruction	601,657	-	-	601,657
Social work services	-	-	-	-
Guidance services	-	-	-	-
Assessment and testing	238,706	-	-	238,706
Student transportation services	-	-	-	-
Literacy services	-	-	-	-
Subtotal instructional and student services	<u>840,363</u>	<u>-</u>	<u>-</u>	<u>840,363</u>
Program support:				
Improvement of instructional services	-	-	-	-
General administration	108,434	-	151,569	260,003
Operation & maintenance of plant services	-	-	-	-
Data and information services	-	-	-	-
Subtotal program support	<u>108,434</u>	<u>-</u>	<u>151,569</u>	<u>260,003</u>
Total expenditures	<u>948,797</u>	<u>-</u>	<u>151,569</u>	<u>1,100,366</u>
Excess of revenues over (under) expenditures	<u>384,862</u>	<u>-</u>	<u>250,068</u>	<u>634,930</u>
Fund Balance July 1, 2017	<u>(450,806)</u>	<u>-</u>	<u>(271,491)</u>	<u>(722,297)</u>
Fund Balance June 30, 2018	<u>\$ (65,944)</u>	<u>\$ -</u>	<u>(21,423)</u>	<u>\$ (87,367)</u>

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, 2018

State Basic	Actual Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 601,657	63.4%
General administration (15% maximum allowed)	108,434	11.4%

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

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM

BALANCE SHEET
June 30, 2018

ASSETS

Accounts receivable \$ 21,407

Total assets \$ 21,407

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCE**

LIABILITIES

Due to other College funds \$ 21,407

Total liabilities 21,407

DEFERRED INFLOWS OF RESOURCES

Unavailable grants 21,407

Total deferred inflows of resources 21,407

FUND BALANCE

Fund balance - unassigned (21,407)

Total fund balance (21,407)

Total liabilities, deferred inflows or
resources and fund balance \$ 21,407

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, 2018

Revenue		
State sources	\$	<u>23,506</u>
Expenditures		
Travel		<u>21,486</u>
Total expenditures		<u>21,486</u>
Excess of revenue over (under) expenditures		<u>2,020</u>
Fund balance July 1, 2017		<u>(23,427)</u>
Fund balance June 30, 2018	\$	<u>(21,407)</u>

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT #510
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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, 2018, 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, 2018. 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 2018 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, 2018 are reflected as unearned revenue while payments for prior year encumbrances for goods received prior to August 31, 2018 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, 2018. The College's management is responsible for the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. 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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed referred to above is presented in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* in all material respects.

The supplementary information on pages 86 – 88 has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed, and accordingly, we express no opinion 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 LLP

Oak Brook, Illinois
October 25, 2018

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 510

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

Year Ended June 30, 2018

Notes 1 and 2	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)									
	Summer		Fall		Spring		Total		Unrestricted	Restricted
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		
Baccalaureate	4,665.0	-	16,691.0	-	14,537.0	-	35,893.0	-	-	-
Business occupational	494.0	-	2,002.5	-	3,168.5	-	5,665.0	-	-	-
Technical occupational	389.0	-	2,266.0	-	2,771.0	-	5,426.0	-	-	-
Health occupational	1,066.5	-	2,413.0	-	3,142.0	-	6,621.5	-	-	-
Remedial development	471.0	-	4,891.0	-	3,701.0	-	9,063.0	-	-	-
Adult basic/secondary education	36.0	-	9.0	2,483.0	282.0	3,644.0	327.0	6,127.0	-	-
Total	7,121.5	-	28,272.5	2,483.0	27,601.5	3,644.0	62,995.5	6,127.0	-	6,127.0

Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements
 Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.
 Note 3) Total of unrestricted and restricted should equal the S-3 record totals.

Semester credit hours (all terms)	Attending In-District		Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
	58,160.5	-	10,962.0	-	69,122.5

Semester credit hours (all terms)	Dual Credit		Dual Enrollment		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
	4,678.5	-	1,138.0	-	5,816.5

District prior year equalized assessed valuation \$ 2,997,805,050

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

Signatures

 Dr. Lynette Stokes, President

 Martin Lareau, Vice President of Administration

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, 2018

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	35,893.0	35,893.0	-	-	-	-
Business occupational	5,665.0	5,665.0	-	-	-	-
Technical occupational	5,426.0	5,426.0	-	-	-	-
Health occupational	6,621.5	6,621.5	-	-	-	-
Remedial development	9,063.0	9,063.0	-	-	-	-
Adult basic/ secondary education	<u>327.0</u>	<u>327.0</u>	-	6,127.00	6,127.00	-
Total	<u><u>62,995.5</u></u>	<u><u>62,995.5</u></u>	-	<u><u>6,127.00</u></u>	<u><u>6,127.00</u></u>	-

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

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB Unrestricted and Restricted	Difference
In-district residents	58,160.5	58,160.5	-
Out-of-district on chargeback or contractual agreement	<u>10,962.0</u>	<u>10,962.0</u>	-
Total	<u><u>69,122.5</u></u>	<u><u>69,122.5</u></u>	-
Dual credit	<u><u>4,678.5</u></u>	<u><u>4,678.5</u></u>	-
Dual enrollment	<u><u>1,138.0</u></u>	<u><u>1,138.0</u></u>	-

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>
2017	\$ 2,997,805,050
2016	2,985,543,407
2015	2,974,237,204

SOUTH SUBURBAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 510
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (UNAUDITED)
June 30, 2018

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.