



Community College District 509
1700 Spartan Drive, Elgin, IL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016



**Elgin
Community
College**

Bright Choice. Bright Future.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Years Ended
June 30, 2016 and 2015

Prepared by
Finance Department

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DISTRICT NUMBER 509
ELGIN, ILLINOIS
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INTRODUCTORY SECTION

ELGIN COMMUNITY COLLEGE
Community College District No. 509

Principal Officials

BOARD OF TRUSTEES

Members

Eleanor MacKinney, Chairperson

Jeffrey Meyer, Vice Chairperson

John Duffy

Angela Holmes

Clare Ollayos

Donna Redmer

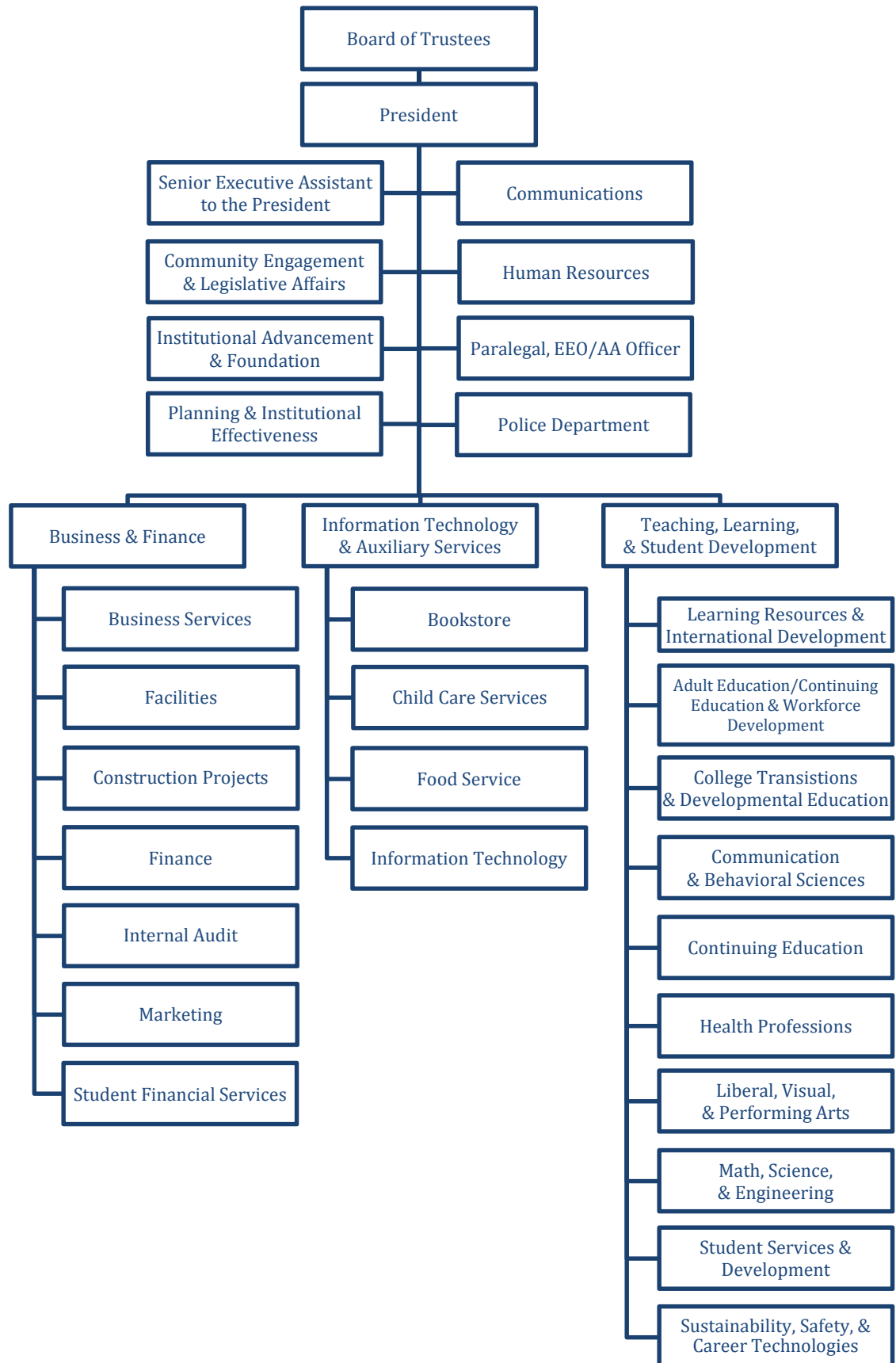
Art Saucedo

Diego Gonzalez, Student Member of the Board

David Sam, President

ELGIN COMMUNITY COLLEGE
Community College District No. 509

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Elgin Community College, District 509
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

October 3, 2016

Board of Trustees
Elgin Community College
1700 Spartan Drive
Elgin, Illinois 60123

The comprehensive annual financial report of Elgin Community College (ECC), Community College District No. 509 for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The comprehensive annual report presents the Management Discussion and Analysis (MD&A), basic financial statements, and information required by the Illinois Community College Board. The MD&A provides an analytical overview of the College's financial activity. This letter of transmittal should be read in conjunction with the MD&A.

Mission, Vision, and Goals

All major directives and initiatives at the College are guided by the institution-wide *ECC Strategic Plan*, a comprehensive and institution-wide plan which is renewed every 3 to 5 years by the Strategic Planning Committee, a cross-functional team of faculty, administrators and support staff members. The plan is divided into several broad components, which include: the mission, vision, shared values, strategic goals and strategic objectives as defined below.

Mission:	The mission describes why the college exists
Vision:	The vision describes our future and where we are headed as a college
Shared Values:	Shared values reflect the core principles and beliefs that guide our work
Goals:	Strategic goals are broad intentions that we expect to accomplish during the life of this plan
Objectives:	Strategic objectives are reportable actions that we expect to accomplish for each strategic goal
Activities:	Activities are tasks, within each objective, that cross-functional committees and/or departments carry out; activities change frequently throughout the life of the plan

The current strategic plan was approved by the ECC Board of Trustees on August 14, 2012. It contains 6 goals and 23 objectives and will remain in effect until the end of fiscal year 2017

(June 30, 2017). The goals encompass 6 key areas which include: student success (Goals 1 and 2), cultural competency and equity (Goal 3), operational/process improvements (Goal 4), community service goals (Goal 5), and employee training and development (Goal 6). Within these goals, strategic objectives provide specificity on the nature of work to be performed. For example, within Goal 1 (Foster a learning-centered environment), the college commits to expand supplemental instruction techniques, teach student skills in self-assessment, expand active learning pedagogies, ensure consistency between the curricula at the College and area high schools, and build a comprehensive approach to student advising. The strategic plan is as follows:

MISSION

The mission of Elgin Community College is to improve people's lives through learning.

VISION

We pursue our mission by focusing all our efforts on making Elgin Community College one of the best centers of learning in the United States. In recognition of our role as a comprehensive community college, we will strive to create high-quality learning opportunities that respond to the needs of the residents of our district.

SHARED VALUES

Excellence

All college functions and services must strive for the highest level of excellence to successfully achieve our mission. Learning activities must be of the highest quality to help students achieve their goals.

Freedom of Inquiry

We believe a learning community is most engaging and viable when a spirit of free inquiry exists, allowing everyone the freedom to explore new and diverse ideas and to express their interests and attitudes.

Equity

We believe that everyone must have an equal opportunity to grow through learning and pledge to provide all who take part in our learning activities with the opportunities and supports needed for success.

Ethical Practices

As we strive to develop our learning community, we will maintain at all times the highest level of honesty, communication, cooperation and credibility in all relationships.

Accountability

As a public institution, we believe we must assume responsibility for all our decisions and actions, and we must also be open and honest in all our affairs and always ensure that we are making the best use of our resources.

Respect for Diversity

All constituencies are important to achieving our vision. Therefore, we must respect the unique and diverse perspectives each person offers and embrace those differences as the means for developing the strongest learning community possible. We promote individual growth and a positive sense of self-worth for all members of the college community.

Community Engagement

As an active and involved part of our community, we must play an integral role in developing, advancing, and serving the local community.

STRATEGIC GOALS AND OBJECTIVES**GOAL 1: FOSTER A LEARNING-CENTERED ENVIRONMENT**

Objective 1.1: Expand the use of supplemental instruction models

Objective 1.2: Teach students the skills needed to assume responsibility for their own learning

Objective 1.3: Expand the use of active learning pedagogies

Objective 1.4: Ensure consistency among Elgin Community College, high schools (e.g., Common Core State Standards), and senior institutions

Objective 1.5: Build a comprehensive approach to student advising

GOAL 2: PROMOTE STUDENT GOAL COMPLETION

Objective 2.1: Accelerate student progression through coursework

Objective 2.2: Develop coherent and intentional student pathways toward completion

Objective 2.3: Improve success milestones among students with the greatest achievement gaps

Objective 2.4: Improve placement processes to assist and support various student populations

GOAL 3. PROMOTE A CLIMATE OF COLLABORATION, EQUITY AND INCLUSION FOR ALL COLLEGE CONSTITUENCIES

Objective 3.1: Expand cultural competency awareness and skills across campus

Objective 3.2: Implement diverse cross-functional teams to broadly promote equity and enhance decision-making

Objective 3.3: Increase partnerships and programs that encourage interactions with people from diverse backgrounds and cultures

GOAL 4. PROMOTE GREATER TRANSPARENCY, EFFICIENCY AND ACCOUNTABILITY IN COLLEGE PROCESSES AND SYSTEMS

Objective 4.1: Proactively solicit feedback from students, employees, and communities in the evaluation and improvement of processes

Objective 4.2: Make optimal use of student success data to inform future programs and services

Objective 4.3: Develop operational processes that are responsive to the strategic priorities identified in this plan

GOAL 5. STRENGTHEN EDUCATIONAL AND WORKFORCE PARTNERSHIPS TO CREATE A MORE RESPONSIVE AND SUSTAINABLE COMMUNITY

Objective 5.1: Formalize expectations for advisory boards and other sources that inform future curricula, programs and services

Objective 5.2: Leverage community partnerships and legislative advocacy efforts in ways that support learning and student success

Objective 5.3: Effectively communicate results, successes, benefits and offerings to community stakeholders

GOAL 6. ENHANCE ELGIN COMMUNITY COLLEGE AS AN EMPLOYER OF CHOICE

Objective 6.1: Proactively recruit diverse individuals to work at Elgin Community College

Objective 6.2: Improve the efficiency of hiring, onboarding and off-boarding employees

Objective 6.3: Establish career pathways for employees

Objective 6.4: Implement professional development opportunities for all faculty, staff and administrators based on industry best practices

Objective 6.5: Enhance work-life balance

ECONOMIC CONDITION AND LOCAL ECONOMY

The College's district covers a 360 square-mile area in northern Illinois. It encompasses parts of five counties: Cook, DeKalb, DuPage, Kane, and McHenry Counties; and serves 29 incorporated municipalities and substantial unincorporated areas. The main campus of the College is located on 331.2 acres in southwest Elgin. According to the US Census's 2014 American Community Survey estimates (5-year average), the College serves an area of 433,186 residents. The city of Elgin has the largest population of the District's population at 25%, followed by Bartlett at 10%, Streamwood/Hanover Park at 9%, and St. Charles at 8%. The fastest rate of growth comes from communities in the western part of the District, such as the

Village of Burlington and the Village of Pingree Grove, where the population is expected to triple by 2040. Even the population of district 509's largest municipality, Elgin, is projected to increase by 50% over the next 20 years. The total population of the District will continue to grow in the foreseeable future, according to the 2006 report of the Chicago Metropolitan Agency for Planning, making the greater Elgin area one of the fastest growing in the state.

Illinois is and has been historically a destination for immigrants. This influx of immigrants seeking employment in the state brings more need for training in many skill areas, from basic English as a Second Language to technical credentials. As immigration continues to rise, the convenience, affordability, and accessibility of community colleges will be essential to training this new workforce. According to the latest Census estimates, the District is 62% White and 25% Latino; however, the Latino population is not evenly disbursed throughout the District and is much higher in certain communities, such as Carpentersville at 50%, Elgin at 44%, Streamwood at 37%, Hanover Park at 33%, and Bartlett at 13%. Other racial/ethnic minorities in the District are Asian/Pacific Islander at 8%, Black/African American at 3%.

According to Census estimates, males and females equally represent the district compared to the Illinois state levels of 49% for males and 51% for females. Seventy-seven percent (78%) of district residents are 15 years of age and over, and 26% are between the ages of 15 and 34. The city of Elgin has 73% of residents who are 18 years of age and over.

ECC student population is representative of the district. According to data compiled by the American Association of Community Colleges, the average age of a community college student nationwide is 28. ECC's average student is 27 years of age. In addition, 54% of ECC students are women; this is typical of the nation's community colleges, which are on average 57% female. Just over 72% of ECC students have graduated from high school and 5% have earned a bachelor's, graduate, or professional degree (bachelor's degree or higher). Credit students in career-technical and university-transfer programs make up 83% of ECC's student credit population as of fiscal year 2014, while 17% enroll in Adult Basic Education and English as a Second Language programs. In fiscal year 2016, 3,500 students enrolled in non-credit, continuing education or corporate training courses.

EMPLOYMENT TRENDS

Like many Illinois communities, the greater Elgin area has traditionally been a region of manufacturing, an industry that continues to support many district residents. Over the years, much of the area's heavy manufacturing has given way to a host of service occupations, the largest of which are in healthcare, architecture/engineering, media/technology, and retail. The largest industries in the area include educational services, healthcare, and social assistance (19%), manufacturing (17%), retail trade (12%) and professional, scientific, management administrative and waste management services (12%).

Industry of Workers

	District 509
Civilian Employed Population 16 and Over	220,285
Agriculture, Fishing, Hunting, and Mining	< 1%
Construction	6%
Manufacturing	17%
Wholesale Trade	4%

Retail Trade	12%
Transportation, Warehousing, and Utilities	6%
Information	3%
Finance, Insurance, Real Estate, Rental, and Leasing	8%
Professional, Scientific, Management, Administrative, and Waste Management Services	12%
Educational Services, Healthcare, and Social Assistance	19%
Arts, Entertainment, Recreation, Food Services, and Accommodation	8%
Other Services (except Public Administration)	4%
Public Administration	3%

Source: 2014 American Community Survey, 5-year estimates of selected economic characteristics for District 509 boundary.

Like many areas in the nation, unemployment for Kane County has been increasing over the past several years, but recently appears to be declining. According to the US Bureau of Labor Statistics, the unemployment rate for Kane county was 13.4% at the start of 2010 but has fallen to 5.3% as of May 2016, placing it slightly below the state's unemployment rate of 5.7%, but higher than the US unemployment average of 4.7% for that same time period.

STUDENT ENROLLMENT

Student enrollment has had a steady decline in credit hours since it reached a peaked in 2011 at 216,117 credit hours. In fiscal year 2016, enrollment declined to by 3.25% from 195,829 credit hours in fiscal year 2015 to 189,445 credit hours. The state of the economy has presumably played a large part in this decrease. The prevailing theory is that community college enrollment correlates inversely to the local economy and unemployment rates. As the local economy worsens and unemployment rises, residents look to community colleges to train and prepare themselves for newer or more advanced jobs. On the other hand, as the economy improves, community members who might have otherwise looked to the College for job training are now working – and thus, fewer students enroll. To that end, the recent enrollment declines that ECC has experienced have been mirrored by the entire Illinois Community College system as a whole.

Student enrollment at the census date (10th day of each term) and end-of-semester total credit hours generated for the last 3 years are contained below:

Fiscal Year	2014	2015	2016
Fall Enrollment	11,285	10,937	10,336
Spring Term Enrollment	10,852	10,638	10,215
Summer Term Enrollment	4,834	5,200	5,157
Annual Unduplicated Enrollment	17,037	16,598	16,114
Total Claimed Credit Hours	197,309	195,829	189,445

Source: ICCB E1 enrollment files, A1 annual enrollment files, SR/SU claim reports.

Through its Planning and Institutional Effectiveness office, the College analyzes trends, current data, and the environment to establish a plan and goals for monitoring student success. A key commitment of the current strategic plan is to improve reporting practices throughout the

College, so that they are data-driven and integrated with decision-making processes related to student success.

STRATEGIC INITIATIVES & TARGETS FOR FISCAL YEAR 2017

Planning for fiscal year 2017 has been challenging due to the budget impasse at the State of Illinois. The College has focused in fiscal year 2017 in as prudent a manner as possible. With declining enrollments and uncertainties in state funding, the college has made every effort to minimize expenses while delivering quality education. The following categories encompass the work planned for fiscal year 2017: student success; strategic planning; regional safety and security; facilities master planning; and technology improvements. Following is a brief description of plans in each area.

STUDENT SUCCESS PROJECTS

The *ECC Strategic Plan* is anchored around the college's mission *to improve people's lives through learning*. The bulk of work planned for fiscal year 2017 remains student success – in particular, implementing interventions to improve college success for at-risk students. At ECC, these students include: African-American students, low-income students, first-generation students, and students who are pre-college (i.e., at developmental or remedial standing). Our research shows that when college interventions support these populations, success improves for all students.

The developmental education division will continue to focus efforts on the placement of incoming students into college level courses through the Alliance for College. The Alliance for College is a collaborative partnership between the College and public school districts with the goals of improving student success, ensuring all high school graduates are college ready regardless of where they continue their postsecondary education, and increasing the regional college-going rate. Some examples of these efforts include:

Transition Academy

The College directs efforts on interventions that focus on particular at risk populations in high schools prior to entering college to help them become college ready. For example, the transition academy reaches out to at-risk high school students in grades 9 through 12 deemed to have high ability (based on high school teachers' ratings) but low performance (as indicated by test scores and course grades). Meeting once monthly for 6 hours, the students are cohorted by grade and participate in a guided curriculum designed to increase affective learning, motivation, and subject matter skills. Each class is team taught by a high school and college instructor, and volunteer community mentors help with college and career preparation. Additionally, each cohort includes an area business partner.

The Supporting Transitions/Engaging Parents & Students (STEPS) Program

This program engages parents of high school students to get more involved in college readiness efforts. Currently, parents participate in workshops on affect and motivation, financial aid, and career planning. Workshops are organized by ECC administrators and high school guidance counselors and are offered in Spanish as well as English.

Accelerated Learning Program (ALP)

ALP enables student who place into developmental English the opportunity to enroll in developmental and college-level English concurrently; thus allowing them to complete both courses in one semester.

Accelerate College is a dual enrollment program that allows qualifying high school seniors to enroll full-time at ECC and earn credits toward associate degrees. Students can earn college credit in either career-technical courses, such as automotive repair, or university-transfer credit, such as English composition. Some high schools also allow credits earned at ECC to count as high school credit.

Once students are at ECC, the College has other efforts focused on student retention and success.

Student Success Week

ECC's research has uncovered that students who complete 20 hours their first year of college are more than five times more likely to complete on time. Student Success Week celebrates this fact with a variety of sponsored events, from professional speakers to scenarios and games. It is held during the critical thirteenth week of the fall term, a time when at-risk students are most vulnerable for dropping out. Fiscal year 2016 marked the fourth consecutive year that this program was held, and during that same period, ECC's student year-to-year persistence rate for full-time students has risen from 66% to 75% (see Performance Report). The college will continue to hold student success week in fiscal year 2017.

Student financial literacy

Student financial literacy continues to be an important initiative within the College. Currently the Financial Literacy Program includes 75 events and activities – an online education module which is incorporated into College 101 courses and TRIO's financial literacy requirement; a College and Community Smart Fair to promote education on financing college; and the *How to Win at Life* game; the Federal Reserve Bank's *Money Smart Week*; College Goal Sunday; parent events; and FAFSA completion workshops. In fiscal year 2016, the College launched Massive Open Online Courses (MOOCs) on "How to Pay for College", "Financial Aid Basics", and "Scholarships" for anyone who needs assistance navigating the process to afford college in a fee, accessible format. Educating the students and their families on financial literacy has helped students plan for and attend college. These online courses allow the College to educate more students on financial literacy.

Supplemental Instruction

Supplemental instruction provides assisted learning to students in the form of weekly study sessions led by student mentors. Mentors are students who successfully completed the same class a prior semester and can thus assist new students in understanding concepts and developing proper study habits. Funding for supplemental instruction will be used to compensate peer leaders, develop study-related materials, and obtain training at the University of Missouri's nationally recognized training program.

Other projects that will be explored in fiscal year 2017 and evaluated for future expansion or institutionalization include:

African-American Student Outreach

An unfortunate reality at many colleges is that, on average, African-American students underperform on many success measures compared to White, Asian, and Hispanic students. This is the case at ECC as well as elsewhere. In fiscal year 2017, the College plans to hire a part-time student outreach coordinator to work with at-risk African-American students to coordinate events and introduce students to campus offices designed to support their continued persistence. Welcome receptions in which new students meet each other and campus professionals for the first time will help introduce students to the college environment.

Faculty Research Community

Faculty Research Community is designed to encourage faculty to engage in action research within their own classrooms – piloting new innovations, course or project portfolios, etc. – and use the data collected to guide professional growth. A faculty member oversees the project, faculty participants are recruited, and students are organized to participate on a review committee. Results are discussed in the college’s annual assessment forum and in professional organizations.

Faculty Mentoring Faculty

The goal of the Faculty Mentoring Faculty project is to pair new ECC faculty with seasoned full-time faculty mentors to get them up-to-speed quickly with college expectations for pedagogy and instructional delivery. Currently, there are seven mentor-mentee pairings, early results indicate satisfaction both on the part of both new as well as seasoned faculty members.

STRATEGIC PLANNING

The *ECC Strategic Plan* expires in July 2017, and the college’s strategic planning team is holding discussions to create new five-year goals for 2018 to 2023. A comprehensive survey of community residents and area employers and a regional economic outlook/labor market scan will be completed to inform this process. These studies will help the college understand public perceptions and guide future opportunities. They will also help the college plan and adapt to trends affecting higher education, such as technological changes and renewed interest in college-to-career preparation.

REGIONAL SAFETY AND SECURITY

The *ECC Strategic Plan* commits to strengthening industry partnerships (Goal 5: *Strengthen educational and workforce partnership to create a more responsive and sustainable community*), and the college has, for many years, offered programs to train local firefighters, paramedics, and safety officers. To accomplish this goal, ECC opened its long-awaited Center for Emergency Services in the Spring of 2016 which is dedicated to the training and education needs of current and future first responders. The facility offers state of the art equipment and training opportunities to students and community members, including driving simulators, a burn tower, a dive pond, a table top model city, and a variety of training obstacles and equipment. Equipment, facility features, and opportunities for training have been introduced in phases and will continue to evolve based on feedback from the local community of first responder professionals.

FACILITIES MASTER PLAN

An updated facilities master plan was adopted in July 2012. The 2012 campus plan contained plans for general site improvements as well as physical and deferred maintenance projects, and included the development and construction of the a new Center for Emergency Services in Burlington, Illinois.

As noted above, in the spring of 2016, the Center for Emergency Services began offering classes. The Center for Emergency Services was the last major construction project affiliated with the April 2009 bond referendum as well as the largest project contained in the current facilities master plan. As the referendum projects come to an end, the College is analyzing and prioritizing the remaining deferred maintenance needs on campus and will start the process to update the deferred maintenance plan for the next five to ten years in fiscal year 2017.

TECHNOLOGY INITIATIVES

Fiscal year 2017 in technology for the College will focus on efficiency and effectiveness in a time of constrained resources. Careful management of core network infrastructure components and strategic partnerships with other governmental units in the district will yield continued stability with increased bandwidth to support the constantly growing internet access needs of the College user community. This year the migration of all College applications and computing resources to a single user-id will be completed enabling secure and convenient access to all services for all users. Colleague, our primary administrative and student information system, will continue to evolve with better tools and services for students to manage their academic careers at ECC.

LONG-TERM FINANCIAL PLANNING

During Fiscal Year 2016, the Board updated the required operating reserves policy to maintain working capital equal to six months of operating expenses in the operating subfunds (the education subfund and the operations and maintenance subfund) instead of the previous requirement of four months. Due to the lack of a budget and appropriations from the State of Illinois, the College realizes the importance of planning for the success of students. By requiring the maintenance of six months of operating expenditures in working capital, the College will ensure that it has the reserves available to complete a semester of operations once it has started regardless of state funding levels. The College has been able to maintain four months of operating expenses in the past and has achieved the increase in the reserve requirement to six months of reserves through fiscal responsibility and conservative budgeting.

Public Act 89-1 places limitations on the annual growth of property tax collections of most local governments, including the College; however, the College has the capacity to meet revenue shortfall as a result of this cap through increased tuition rates. State law does, however, limit tuition and mandatory fees to one-third of the College's per capita costs.

RELEVANT FINANCIAL POLICIES

The Board of Trustees has established Board Policies for administration to follow relating to Budgeting, Financial Condition, and Asset Protection. Administration has established administrative procedures to establish direction for revenues, investing, purchasing, operating reserve levels, accounting for capital assets, tuition and fees, and other pertinent financial matters. These procedures are used as the basis for decision making within the College in accordance with the Board Policies. The College also follows the Illinois Compiled Statutes as they relate to Illinois Community Colleges and reports to the Illinois Community College Board as required by the Statutes.

Management of the College is responsible for establishing and maintaining internal controls 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 accounting principles generally accepted in the United States. The internal controls are 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 valuation of costs and benefits requires estimates and judgments by management.

OTHER INFORMATION

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Elgin Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We are proud to announce that we received our first Certificate of Achievement award for the fiscal year ended June 30, 2003 and each subsequent year through 2015. We believe our current report for the fiscal year ended June 30, 2016 continues to meet the stringent program requirements for the Certificate of Achievement and will be submitted to GFOA.

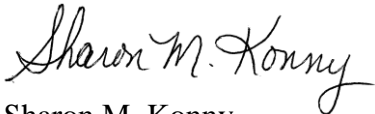
In addition, Elgin Community College also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 9, 2015 for the fiscal year ending June 30, 2016. This is the seventh budget award the College has received. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. The fiscal year 2017 budget has been submitted to GFOA for the Distinguished Budget Presentation Award. We believe the budget continues to meet the program requirements.

Independent Audit. State statutes require an annual audit by an independent certified public accountant. The accounting firm of Sikich LLP is the College's auditor. The auditor's report on the basic financial statements is included in the financial section of this report. The College was subject to the requirements of the Uniform Grant Guidance (the Single Audit). The Single Audit Report is available under separate cover.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Furthermore, a special thanks to the College President and College Board of Trustees for their leadership and support.

Sincerely,

A handwritten signature in cursive script that reads "Sharon M. Konny". The signature is written in black ink and is positioned above the printed name and title.

Sharon M. Konny
Vice President of Business and Finance

FINANCIAL SECTION



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have audited the accompanying basic financial statements of the business-type activities of Elgin Community College District Number 509 (the District) and the discretely presented component unit, Elgin Community College Foundation (the Foundation), as of and for the years ended June 30, 2016 and 2015, and the notes to financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying 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 an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. 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 District'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 District'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 opinion.

Opinion

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Elgin Community College District Number 509 and the discretely presented component unit, Elgin Community College Foundation, as of June 30, 2016 and 2015, and the changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's financial statements as a whole. The introductory section and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, supplemental financial information and uniform financial statements as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2016 on our consideration of the District'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 District's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
October 3, 2016

Elgin Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of Elgin Community College, we offer readers of Elgin Community College's financial statements this narrative overview and analysis of the financial activities of Elgin Community College for fiscal years ended June 30, 2016; June 30, 2015; and June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information available in our letter of transmittal and the College's basic financial statements.

Using This Annual Report

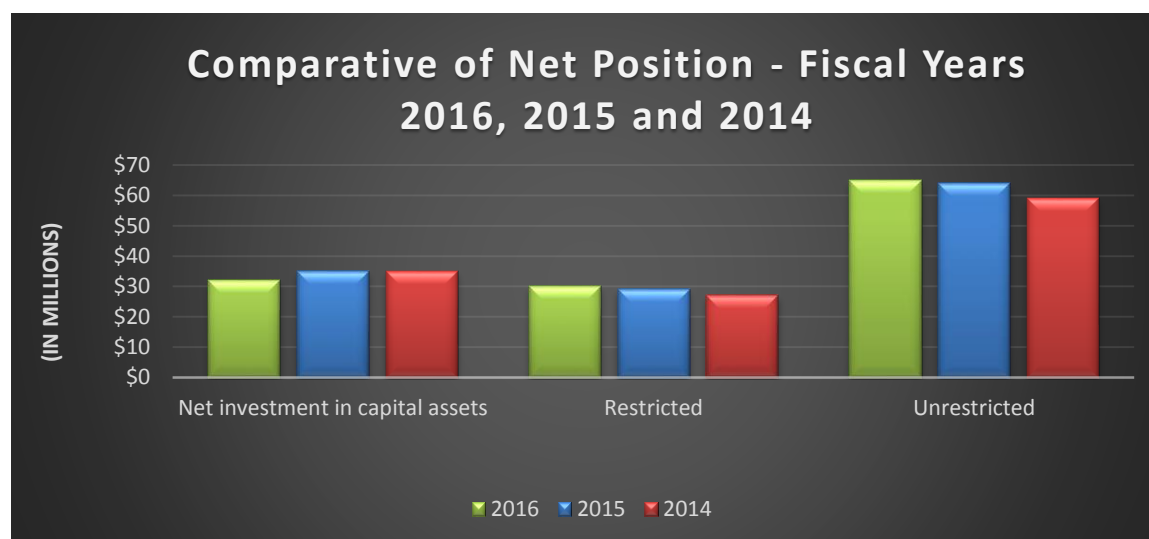
These financial statements focus on the College as a whole. The College's basic financial statements are intended to provide a clear picture of the College as a single, unified entity, in a manner similar to a private-sector business. The focus of the Statement of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. The Statement of Revenues, Expenses, and Changes in Net Position focus on operating revenues and expenses which report primarily exchange transactions such as tuition revenue and the direct costs of providing services to the constituency while nonoperating revenues and expenses report revenues from non-exchange transactions such as property taxes and state and federal grants. This approach is intended to summarize and simplify the user's analysis for the cost of various College services to students and the public.

Financial Highlights

The College's financial position remained stable during fiscal year ended June 30, 2016. At the end of fiscal year 2016, the College's net position decreased 0.07 percent, or approximately \$92,000, from fiscal year ended June 30, 2015. This was an accomplishment due to the reduced funding from the State of Illinois due to the budget impasse in 2016. As of fiscal ended year June 30, 2015, the College's net position increased by 5.51 percent or \$6.7 million compared to fiscal year ended 2014.

Breakdown of Net Position – By Category

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2016; June 30, 2015; and June 30, 2014:



The Statement of Net Position

The College's financial position remained stable during fiscal year ended June 30, 2016. As indicated, total net position decreased by 0.07 percent, or approximately \$92,000, from the previous year. From this amount, a \$2.9 million decrease was attributed to the net investment in capital assets. The restricted net position had an increase of \$1.8 million along with an increase in unrestricted net position of \$1.0 million.

The College's total assets and deferred outflows of resources at fiscal year-end were \$362 million, a decrease of 3.3 percent or \$12.4 million. In fiscal years 2015 and 2014, total assets and deferred outflows of resources were \$375 million and \$372.8 million, respectively. The decrease in 2016 was due to the decrease in current assets.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenue and expenses are recognized as incurred. The following is a comparison of the major components of the net position of the College as of June 30, 2016; June 30, 2015; and June 30, 2014:

Statement of Net Position
As of June 30,

			Inc/(Dec)	
	2016	2015	2016/2015	2014
Current assets	\$ 145,080,323	\$ 146,925,599	\$ (1,845,276)	\$ 134,523,085
Restricted assets	6,374,183	19,449,146	(13,074,963)	36,864,666
Total current assets	151,454,506	166,374,745	(14,920,239)	171,387,751
Non-current assets				
Capital assets, net of depreciation	210,764,086	208,265,757	2,498,329	201,225,767
Total non-current assets	210,764,086	208,265,757	2,498,329	201,225,767
Total assets	362,218,592	374,640,502	(12,421,910)	372,613,518
Deferred outflows of resources	358,074	368,637	(10,563)	231,036
Total assets and deferred outflows of resources	362,576,666	375,009,139	(12,432,473)	372,844,554
Current liabilities	25,275,137	32,515,752	(7,240,615)	30,795,508
Non-current liabilities	180,604,198	185,159,413	(4,555,215)	191,657,590
Total liabilities	205,879,335	217,675,165	(11,795,830)	222,453,098
Deferred inflows of resources	29,258,652	29,803,022	(544,370)	29,521,358
Total liabilities and deferred inflows of resources	235,137,987	247,478,187	(12,340,200)	251,974,456
Net Position				
Net investment in capital assets	32,216,404	35,206,436	(2,990,032)	34,543,852
Restricted for:				
Capital projects	16,241,168	13,832,563	2,408,605	11,960,223
Debt service	3,549,757	4,435,843	(886,086)	4,610,459
Specific purposes	6,508,712	6,216,059	292,653	6,831,512
Working cash	4,014,363	4,014,363	-	4,014,363
Unrestricted	64,908,275	63,825,688	1,082,587	58,909,689
Total net position	\$ 127,438,679	\$ 127,530,952	\$ (92,273)	\$ 120,870,098

Net Position as of June 30

Net position is comprised of three major categories. Net invested in capital assets represents the College's total investment in capital assets, net of accumulated depreciation, and net of any long-term liabilities incurred to construct or purchase capital assets. Restricted net position is resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Unrestricted net position is resources derived from student tuition and fees, state appropriations, and auxiliary enterprises.

Statement of Revenue, Expenses and Changes in Net Position

Following is a comparison of the major components of operating results of the College for the years ended June 30, 2016; June 30, 2015; and June 30, 2014:

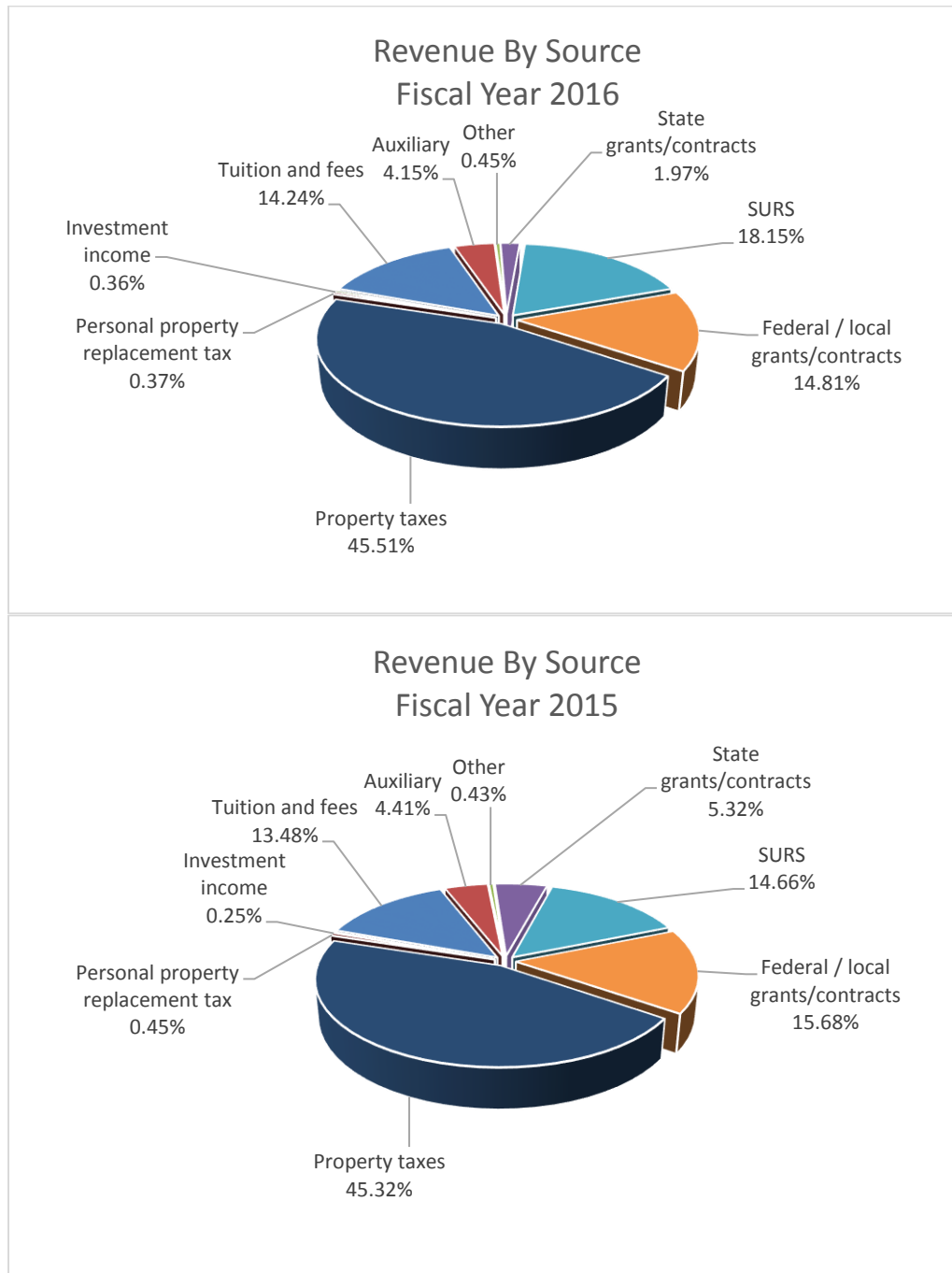
Operating Results for Years Ended June 30,

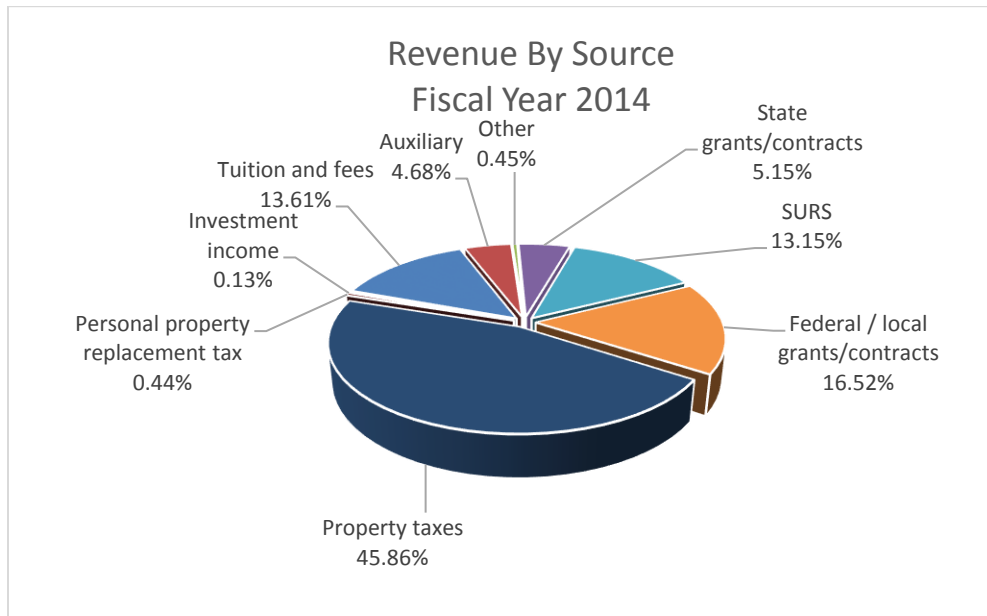
	2016	2015	Inc/(Dec) 2016/2015	2014
Operating Revenues				
Tuition and fees	\$ 18,708,812	\$ 17,874,796	\$ 834,016	\$ 17,605,917
Auxiliary enterprises revenue	5,447,158	5,842,478	(395,320)	6,058,778
Other operating revenue	585,537	572,867	12,670	587,439
Total operating revenues	24,741,507	24,290,141	451,366	24,252,134
Non-Operating Revenues				
State grants and contracts	2,584,487	7,049,526	(4,465,039)	6,663,448
State Universities Retirement System (SURS)	23,837,660	19,444,716	4,392,944	17,017,370
Federal and local grants and contracts	19,453,978	20,798,694	(1,344,716)	21,371,205
Property taxes	59,783,305	60,113,167	(329,862)	59,334,287
Personal property replacement tax	481,466	599,265	(117,799)	572,570
Investment income	478,633	334,156	144,477	164,601
Total non-operating revenues	106,619,529	108,339,524	(1,719,995)	105,123,481
Total Revenues	131,361,036	132,629,665	(1,268,629)	129,375,615
Operating Expenses				
Instruction	43,549,796	41,133,232	2,416,564	40,342,156
Academic support	10,678,304	10,541,916	136,388	9,729,192
Student services	10,266,124	9,840,585	425,539	9,858,311
Public services	648,532	637,014	11,518	585,054
Auxiliary services	6,980,338	7,640,448	(660,110)	8,033,825
Scholarships and student grants	7,584,922	8,465,310	(880,388)	9,529,773
Operation and maintenance of plant	11,289,345	11,020,170	269,175	11,088,637
Institutional support	22,461,019	20,478,735	1,982,284	18,053,287
Depreciation	9,281,794	7,849,474	1,432,320	7,141,073
Total operating expenses	122,740,174	117,606,884	5,133,290	114,361,308
Non-Operating Expenses				
Interest expense	8,713,135	8,977,871	(264,736)	9,296,498
Total non-operating expenses	8,713,135	8,977,871	(264,736)	9,296,498
Total Expenses	131,453,309	126,584,755	4,868,554	123,657,806
Change in net position before capital contributions	(92,273)	6,044,910	(6,137,183)	5,717,809
Capital Contributions	-	615,944	(615,944)	326,100
Change in net position	(92,273)	6,660,854	(6,753,127)	6,043,909
Net position at beginning of year	127,530,952	120,870,098	6,660,854	114,826,189
Net position at end of year	\$ 127,438,679	\$ 127,530,952	\$ (92,273)	\$ 120,870,098

This schedule is prepared from the College's statement of revenues, expenses and changes in net position which is presented on an accrual basis of accounting.

Internally, the College accounts for its activities using fund accounting, which is then reorganized into operating and non-operating components for the audited financial statements. The College accounts for its operating revenues through student tuition and fees, chargeback revenue, auxiliary enterprises and other operating revenue. The College as a whole is primarily financed through the following sources of revenue – property taxes, state grants and contracts, federal and local grants and contracts, and tuition and fees.

The following charts show the percentage of these sources of revenues as they were for the years ended June 30, 2016, June 30, 2015 and June 30, 2014:





The College's main source of revenue is derived from local property taxes, which accounted for 45.51 percent of the total revenues in fiscal year 2016; 45.32 percent of total revenues in fiscal year 2015; and 45.86 percent of total revenues in fiscal year 2014. The second largest source of income for the College is Federal and local grants and contracts which made up 14.81 percent of total revenues in fiscal year 2016; 15.68 percent of total revenues in fiscal year 2015; and 16.52 percent of total revenues in fiscal year 2014. Tuition and fees are the third largest source of income of for the College. In fiscal year 2016, tuition and fee revenue amounted to 14.24 percent of the College's revenue. In fiscal year 2015, tuition and fees made up 13.48 percent and in fiscal year 2014 it was 13.61 percent of the College's revenue. Public Act 1965 removed the community colleges from the system of common K-12 schools and put a ceiling on how much revenue would come from the students in form of tuition. The one-third philosophy was formed whereby the State would provide one-third of the revenue, property taxes would provide one-third and tuition would be the remaining one-third of community college revenue. Illinois has increasingly depended on students to fund the community colleges. This is evident in Elgin Community College's state grants and contracts revenue. In fiscal year 2016, state grants and contract revenue made up 1.97 percent of the total revenue; 5.32 percent of total revenue for fiscal year 2015; and 5.15 percent of total revenue for fiscal year 2014.

Fiscal year 2016

For the College as a whole, total revenue decreased by \$1.3 million when compared to fiscal year 2015.

- Property tax revenue remained about even with fiscal year 2015 with a \$0.3 million decrease. The decrease in fiscal year 2016 was due to the debt service extension which decreased to 14.94% and 15.44% from fiscal year 2015. Increases in property tax extensions are limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI). For fiscal year 2016, CPI reduced to 0.8% from a CPI of 1.5% in fiscal year 2015 and 1.7% in fiscal year 2014. The reduction in property tax revenue in fiscal year 2016 is a result of the decline in debt service payments.

- State grants and contracts have decreased in fiscal year 2016 when compared to past fiscal years. In fiscal year 2016, the state grants and contracts revenue decreased by \$4.4 million from fiscal year 2015. Due to the State of Illinois budget impasse, our state grants have been reduced compared to past fiscal years.
- State Universities Retirement System (SURS) had a \$4.3 million increase in the revenue recognized to offset the pension expense for the cost of providing pension benefits to College employees by the state. SURS is a special funding situation whereby the State of Illinois is responsible for funding on behalf of the College. The revenue recognized increased to \$23.8 million in fiscal year 2016, \$19.4 million in fiscal year 2015, and \$17 million in 2014. The increase in contributions is offset by the same increase in expenses for SURS retirement costs incurred by the State on behalf of the College.
- Federal grants and contracts decreased \$1.3 million in fiscal year 2016 when compared to fiscal year 2015. In fiscal year 2016, PELL awards decreased approximately \$0.9 million and \$1.7 million when compared to fiscal year 2015 and 2014, respectively. In fiscal year 2016, the economy is improving therefore less students are qualifying for the PELL grant award and less student are applying for the PELL grant award. In fiscal year 2016, the College awarded PELL to 3,309 students compared to 4,151 students in fiscal year 2015 and 4,458 students in fiscal year 2014. The College also awarded less direct loans in fiscal year 2016 compared to 2015 and 2014. In fiscal year 2016, the direct loans awarded were \$0.57 million less than fiscal year 2015. The College awarded direct loans to 862 students compared to 1,038 in fiscal year 2015 and 1,236 in fiscal year 2014. Due to the continued efforts of our financial aid office in educating students on student loans, the College has seen the number of direct loans reduced even when the shift of PELL grants has gone down.
- Tuition and fees revenue had a slight increase of \$0.8 million compared to fiscal year 2015. As of fiscal year 2016, total claimed credit hours have decreased 3.24% from fiscal year 2015. The in-district tuition in fiscal year 2016 was \$119 per credit hour which is an increase of \$5 from fiscal year 2015. In fiscal year 2015, the in-district tuition also increased \$5 from fiscal year 2014.
- Overall, the College's net position had a loss of \$92,243 compared to fiscal year 2015 when the College had a positive increase in net position of \$6 million in fiscal year 2015. Due to the College's careful planning by freezing positions and containing costs, the College had been prepared for this loss in fiscal year 2016.

Fiscal year 2015

For the College as a whole, total revenue increased \$3.3 million when compared to fiscal year 2014.

- Property tax revenue increased \$0.7 million compared to fiscal year 2014. The increase was due to the debt service extension as well as the increase allowed under the Property Tax Limitation Law (PTELL) which

was CPI of 1.5 percent for the 2014 levy and 1.7 percent for the 2013 levy.

- State grants and contracts increased \$0.5 million in fiscal year 2015 when compared to fiscal year 2014. This nominal increase was due to the addition of two Illinois Department of commerce and Economic Opportunity grants from fiscal year 2014. The college's radiological technology program received a grant in the amount of \$0.25 million and the Education and Work Study Center received a \$0.2 million grant for year two of the program. In fiscal year 2015, there was also an increase in funding from the JP Morgan Chase grant for our summer bridge program.
- State Universities Retirement System (SURS) had a \$2.4 million increase in the revenue recognized to offset the pension expense in fiscal year 2015. This is the cost of providing pension benefits to College employees by SURS under a special funding situation whereby the State of Illinois is responsible for funding on behalf of the College. The revenue recognized increased to \$19.4 million in fiscal year 2015 and \$17 million in 2014. The increase in contributions is offset by the same increase in expenses for SURS retirement costs incurred by the State on behalf of the College.
- Federal and local grants and contracts remained relatively flat when compared to fiscal year. In fiscal year 2015, PELL awards decreased approximately \$0.8 million compared to fiscal year ended June 30, 2014. In fiscal year 2015, fewer students at all schools are qualifying to receive PELL. For year ended June 30, 2015 the College awarded PELL to 4,151 students compared to June 30, 2014 where the College awarded PELL to 4,458 students. The College's direct loans awarded also decreased by \$0.7 million when compared to fiscal year 2014. In fiscal year 2015, the number of direct loan students amounted to 1,038 where in fiscal year 2014 it was 1,236 students. It is a positive that direct loans are decreasing as it indicates that our efforts to proactively counsel student recipients of financial aid on an individual basis is helping to show students what it means to take out a student loan and how it will impact their future.
- Tuitions and fees revenue for fiscal year 2015 remained relatively flat when compared to fiscal year 2014. There was a slight increase in 2015 of 1.53 percent from 2014. As of fiscal year 2015, total claimed credit hours were down .7 percent from fiscal year.

Fiscal Year 2014

For the College as a whole, total revenue increased \$1.7 million when compared to fiscal year 2013.

- Property taxes in fiscal year 2014 increased \$2.0 million compared to fiscal year 2013. The increase was due to the debt service extension as well as the increase allowed under the Property Tax Limitation Law (PTELL) which was CPI of 1.7 percent for the 2013 levy and 3.0 percent for the 2012 levy.
- State grants and contracts increased \$0.3 million when compared to fiscal year 2014. In 2014, the College received an additional \$0.14 million from

ICCB for Adult Education from fiscal year 2013. The College also received new state grants and local funding in the amount of \$0.086 million from AARP for unemployed individuals over the age of 50, \$0.25 million from Illinois Department of Commerce and Economic Opportunity to support the College's Radiological Technology Program and \$0.20 million from local funding to start up a site in Hanover Park.

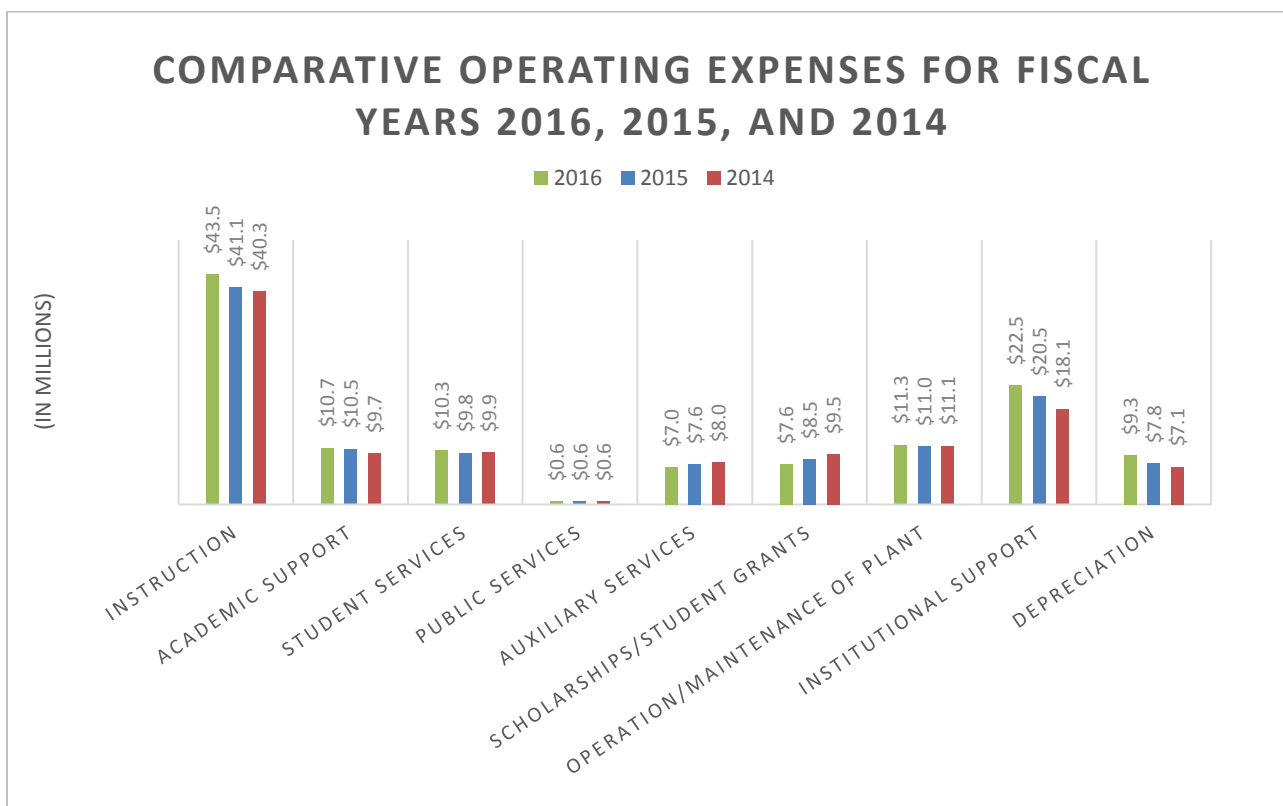
- State Universities Retirement System (SURS) had an increase of \$1.1 million when compared to fiscal year 2013. These were contributions by the State to the State University Retirement System (SURS) on behalf of the College. The contributions increased to \$17 million in fiscal year 2014 and \$16 million in 2013. The increase in contributions is offset by the same increase in expenses for SURS retirement contributions made by the State on behalf of the College.
- Federal and local grants and contracts decreased \$1.3 million. This decrease was due to a \$1.2 million decrease in federal financial aid. Total PELL grants awarded reduced by \$0.22 million, or 1.9 percent, when compared to fiscal year 2013. The number of direct loans awarded also decreased in fiscal year 2014. When compared to the previous fiscal year, direct loans decreased \$0.94 million, or 17.4 percent. The number of part-time students who have part-time or full-time jobs has increased; therefore, the amount of PELL grants awarded has also decreased. Additionally, financial aid has continued meeting with students for one-on-one counseling to teach them about student loans and how they will impact their future. The College also had a \$0.10 million decrease in federal and local grants compared to fiscal year 2013. In fiscal year 2014, Postsecondary Perkins decreased \$0.03 million, and TRIO decreased \$0.07 million when compared to fiscal year 2013.
- Tuition and fees decreased \$0.21 million in fiscal year 2014 when compared to fiscal year 2013. Tuition increased \$4 per semester credit hour to \$109 from \$105 in fiscal year 2013 and \$99 in fiscal year 2013. Full time equivalent credit course enrollment decreased 1.2 percent compared to fiscal year 2013. Total credit hours claimed decreased 5.1 percent from fiscal year 2013.
- Overall, the College's net position increased \$5.7 million in fiscal year 2014. This increase reflects favorable operating results and places the College in a solid financial position.

Operating Expense

Operating expenses are all the costs necessary to perform, conduct and support academic programs. They include salaries and benefits, utilities, general material and supplies, contractual services and travel and conference or meeting expenses and are then categorized by programs. During fiscal year 2016, overall operating expenses increased by 4.36 percent when compared to fiscal year 2015. Total operating expenses increased from \$114 in fiscal year 2014 to \$117 million in fiscal year 2015 to \$122 million in fiscal year 2016. This translates to operating expenses as a whole increasing \$5 million from fiscal year 2015.

Operating Expenses – By Function

The following is a graphic illustration of operating expenses:



Fiscal Year 2016

- Fiscal year 2016 instructional operating expenses increased by \$2.4 million when compared to fiscal year 2015. In fiscal year 2016, there was a \$0.5 million dollar increase in salaries from 2015. The College also had a \$2.0 million dollar increase in benefits in fiscal year 2016 when compared to fiscal year 2015 that is attributed to the SURS pension expense for instructional staff.
- Operating expenses for academic support remained consistent with fiscal year 2015. In fiscal year 2016, salaries increased by \$0.2 million compared to fiscal year 2015. The SURS pension expense for academic support staff increased by \$0.5 million compared to fiscal year 2015. In fiscal year 2016, other expenses such as contractual expenses, general materials and supplies and conference and meetings expenses decreased from fiscal year 2015. The net of the increase in salary and benefits and the decrease in the other expenses attributed to level spending in fiscal year 2016.
- Student services operating expenses increased slightly from fiscal year 2015. Student services operating expenses increased by \$0.5 million when compared to fiscal year 2015 and \$0.4 million. When fiscal year 2016 is compared to fiscal year 2015, this slight increase in spending is due to the \$0.2 million increase in salaries and the \$0.4 million dollar increase in benefits which is due to the SURS pension expense. With the increase in

salaries and due to reductions in areas such as contractual expense and conference and meetings expense in fiscal year 2016, the net of these expenses resulted level spending when compared to fiscal year 2015.

- Scholarships and student grants decreased in fiscal year 2016 by \$0.9 million when compared to fiscal year 2015 due to the decreased PELL awards. In fiscal year 2016, PELL awards decreased by 8.8% and direct loans decreased by 15.4% when compared to fiscal year 2015.
- Institutional support increased by \$1.9 million when compared to fiscal year 2015. These increases are due to the SURS pension expense for institutional support staff.
- Auxiliary services operating expenses decreased in fiscal year 2016 by \$0.6 million when compared to fiscal year 2015. The auxiliary units have been carefully monitoring their operating expenses as their revenues have decreased. There have been losses incurred within the auxiliary units and expenses are being reduced in order to contain these losses.

Fiscal Year 2015

- Fiscal year 2015 instructional operating expenses were relatively proportionate when compared to fiscal year 2014. Instructional expenses only increased \$0.7 million or 1.96 percent compared to fiscal year 2014. The increase in fiscal year 2015 is attributed to the SURS pension expense for instructional staff.
- Academic support in fiscal year 2015 increased \$0.8 million when compared to fiscal year 2014. This increase is a result of salaries and benefits increasing from one year to the next as vacant positions were filled and insurance costs increased. In fiscal year 2015, salaries increased \$0.2 million compared to fiscal year 2014. Benefits in fiscal year 2015 increased \$0.4 million compared to fiscal year 2014 due to the cost of the college's insurance providers as well as the vacancies being filled.
- Student services expense in fiscal year 2015 remained in line with fiscal year 2014 expenses.
- Scholarships and student grants decreased \$1.0 million compared to fiscal year 2014. The decrease for fiscal year 2015 was due to fewer direct loans awarded and a decrease in students who qualify to receive PELL.
- Institutional support in fiscal year 2015 increased \$2.4 million compared to fiscal year. This increase is due to the SURS pension expense.

Fiscal Year 2014

- Instructional operating expenses increased by \$2.2 million which is due to a \$2.2 million dollar increase in the SURS on behalf allocation. Instructional salaries and benefits increased \$0.5 million compared to fiscal year 2013 due to vacant positions being filled and an increase in the overall benefit costs for medical insurance.
- Academic support remained relatively flat compared to fiscal year 2013 with an increase of \$0.3 million.
- Student services also only increased \$0.2 in fiscal year 2014 when compared to fiscal year 2013.
- Scholarships and student grants decreased by \$1.3 million due to the decrease in the number of students who were awarded PELL grants and the

number of students who received direct loans. In fiscal year 2014, the number of students who were awarded direct loans decreased by 277 students and the number of PELL student decreased by 134 students.

- Institutional support decreased by \$1.6 million in fiscal year 2014.

Long-Term Debt

As of June 30, 2016, 2015, and 2014, the College had a total of \$185,049,198, \$191,609,968 and \$198,547,590 in outstanding bonded indebtedness, respectively. The decrease in long-term debt from fiscal years 2016, 2015 and 2014 was due to the payment of principal on bonds. The entire amount each year is in the form of general obligation bonds that are backed by the full faith and credit of the College.

Please refer to the long-term debt disclosures in the notes to the financial statements (Footnote 5. on pages 22 - 26) for more detailed information.

Capital Assets

	Capital Assets, Net As of June 30,		
	2016	2015	2014
Capital Assets			
Land and improvements	\$ 19,065,397	\$ 17,109,460	\$ 17,109,460
Site improvements	24,567,091	13,496,850	8,303,853
Construction in progress	1,210,825	18,809,614	13,583,701
Buildings	236,747,433	221,945,879	218,371,458
Machinery and equipment	13,741,897	12,198,167	12,514,695
Furniture and fixtures	214,032	206,582	275,731
Total capital assets	295,546,675	283,766,552	270,158,898
Less: accumulated depreciation	(84,782,589)	(75,500,795)	(68,933,131)
Net capital assets	<u>\$ 210,764,086</u>	<u>\$ 208,265,757</u>	<u>\$ 201,225,767</u>

Net capital assets increased \$2.5 million in fiscal year 2016 and \$7.0 million in fiscal year 2015. In fiscal year 2016, site improvements increased by \$11 million compared to fiscal year 2015. In fiscal year 2016, site improvement projects included the Burlington site improvements, lakeside landscaping at the main campus, parking lot and road renovations, the plaza deck box restoration and wayfinding. In fiscal year 2015, site improvements increased by \$5.1 million due to the water main looping project, the smart grid project and parking lot repairs. Construction in progress decreased in fiscal year 2016 by \$17.6 million when compared to fiscal year 2015. Many of the construction in progress projects have been completed such as building M West, the wayfinding project and the Center for Emergency Services in Burlington in fiscal year 2016. Construction in progress in fiscal year 2015 increased by \$5.3 million due to the renovation of the Lakeside Plaza and the continued construction of the Burlington center. In fiscal year 2016, buildings increased by \$15 million compared to fiscal year 2015. This increase in the main building capital asset are a result of the buildings in Burlington for the Center for Emergency Services which

included the class room and administration building, the training and fire safety building and the fire safety and EMT buildings being completed in this current fiscal year. In fiscal year 2016, machinery and equipment increased by \$1.6 million. This increase is due to the equipment purchased for the Center for Emergency Services in Burlington. In fiscal year 2015, the College had building improvements were in building M which houses Chemistry, Geology, Physics, Office Administration and Technology, and Child Care. In fiscal year 2014, the College purchase land from the City of Elgin for \$8 million. Buildings in fiscal year 2014 increased by \$10 million as remodeling projects were completed. The tuck-pointing in Building H was completed and the roof was replaced on Building J.

Please refer to the capital assets disclosures in the notes to the financial statements (Footnote 4. on pages 21 - 22) for more detailed information on capital activity.

CONTACTING THE COLLEGES FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents with a general overview of Elgin Community College's finances and to demonstrate the College's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to Sharon Konny, Vice President for Business and Finance, 1700 Spartan Drive, Elgin, IL 60123.

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BASIC FINANCIAL STATEMENTS

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

STATEMENTS OF NET POSITION

June 30, 2016 and 2015

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 31,813,175	\$ 38,200,966
Investments	73,182,656	68,013,127
Property tax receivable	29,082,339	29,753,874
Accrued interest receivable	179,738	100,604
Student tuition receivable	7,146,597	7,294,044
Other accounts receivable	2,283,417	2,121,138
Inventory	472,304	458,970
Prepaid assets	920,097	982,876
Restricted assets		
Cash and cash equivalents	6,374,101	7,772,497
Investments	82	11,676,649
Total current assets	151,454,506	166,374,745
NONCURRENT ASSETS		
Capital assets	295,546,675	283,766,552
Less accumulated depreciation	(84,782,589)	(75,500,795)
Total noncurrent assets	210,764,086	208,265,757
Total assets	362,218,592	374,640,502
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	175,027	203,082
SURS pension contributions	183,047	165,555
Total deferred outflows of resources	358,074	368,637
Total assets and deferred outflows of resources	362,576,666	375,009,139

(This statement is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

June 30, 2016 and 2015

	2016	2015
CURRENT LIABILITIES		
Accounts payable	\$ 2,301,338	\$ 6,270,140
Accrued salaries and benefits payable	5,442,511	6,087,820
Accrued health care liability	1,053,317	1,223,434
Unearned tuition	9,716,751	9,683,132
Claims payable	325,000	325,000
Interest payable	361,377	370,686
General obligation bonds payable	4,445,000	6,450,555
Other current liabilities	1,629,843	2,104,985
Total current liabilities	25,275,137	32,515,752
NONCURRENT LIABILITIES		
General obligation bonds payable	180,604,198	185,159,413
Total noncurrent liabilities	180,604,198	185,159,413
Total liabilities	205,879,335	217,675,165
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	29,258,652	29,803,022
Total deferred inflows of resources	29,258,652	29,803,022
Total liabilities and deferred inflows of resources	235,137,987	247,478,187
NET POSITION		
Net investment in capital assets	32,216,404	35,206,436
Restricted for		
Capital projects	16,241,168	13,832,563
Debt service	3,549,757	4,435,843
Grant purposes	2,343,908	2,343,908
Audit purposes	125,150	111,401
Liability insurance	3,856,607	3,595,195
Pension contributions	183,047	165,555
Working cash	4,014,363	4,014,363
Unrestricted	64,908,275	63,825,688
TOTAL NET POSITION	\$ 127,438,679	\$ 127,530,952

See accompanying notes to financial statements.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Student tuition and fees	\$ 18,679,471	\$ 17,854,603
Chargeback revenue	29,341	20,193
Auxiliary enterprises revenue	5,447,158	5,842,478
Other operating revenue	585,537	572,867
Total operating revenues	24,741,507	24,290,141
OPERATING EXPENSES		
Instruction	43,549,796	41,133,232
Academic support	10,678,304	10,541,916
Student services	10,266,124	9,840,585
Public services	648,532	637,014
Auxiliary services	6,980,338	7,640,448
Scholarships and student grants	7,584,922	8,465,310
Operation and maintenance of plant	11,289,345	11,020,170
Institutional support	22,461,019	20,478,735
Depreciation	9,281,794	7,849,474
Total operating expenses	122,740,174	117,606,884
OPERATING INCOME (LOSS)	(97,998,667)	(93,316,743)
NON-OPERATING REVENUES (EXPENSES)		
State grants and contracts	26,422,147	26,494,242
Property taxes	59,783,305	60,113,167
Personal property replacement tax	481,466	599,265
Federal grants and contracts	18,520,444	19,884,290
Local grants and contracts	933,534	914,404
Interest expense and fiscal charges	(8,713,135)	(8,977,871)
Investment income	478,633	334,156
Total non-operating revenues (expenses)	97,906,394	99,361,653
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(92,273)	6,044,910
CAPITAL CONTRIBUTIONS	-	615,944
CHANGE IN NET POSITION	(92,273)	6,660,854
NET POSITION, JULY 1	127,530,952	120,870,098
NET POSITION, JUNE 30	<u>\$ 127,438,679</u>	<u>\$ 127,530,952</u>

See accompanying notes to financial statements.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 18,860,537	\$ 17,939,653
Payments to suppliers	(38,231,631)	(36,560,058)
Payments to employees	(54,204,838)	(53,076,394)
Auxiliary enterprise charges	5,378,954	5,662,985
Other	140,100	431,872
Net cash from operating activities	(68,056,878)	(65,601,942)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	59,910,470	60,114,238
Local grants and contracts	933,534	914,404
State appropriations and grants	3,394,087	7,265,746
Federal grants and contracts	18,456,881	20,048,989
Net cash from noncapital financing activities	82,694,972	88,343,377
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(14,241,214)	(14,273,520)
Principal paid on bonds	(6,460,000)	(6,890,000)
Interest paid on bonds	(8,784,758)	(8,997,914)
Net cash from capital and related financing activities	(29,485,972)	(30,161,434)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	42,480,907	49,879,786
Interest on investments	546,099	467,414
Purchase of investments	(35,965,315)	(48,066,227)
Net cash from investing activities	7,061,691	2,280,973
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,786,187)	(5,139,026)
CASH AND CASH EQUIVALENTS, JULY 1	45,973,463	51,112,489
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 38,187,276	\$ 45,973,463

(This statement is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2016 and 2015

	2016	2015
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (97,998,667)	\$ (93,316,743)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	9,281,794	7,849,474
State on behalf payments	23,856,862	19,472,907
Changes in net position		
Receivables (net)	(433,718)	91,176
Inventories	(13,334)	187,889
Prepaid expenses	62,779	(220,480)
Accounts payable	(1,507,711)	380,881
Accrued salaries	(645,309)	(480,269)
Retirement liability	(170,117)	(205,217)
Unearned tuition	33,619	(305,844)
Other accrued liabilities	(523,076)	944,284
NET CASH FROM OPERATING ACTIVITIES	\$ (68,056,878)	\$ (65,601,942)
NONCASH INVESTING, CAPITAL AND FINANCING		
Accretion of interest on debt	\$ 128,866	\$ 197,494
Change in fair value of investments	146,600	124,487
Capital contributions	-	615,944
State on behalf payments	24,039,909	19,638,462
TOTAL NONCASH INVESTING, CAPITAL AND FINANCIAL	\$ 24,315,375	\$ 20,576,387

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE FOUNDATION
ELGIN, ILLINOIS

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 606,787	\$ 644,495
Pledges receivable, net	90,216	83,931
Prepaid expenses and other	4,160	12,519
Cash surrender value of life insurance	36,428	34,152
Investments	6,194,976	6,046,009
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,932,567	\$ 6,821,106
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 2,655	\$ 2,401
Deferred revenue	3,000	81,450
Due to Elgin Community College	48,642	88,170
	<hr/>	<hr/>
Total liabilities	54,297	172,021
	<hr/>	<hr/>
NET ASSETS		
Unrestricted		
Undesignated	762,778	552,444
Designated for the Ralph and Edith Apple Presidential Fund	53,264	37,089
Designated for endowment	39,708	39,708
	<hr/>	<hr/>
Total unrestricted	855,750	629,241
Temporarily restricted	2,585,381	2,658,133
Permanently restricted	3,437,139	3,361,711
	<hr/>	<hr/>
Total net assets	6,878,270	6,649,085
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 6,932,567	\$ 6,821,106
	<hr/>	<hr/>

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE FOUNDATION
ELGIN, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2016
(With Summarized Financial Information for the Year Ended June 30, 2015)

	2016				2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
REVENUES					
Contributions	\$ 34,664	\$ 264,149	\$ 62,856	\$ 361,669	\$ 490,705
Special events	221,071	13,760	-	234,831	185,489
Investment return, net of fees	70,379	79,492	-	149,871	327,750
Contributed services	473,385	-	-	473,385	405,000
Gifts in-kind	43,198	-	-	43,198	49,643
Net assets released from restrictions					
Management fees	51,091	(51,091)	-	-	-
Other	366,490	(379,062)	12,572	-	-
Total revenues	1,260,278	(72,752)	75,428	1,262,954	1,458,587
EXPENSES					
Program services					
Scholarship awards	218,892	-	-	218,892	148,478
Support to Elgin Community College	139,271	-	-	139,271	138,160
Gifts in-kind, materials and supplies	43,198	-	-	43,198	49,643
Contributed services	60,384	-	-	60,384	70,577
Total program services	461,745	-	-	461,745	406,858
Management and general	368,805	-	-	368,805	375,695
Special events - cost of direct donor benefit	68,566	-	-	68,566	69,554
Fundraising	134,653	-	-	134,653	87,188
Total management and general	572,024	-	-	572,024	532,437
Total expenses	1,033,769	-	-	1,033,769	939,295
CHANGE IN NET ASSETS	226,509	(72,752)	75,428	229,185	519,292
NET ASSETS, JULY 1	629,241	2,658,133	3,361,711	6,649,085	6,129,793
NET ASSETS, JUNE 30	\$ 855,750	\$ 2,585,381	\$ 3,437,139	\$ 6,878,270	\$ 6,649,085

See accompanying notes to financial statements.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Elgin Community College District Number 509 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the District presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board (ICCB). The following is a summary of the more significant policies of the District.

a. Reporting Entity

The District is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The District is fiscally independent and is considered a primary government pursuant to GASB Statement No. 61. The District has determined that the Elgin Community College Foundation (the Foundation), a legally separate 501(c) (3) corporation, meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, because of the nature and significance of the Foundation's relationship with the District, which has resulted in the Foundation being reported as a discretely presented component unit of the District as it is legally separate from the District. Separate financial statements of the Foundation are available from the Foundation's Executive Director at 1700 Spartan Drive, Elgin, Illinois 60123.

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation

For financial reporting purposes, the District is considered a special purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the District on a reimbursement basis when qualifying expenses are incurred.

The District reports unearned revenue and deferred revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met, or when the District has met all eligibility requirements, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Tuition and fee revenues related to courses primarily held after June 30, 2016 and 2015 are reported as unearned revenue.

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all pooled cash and investments and, for separate accounts, all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

d. Investments

Investments with a maturity less than one year when purchased and all non-negotiable certificates of deposit are carried at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Fair value is based on published fair values on June 30, 2016 and 2015.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Inventories

Inventories consist primarily of items held for resale in the bookstore and the food services operations and are stated at the lower of cost or market using the first-in/first-out (FIFO) method.

f. Prepaid Assets

Prepaid assets represent payments for goods or services that benefit future periods.

g. Restricted Assets

Restricted assets represent the unspent portion of bond proceeds, the use of which are restricted by the related bond covenants.

h. Capital Assets

Capital assets include property, plant, equipment, intangible assets and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the District as assets with an initial unit cost of above a set dollar threshold based on the asset type (see chart below). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets except land and construction in progress of the District are depreciated using the straight-line method over the following useful lives:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Equipment	\$ 5,000	8 years
O&M equipment	5,000	8 years
Vehicles	5,000	5 years
Computer equipment and software	5,000	3 years
Furniture and fixtures	5,000	8 years
Site improvements	50,000	10 years
Building improvements	50,000	5-10 years or matched to remaining life on building improved
Buildings	100,000	50 years

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Accrued Salaries and Benefits

Accumulated vacation leave and compensatory time is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 30 days of vacation and 40 hours of compensatory time may be accumulated for full-time, non-union staff. Since 1986, the District has offered a senior service incentive program to employees planning retirement. Provisions of the current contract with the Elgin Community College Faculty Association and other employee groups allow up to 15 faculty members to retire per year between 1998 and 2008 and to receive additional compensation during the final three years of employment and five years of paid health care. Administrators of the District with over 10 years of service were also eligible for a similar plan. These amounts are accrued as salaries payable once the employee is eligible and provides irrevocable notice to the District of their intent to utilize this benefit. This benefit is no longer available to be taken, but there is still a liability accrued for employees that gave irrevocable notice prior to the elimination of the benefit.

When a staff member retires after minimum years of service with the District he/she is allowed to apply his/her accrued sick leave days toward service credit for retirement with the State Universities Retirement System.

j. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts are capitalized and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

k. Net Position

Net Investment in Capital Assets

This represents the District's total investment in capital assets, net of accumulated depreciation and net of liabilities incurred to construct or purchase capital assets.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Net Position (Continued)

Restricted Net Position

This includes resources that the District 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 District's policy to use restricted resources first, then unrestricted resources when they are needed. None of the District's restricted net position are restricted as a result of the District's enabling legislation.

Unrestricted Net Position

This includes resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

l. 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, (3) most federal, state and local grants and contracts and state appropriations and (4) gifts and contributions. Operating expenses include all direct expenses incurred for education purposes. Non-operating expenses are expenses incidental to operations.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualifies for reporting in this category, the unamortized loss on refunding and employer pension contributions made to the State University Retirement System (SURS or the System)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Deferred Outflows/Inflows of Resources (Continued)

after the measurement date of the total pension liability but before the District's fiscal year end. In addition to liabilities, the statement of financial 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.

n. Federal Financial Assistance

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work Study, Federal Family Education Loans and Perkins Loans programs. Federal programs are audited in accordance with Uniform Grant Guidance.

o. On Behalf Payments

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the District has recorded a revenue and expense for payments made to the Community College Health Insurance Program (\$202,249 and \$193,746 for the fiscal years ended June 30, 2016 and 2015, respectively) by the State of Illinois on behalf of certain employees of the District. The District applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2016 and 2015, the District has reported its proportionate share of the collective pension expense and revenue for the State's contribution (see note 7).

p. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

ILCS authorizes the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds. Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer. It acts as a money market fund that maintains a \$1 per share value.

In addition, the District's Board of Trustees has adopted an investment policy which provides further restrictions on the investment of district funds. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: safety of principal, liquidity, return on investment and maintaining public trust. The use of derivatives is expressly prohibited by the policy.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by the Federal Reserve Bank, the District's agent or by the trust department or escrow agent of the pledging institution, evidenced by a written collateral agreement.

b. Investments

The following table presents the debt investments of the District as of June 30, 2016 by type of investment:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FHLMC	\$ 4,997,788	\$ -	\$ 4,997,788	\$ -	\$ -
FHLB	8,038,424	2,615,794	5,422,630	-	-
U.S. Treasury Notes	7,014,350	7,014,350	-	-	-
TOTAL	\$ 20,050,562	\$ 9,630,144	\$ 10,420,418	\$ -	\$ -

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The following table presents the debt investments of the District as of June 30, 2015 by type of investment:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FHLMC	\$ 4,991,307	\$ -	\$ 4,991,307	\$ -	\$ -
FHLB	8,206,746	-	8,206,746	-	-
TOTAL	\$ 13,198,053	\$ -	\$ 13,198,053	\$ -	\$ -

In accordance with its investment policy, the District limits its exposure to interest rate risk by limiting the maturities for its investments to generally less than two years when purchased (180 days for commercial paper).

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government, commercial paper obligations must be rated in the two highest classifications by two major rating agencies. At June 30, 2016, the FHLMC and FHLB debt investments were all rated Aaa by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased.

Concentration of Credit Risk

The District requires diversification to eliminate the risk of loss resulting in over concentration in a specific maturity issuer or class of securities. The District requires allocation as follows: a maximum of 100% can be invested in securities issued by the United States of America and its agencies, a maximum of 90% can be invested in collateralized savings, time deposits or certificates of deposit with federally insured institutions. Up to 33% can be invested in collateralized repurchase agreements, commercial paper, limited to 10% in any one institution and Illinois Funds and other money market fund.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016: U.S. Treasury securities of \$7,014,350 and U.S. agency securities (FHLMC and FHLB) of \$13,036,212 are valued using quoted market prices (Level 1 inputs).

The District has the following recurring fair value measurements as of June 30, 2015: U.S. agency securities (FHLMC and FHLB) of \$13,198,053 are valued using quoted market prices (Level 1 inputs).

3. PROPERTY TAXES

The following information gives significant dates on the property tax calendar of the District.

- The property tax lien date is January 1.
- The annual tax levy resolution for 2014 was passed on December 9, 2014 and the annual tax levy resolution for 2015 was passed on December 8, 2015.
- Property taxes are due to the County Collectors in two installments, June 1 and September 1 of the calendar year following the year the tax attaches as a lien.
- The District will receive the majority of its distributions in June, July, September and November 2015 and 2016.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2015 (2014) tax levy is intended to finance the 2016 (2015) fiscal year and, accordingly, is reported as deferred revenue. The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2015, has not been recorded as a receivable as of June 30, 2016 as the tax has not yet been levied by the District and will not be levied until December 2016 and, therefore, the levy is not measurable at June 30, 2016.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 17,109,460	\$ 1,955,937	\$ -	\$ 19,065,397
Construction in progress	18,809,614	11,648,926	29,247,715	1,210,825
Total capital assets not being depreciated	35,919,074	13,604,863	29,247,715	20,276,222
Capital assets being depreciated				
Buildings	221,945,879	14,801,554	-	236,747,433
Site improvements	13,496,850	11,070,241	-	24,567,091
Machinery and equipment	12,198,167	1,543,730	-	13,741,897
Furniture and fixtures	206,582	7,450	-	214,032
Total capital assets being depreciated	247,847,478	27,422,975	-	275,270,453
Less accumulated depreciation for				
Buildings	61,134,956	5,965,181	-	67,100,137
Site improvements	5,036,315	2,343,426	-	7,379,741
Machinery and equipment	9,178,071	957,531	-	10,135,602
Furniture and fixtures	151,453	15,656	-	167,109
Total accumulated depreciation	75,500,795	9,281,794	-	84,782,589
Total capital assets being depreciated, net	172,346,683	18,141,181	-	190,487,864
CAPITAL ASSETS, NET	\$ 208,265,757	\$ 31,746,044	\$ 29,247,715	\$ 210,764,086

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 17,109,460	\$ -	\$ -	\$ 17,109,460
Construction in progress	13,583,701	13,204,305	7,978,392	18,809,614
Total capital assets not being depreciated	30,693,161	13,204,305	7,978,392	35,919,074
Capital assets being depreciated				
Buildings	218,371,458	3,574,421	-	221,945,879
Site improvements	8,303,853	5,200,372	7,375	13,496,850
Machinery and equipment	12,514,695	870,483	1,187,011	12,198,167
Furniture and fixtures	275,731	18,275	87,424	206,582
Total capital assets being depreciated	239,465,737	9,663,551	1,281,810	247,847,478

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated depreciation for				
Buildings	\$ 55,561,588	\$ 5,573,368	\$ -	\$ 61,134,956
Site improvements	3,712,893	1,330,797	7,375	5,036,315
Machinery and equipment	9,434,500	930,582	1,187,011	9,178,071
Furniture and fixtures	224,150	14,727	87,424	151,453
Total accumulated depreciation	68,933,131	7,849,474	1,281,810	75,500,795
Total capital assets being depreciated, net	170,532,606	1,814,077	-	172,346,683
CAPITAL ASSETS, NET	\$ 201,225,767	\$ 15,018,382	\$ 7,978,392	\$ 208,265,757

5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2016 is as follows:

	Balances July 1, 2015	Issuance	Repayment/ Amortization	Balances June 30, 2016	Current Portion
General Obligation (Capital Appreciation) Bonds Series 2001B	\$ 2,470,350	\$ *119,421	\$ 480,000	\$ 2,109,771	\$ 480,000
General Obligation (Capital Appreciation) Bonds Series 2002	385,555	*9,445	395,000	-	-
General Obligation Bonds Series 2007	5,585,000	-	5,585,000	-	-
General Obligation Taxable, Build America Bonds Series 2009B	4,800,000	-	-	4,800,000	-
General Obligation Taxable, Build America Bonds Series 2009C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010A	4,000,000	-	-	4,000,000	1,000,000
General Obligation Taxable, Build America Bonds Series 2010B	6,000,000	-	-	6,000,000	-
General Obligation Taxable, Build America Bonds Series 2010C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010D	40,000,000	-	-	40,000,000	630,000
General Obligation Refunding Bonds Series 2012	8,040,000	-	-	8,040,000	485,000
General Obligation Bonds Series 2013A	38,000,000	-	-	38,000,000	1,850,000
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
Premium on general obligation bonds	2,534,063	-	239,636	2,294,427	-
Discount on general obligation bonds	(205,000)	-	(10,000)	(195,000)	-
TOTAL	\$ 191,609,968	\$ 128,866	\$ 6,689,636	\$ 185,049,198	\$ 4,445,000

*Annual accretion of interest.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Changes in long-term debt for the year ended June 30, 2015 is as follows:

	Balances July 1, 2014	Issuance	Repayment/ Amortization	Balances June 30, 2015	Current Portion
General Obligation Bonds Series 1995A	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -
General Obligation (Capital Appreciation) Bonds Series 2001B	2,813,265	*137,085	480,000	2,470,350	480,000
General Obligation (Capital Appreciation) Bonds Series 2002	2,125,146	*60,409	1,800,000	385,555	385,555
General Obligation Bonds Series 2007	9,995,000	-	4,410,000	5,585,000	5,585,000
General Obligation Taxable, Build America Bonds Series 2009B	4,800,000	-	-	4,800,000	-
General Obligation Taxable, Build America Bonds Series 2009C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010A	4,000,000	-	-	4,000,000	-
General Obligation Taxable, Build America Bonds Series 2010B	6,000,000	-	-	6,000,000	-
General Obligation Taxable, Build America Bonds Series 2010C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010D	40,000,000	-	-	40,000,000	-
General Obligation Refunding Bonds Series 2012	8,040,000	-	-	8,040,000	-
General Obligation Bonds Series 2013A	38,000,000	-	-	38,000,000	-
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
Premium on general obligation bonds	2,789,179	-	255,116	2,534,063	-
Discount on general obligation bonds	(215,000)	-	(10,000)	(205,000)	-
TOTAL	\$ 198,547,590	\$ 197,494	\$ 7,135,116	\$191,609,968	\$ 6,450,555

*Annual accretion of interest.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

General Obligation Bonds

The District issues general obligation bonds to finance various capital improvements. General Obligation Bonds at June 30, 2016 are comprised of the following:

\$2,250,000 General Obligation Bonds, Series 1995A, dated December 19, 1995. The bonds are payable in annual installments of \$25,000 to \$200,000 from January 1, 2000 to January 1, 2015. Interest is payable semiannually each January 1 and July 1 at rates from 4.90% to 5.25%. This bond was paid in full during the fiscal year ended June 30, 2015.

\$8,798,748 General Obligation (Capital Appreciation) Bonds, Series 2001B, dated June 28, 2001. The bonds are payable in annual installments of \$100,000 to \$900,000 from December 15, 2005 to December 15, 2020. Interest is not payable annually but rather accretes semiannually at rates of 4.0% to 5.4% to the principal each June 15 and December 15 and is payable upon maturity.

\$9,999,807 General Obligation (Capital Appreciation) Bonds, Series 2002, dated June 24, 2002. The bonds are payable in annual installments of \$100,000 to \$2,300,000 from December 15, 2005 to December 15, 2021. Interest is not payable annually but rather accretes semiannually at rates of 3.125% to 5.375% to the principal each June 15 and December 15 and is payable upon maturity. This bond was paid in full during the fiscal year ended June 30, 2016.

\$9,995,000 General Obligation Refunding Bonds, Series 2007, dated November 15, 2007. The bonds are payable in installments of \$4,410,000 to \$5,585,000 from December 15, 2014 to December 15, 2015. Interest is payable semiannually each June 15 and December 15 at rates of 4.00% to 4.25%. This bond was paid in full during the fiscal year ended June 30, 2016.

\$4,800,000 General Obligation Taxable Build America Bonds, Series 2009B, dated December 8, 2009. The bonds are payable in one installment of \$4,800,000 on December 15, 2023. Interest is payable semiannually each June 15 and December 15 at a rate of 5.375%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2009B Build America Bonds, after rebate, is 3.494%.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

\$35,000,000 General Obligation Taxable Build America Bonds, Series 2009C, dated December 8, 2009. The bonds are payable in installments of \$11,500,000 to \$12,000,000 annually on December 15, 2032 through December 15, 2034. Interest is payable semiannually each June 15 and December 15 at a rate of 6.000% to 6.125%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2009B Build America Bonds, after rebate, is 3.900% to 3.981%.

\$4,000,000 General Obligation Taxable Build America Bonds, Series 2010A, dated August 12, 2010. The bonds are payable in annual installments of \$1,000,000 on December 15, 2016 through December 15, 2019. Interest is payable semiannually each June 15 and December 15 at a rate of 2.80% to 4.15%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010A Build America Bonds, after rebate, is 1.82% to 2.70%.

\$6,000,000 General Obligation Taxable Build America Bonds, Series 2010B, dated August 12, 2010. The bonds are payable in one installment of \$6,000,000 on December 15, 2026. Interest is payable semiannually each June 15 and December 15 at a rate of 5.125%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010B Build America Bonds, after rebate, is 3.33%.

\$35,000,000 General Obligation Taxable Build America Bonds, Series 2010C, dated August 12, 2010. The bonds are payable in installments of \$3,105,000 to \$10,050,000 annually on December 15, 2028 through December 15, 2034. Interest is payable semiannually each June 15 and December 15 at a rate of 5.45% to 5.70%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010C Build America Bonds, after rebate, is 3.54% to 3.71%.

\$40,000,000 General Obligation Taxable Build America Bonds, Series 2010D, dated November 23, 2010. The bonds are payable in installments of \$630,000 to \$12,460,000 annually on December 15, 2016 through December 15, 2027 with one final payment on December 15, 2035. Interest is payable semiannually each June 15

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

and December 15 at a rate of 2.5% to 6.0%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010D Build America Bonds, after rebate, is 1.63% to 3.90%.

\$8,040,000 General Obligation Refunding Bonds, Series 2012, dated March 13, 2012. The bonds are payable in installments of \$380,000 to \$2,975,000 annually on December 15, 2016 through December 15, 2022. Interest is payable semiannually each June 15 and December 15 at a rate of 2.0% to 2.4%.

\$38,000,000 General Obligation Bonds, Series 2013A, dated April 1, 2013. The bonds are payable in installments of \$800,000 to \$6,100,000 annually on December 15, 2016 through December 15, 2029. Interest is payable semiannually each June 15 and December 15 at a rate of 3% to 4%.

\$10,000,000 General Obligation Bonds, Series 2013B, dated April 16, 2013. The bonds are payable in installments of \$1,000,000 to \$6,200,000 annually on December 15, 2029 through December 15, 2031. Interest is payable semiannually each June 15 and December 15 at a rate of 3.15% to 3.30%.

Debt service to maturity on these issues is as follows:

Fiscal Year	General Obligation Bonds			General Obligation Capital Appreciation Bonds 2001B	
	Principal	Interest	Total	Accretion	Repayment
2017	\$ 3,965,000	\$ 8,618,583	\$ 12,583,583	\$ 100,757	\$ 480,000
2018	4,030,000	8,508,744	12,538,744	80,718	480,000
2019	4,535,000	8,381,658	12,916,658	59,428	480,000
2020	5,140,000	8,220,682	13,360,682	36,758	480,000
2021	5,095,000	8,034,483	13,129,483	12,568	480,000
2022	5,980,000	7,815,507	13,795,507	-	-
2023	6,825,000	7,577,283	14,402,283	-	-
2024	7,100,000	7,287,082	14,387,082	-	-
2025	7,300,000	6,976,583	14,276,583	-	-
2026	7,910,000	6,669,607	14,579,607	-	-
2027	9,000,000	6,291,633	15,291,633	-	-
2028	9,600,000	5,864,382	15,464,382	-	-
2029	9,900,000	5,419,082	15,319,082	-	-

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Fiscal Year	General Obligation Bonds			General Obligation Capital Appreciation Bonds 2001B	
	Principal	Interest	Total	Accretion	Repayment
2030	\$ 11,100,000	\$ 4,942,457	\$ 16,042,457	\$ -	\$ -
2031	11,455,000	4,443,492	15,898,492	-	-
2032	12,850,000	3,866,746	16,716,746	-	-
2033	14,605,000	3,097,210	17,702,210	-	-
2034	15,390,000	2,192,415	17,582,415	-	-
2035	16,600,000	1,237,950	17,837,950	-	-
2036	12,460,000	373,800	12,833,800	-	-
TOTAL	\$ 180,840,000	\$ 115,819,379	\$ 296,659,379	\$ 290,229	\$ 2,400,000

Operating Lease Commitment

The District has an operating lease for off-campus classroom space. Lease payments for fiscal years 2016 and 2015 totaled \$120,000 and \$120,000, respectively. The lease expires in fiscal year 2017. The following is a schedule of future minimum lease payments as of June 30, 2016.

Fiscal Year	Future Minimum Lease Payments
2017	\$ 110,000
TOTAL	\$ 110,000

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. These risks, except for employee health, are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

The District is self-insured for employee health insurance. The District's third party administrator (TPA) processes all claims for the District and is reimbursed monthly for the claims paid in the previous month. During fiscal year 2008, the District modified its employee health insurance to be purchased through a third party provider in a modified self-insured program, effective July 1, 2008.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

The District, through the third party provider, has purchased specific and aggregate excess insurance to limit its exposure. For fiscal years 2016 and 2015, the specific coverage is \$110,000 and \$110,000, respectively, per covered person and the aggregate attachment is approximately \$5,836,878 and \$5,497,434, respectively, on a fiscal year basis. A liability for claims incurred but not paid as of the fiscal year end, including an estimate of incurred but not reported claims has been accrued as of June 30, 2016 and 2015.

A reconciliation of the health claim liability for the last three years is as follows:

	2016	2015	2014
CLAIMS PAYABLE, JULY 1	\$ 325,000	\$ 325,000	\$ 325,000
Claims paid	(7,858,533)	(7,744,255)	(7,081,434)
Claims incurred	7,858,533	7,744,255	7,081,434
CLAIMS PAYABLE, JUNE 30	\$ 325,000	\$ 325,000	\$ 325,000

7. RETIREMENT COMMITMENTS

Plan Description

The District contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (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's financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

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 six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 and 2015 can be found in 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 the System 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 years 2015 and 2016 was 11.71% and 12.69%, respectively, 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% 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).

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy

The following disclosures are in accordance with GASB Statement No. 68.

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

Net Pension Liability

At June 30, 2015 and 2014, SURS reported a net pension liability of \$23,756,361,087 and \$21,790,983,139, respectively. The net pension liability was measured as of June 30, 2014 and 2013, respectively.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2016, the amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$283,916,422 or 1.1951%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2015 and the total pension used to calculate the net pension liability was determined based on the June 30, 2014 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2015.

For the year ended June 30, 2015, the amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$256,747,050 or 1.1782%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30, 2013 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2014.

Pension Expense

At June 30, 2015 and 2014, SURS reported a collective net pension expense of \$1,994,587,170 and \$1,650,338,263, respectively.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2016 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2015. As a result, the District recognized revenue and pension expense of \$23,837,660 for the fiscal year ended June 30, 2016.

The District's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2015 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2014. As a result, the District recognized revenue and pension expense of \$19,444,716 for the fiscal year ended June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred outflows of resources are the consumption of net position by the District that is applicable to future reporting periods. The District paid \$183,047 in federal, trust or grant contributions for the fiscal year ended June 30, 2016. These contributions were made subsequent to the pension liability measurement date of June 30, 2015 and are recognized as deferred outflows of resources as of June 30, 2016.

Deferred outflows of resources are the consumption of net position by the District that is applicable to future reporting periods. The District paid \$165,555 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014 and are recognized as deferred outflows of resources as of June 30, 2015.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2015 and 2014 valuations were based on the results of an actuarial experience study for the period June 30, 2010 to 2014. The total pension liability in the June 30, 2015 and 2014 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75% to 12.00%, including inflation
Investment rate of return	7.25% beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

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, 2015 and 2014, these best estimates are summarized in the following tables:

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2015		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.77%
Private Equity	6.00%	9.23%
Non-U.S. Equity	19.00%	6.69%
Global Equity	8.00%	6.51%
Fixed Income	19.00%	1.12%
Treasury-Inflation Protected Securities	4.00%	1.22%
Emerging Market Debt	3.00%	4.61%
Real Estate REITS	4.00%	5.85%
Direct Real Estate	6.00%	4.37%
Commodities	2.00%	4.06%
Hedged Strategies	5.00%	3.99%
Opportunity Fund	1.00%	6.80%
Total	100.00%	5.02%
Inflation		3.00%
EXPECTED GEOMETRICAL NORMAL RETURN		8.02%
2014		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	31.00%	7.65%
Private Equity	6.00%	8.65%
Non-U.S. Equity	21.00%	7.85%
Global Equity	8.00%	7.90%
Fixed Income	19.00%	2.50%
Treasury-Inflation Protected Securities	4.00%	2.30%
Real Estate	6.00%	6.20%
REITS	4.00%	6.20%
Opportunity Fund	1.00%	2.50%
Total	100.00%	5.00%
Inflation		2.75%
EXPECTED GEOMETRICAL NORMAL RETURN		7.75%

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2016

Discount Rate

A single discount rate of 7.120% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 3.80% (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 System'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 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System'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 7.12%, 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:

	1% Decrease (6.12%)	Current Single Discount Rate Assumption (7.12%)	1% Increase (8.12%)
Net pension liability \$	28,929,333,917 \$	23,756,361,087 \$	19,470,982,362

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2015

Discount Rate

A single discount rate of 7.090% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 4.290% (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 System'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 2065. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2065, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System'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 7.09%, 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:

	1% Decrease (6.09%)	Current Single Discount Rate Assumption (7.09%)	1% Increase (8.09%)
Net pension liability \$	26,583,701,134	\$ 21,790,983,139	\$ 17,796,570,836

Additional information regarding the SURS' basic financial statements including the plan net position can be found in the SURS' CAFR by accessing the website at www.SURS.org.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RETIREE HEALTH PLAN

Plan Description

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

The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan.

Employer contributions for the current and preceding five years are as follows:

Year Ended June 30,	District Percent of Required Contribution	District	State
2013	100%	\$ 181,959	\$ 181,959
2014	100%	187,559	187,559
2015	100%	193,746	193,746
2016	100%	202,249	202,249

As disclosed in Note 1o, On Behalf Payments, the state contribution to the CIP plan is reported as an on behalf payment in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

9. VOLUNTARY RETIREMENT BENEFITS

In addition to the retirement benefits provided by the District described above, the District previously provided voluntary retirement benefits, considered early retirement incentives. These include employer paid voluntary retirement incentives (deferred compensation) as well as employer paid health care coverage to retirees for five years. The voluntary retirement benefits were available to employees who attained age 55 with at least eight years of continuous employment and who gave an irrevocable pledge to take the incentive prior to June 30, 2008. The benefits provided were a percentage of their final year's salary over three years, depending upon the age at retirement and health insurance coverage for five years. There were 65 and 74 employees and former employees either receiving benefits or who had given irrevocable notice and are eligible to receive benefits in the future as of June 30, 2016 and 2015, respectively.

The District has recorded a liability for the early retirement incentives when the irrevocable pledge is received from the employee. The assumptions used calculating the liability were a health care trend rate of 7% and projected salary increases of 6% along with an investment rate of return of 4%. An additional assumption was made related to the increased compensation related to the deferred compensation provision over the final three years of employment. This will result in larger than 6% annual salary increases which will result in the District being responsible for the additional SURS benefit costs over the retirement life of the employee, in accordance with ILCS. The present value of this future annuity is recorded as an additional portion of this liability. The liability of \$3,902,292 and \$4,584,043 at June 30, 2016 and 2015, respectively, is recorded as a liability in the District's financial statements as accrued salary and benefits payable and accrued health care liability payable.

10. WETLAND MITIGATION

The District has been identified, by the United States Environmental Protection Agency (USEPA) as a responsible party under Section 309(a) of the Clean Water Act (CWA), 33 U.S.C. Section 1319(a). An Administrative Consent Order requires the District to establish a Wetland Mitigation Plan that must include, among other things, wetland creation, enhancement or restoration at the site that totals 16.95 acres and a five-year monitoring and maintenance plan. The District has estimated the future costs of complying with the consent order to be approximately \$365,957 and \$864,780, which is recorded as a liability at June 30, 2016 and 2015, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS**

June 30, 2016

	2016	2015
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%
(b) Proportion amount of the collective net pension	\$ -	\$ -
(c) Portion of non-employer contributing entities' total proportion of collective net pension liability associated with employer	283,916,422	256,747,050
TOTAL (b) + (c)	\$ 283,916,422	\$ 256,747,050
Employer covered-employee payroll	\$ 53,389,412	\$ 52,390,908
Proportion of collective net pension liability associated with employer as a percentage of covered-employee payroll	531.78%	490.06%
SURS plan net position as a percentage of total pension liability	42.37%	44.39%
ELGIN COMMUNITY COLLEGE - DISTRICT NUMBER 509		
Federal, trust, grant and other contribution	\$ 183,047	\$ 165,555
Contribution in relation to required contribution	183,047	165,555
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -
Employer covered-employee payroll	\$ 53,389,412	\$ 52,390,908
Contributions as a percentage of covered-employee payroll	0.34%	0.32%

Note: The System 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 ten years.

Notes to Required Supplementary Information

Changes of benefit terms - There were no benefit changes recognized in the total pension liability as of June 30, 2015.

Changes of assumptions - In accordance with ILCS, 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% to 15.00% based on years of service, with underlying wage inflation of 3.75%.
- 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. Main the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND

June 30, 2016

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT ASSETS					
Cash and cash equivalents	\$ 11,124,272	\$ 3,967,382	\$ 1,220,851	\$ 63,068	\$ 1,470,443
Investments	40,840,612	9,051,772	889,116	65,358	2,828,284
Property tax receivable	16,679,766	4,937,432	-	66,645	1,278,633
Accrued interest receivable	179,244	-	-	-	-
Student tuition receivable	7,146,597	-	-	-	-
Other accounts receivable	929,386	63,756	647,270	-	-
Due from other funds	1,248,283	-	14,843	-	-
Inventory	-	-	-	-	-
Prepaid assets	743,864	5,423	-	-	-
Restricted assets					
Cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Total current assets	78,892,024	18,025,765	2,772,080	195,071	5,577,360
NONCURRENT ASSETS					
Capital assets	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	78,892,024	18,025,765	2,772,080	195,071	5,577,360
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	-	-	-
SURS contributions	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	78,892,024	18,025,765	2,772,080	195,071	5,577,360

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ 291,249	\$ 368,597	\$ 1,687,701	\$ 2,030,010	\$ -	\$ 2,391	\$ 780,080	\$ -
2,403	105,144	1,899,169	12,805,224	-	-	216,159	-
-	-	6,119,863	-	-	-	-	-
-	-	-	-	494	-	-	-
-	-	-	-	-	-	-	-
12,979	571,526	-	-	-	21,961	-	20,579
-	-	-	645,650	62,065	47,391	-	41,100
-	-	-	-	-	16,038	456,266	-
-	2,487	-	165,428	-	-	-	-
-	-	-	-	6,374,101	-	-	-
-	-	-	-	82	-	-	-
306,631	1,047,754	9,706,733	15,646,312	6,436,742	87,781	1,452,505	61,679
-	-	-	-	-	51,641	123,808	-
-	-	-	-	-	(51,641)	(116,416)	-
-	-	-	-	-	-	7,392	-
306,631	1,047,754	9,706,733	15,646,312	6,436,742	87,781	1,459,897	61,679
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
306,631	1,047,754	9,706,733	15,646,312	6,436,742	87,781	1,459,897	61,679

(This schedule is continued on the following pages.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2016

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning
CURRENT ASSETS				
Cash and cash equivalents	\$ 300	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Student tuition receivable	-	-	-	-
Other accounts receivable	363	-	925	4,455
Due from other funds	864,645	272,285	95,418	88,370
Inventory	-	-	-	-
Prepaid assets	-	2,495	-	400
Restricted assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Total current assets	865,308	274,780	96,343	93,225
NONCURRENT ASSETS				
Capital assets	16,018	291,118	-	9,075
Less accumulated depreciation	(2,002)	(224,165)	-	(6,806)
Total noncurrent assets	14,016	66,953	-	2,269
Total assets	879,324	341,733	96,343	95,494
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	-	-	-
SURS pension contributions	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	879,324	341,733	96,343	95,494

Employee Benefits	Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ 8,070,868	\$ 86,942	\$ 649,021	\$ -	\$ -	\$ -	\$ -	\$ 31,813,175
-	4,298,341	181,074	-	-	-	-	73,182,656
-	-	-	-	-	-	-	29,082,339
-	-	-	-	-	-	-	179,738
-	-	-	-	-	-	-	7,146,597
-	-	10,217	-	-	-	-	2,283,417
-	-	-	-	-	(3,380,050)	-	-
-	-	-	-	-	-	-	472,304
-	-	-	-	-	-	-	920,097
-	-	-	-	-	-	-	6,374,101
-	-	-	-	-	-	-	82
8,070,868	4,385,283	840,312	-	-	(3,380,050)	-	151,454,506
-	-	-	-	295,055,015	-	-	295,546,675
-	-	-	-	(84,381,559)	-	-	(84,782,589)
-	-	-	-	210,673,456	-	-	210,764,086
8,070,868	4,385,283	840,312	-	210,673,456	(3,380,050)	-	362,218,592
-	-	-	175,027	-	-	-	175,027
-	-	-	183,047	-	-	-	183,047
-	-	-	358,074	-	-	-	358,074
8,070,868	4,385,283	840,312	358,074	210,673,456	(3,380,050)	-	362,576,666

(This schedule is continued on the following pages.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2016

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT LIABILITIES					
Accounts payable	\$ 2,035,156	\$ -	\$ -	\$ -	\$ 23,662
Accrued salaries and benefits payable	1,945,137	318,810	914	2,881	44,749
Accrued health care liability	-	-	-	-	-
Due to other funds	62,067	-	1,634	-	-
Unearned tuition	9,523,320	-	-	-	-
Claims payable	-	-	-	-	-
Interest payable	-	-	-	-	-
Current portion of general obligation bonds	-	-	-	-	-
Other current liabilities	362	8,753	425,624	-	365,957
Total current liabilities	13,566,042	327,563	428,172	2,881	434,368
NONCURRENT LIABILITIES					
General obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	13,566,042	327,563	428,172	2,881	434,368
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	16,780,889	4,967,362	-	67,040	1,286,385
Total deferred inflows of resources	16,780,889	4,967,362	-	67,040	1,286,385
Total liabilities and deferred inflows of resources	30,346,931	5,294,925	428,172	69,921	1,720,753
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Grant purposes	-	-	2,343,908	-	-
Audit purposes	-	-	-	125,150	-
Liability insurance	-	-	-	-	3,856,607
Pension contributions	-	-	-	-	-
Working cash	-	-	-	-	-
Unrestricted	48,545,093	12,730,840	-	-	-
TOTAL NET POSITION (DEFICIT)	\$ 48,545,093	\$ 12,730,840	\$ 2,343,908	\$ 125,150	\$ 3,856,607

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ 5,876	\$ 72,274	\$ -	\$ 23,850	\$ 95,707	\$ 2,785	\$ 17,454	\$ -
-	4,472	-	-	-	81,858	33,236	40,440
-	-	-	-	-	-	-	-
300,000	961,492	-	-	645,650	-	1,409,207	-
-	-	-	-	-	-	-	21,239
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
755	9,516	-	-	-	3,138	-	-
306,631	1,047,754	-	23,850	741,357	87,781	1,459,897	61,679
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
306,631	1,047,754	-	23,850	741,357	87,781	1,459,897	61,679
-	-	6,156,976	-	-	-	-	-
-	-	6,156,976	-	-	-	-	-
306,631	1,047,754	6,156,976	23,850	741,357	87,781	1,459,897	61,679
-	-	-	-	-	-	7,392	-
-	-	-	15,622,462	5,695,385	-	-	-
-	-	3,549,757	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(7,392)	-
\$ -	\$ -	\$ 3,549,757	\$ 15,622,462	\$ 5,695,385	\$ -	\$ -	\$ -

(This schedule is continued on the following pages.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2016

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	9,460	19,330	48,278	43,971
Accrued health care liability	-	-	-	-
Due to other funds	-	-	-	-
Unearned tuition	120,669	-	-	51,523
Claims payable	-	-	-	-
Interest payable	-	-	-	-
Current portion of general obligation bonds	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	130,129	19,330	48,278	95,494
NONCURRENT LIABILITIES				
General obligation bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	130,129	19,330	48,278	95,494
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	130,129	19,330	48,278	95,494
NET POSITION				
Net investment in capital assets	14,016	66,953	-	2,269
Restricted for				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Grant purposes	-	-	-	-
Audit purposes	-	-	-	-
Liability insurance	-	-	-	-
Pension contributions	-	-	-	-
Working cash	-	-	-	-
Unrestricted	735,179	255,450	48,065	(2,269)
TOTAL NET POSITION (DEFICIT)	\$ 749,195	\$ 322,403	\$ 48,065	\$ -

Employee Benefits	Working Cash	Trust and Agency	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ -	\$ -	\$ 24,574	\$ -	\$ -	\$ -	\$ -	\$ 2,301,338
2,848,975	-	-	-	-	-	-	5,442,511
1,053,317	-	-	-	-	-	-	1,053,317
-	-	-	-	-	(3,380,050)	-	-
-	-	-	-	-	-	-	9,716,751
325,000	-	-	-	-	-	-	325,000
-	-	-	361,377	-	-	-	361,377
-	-	-	4,445,000	-	-	-	4,445,000
-	-	815,738	-	-	-	-	1,629,843
4,227,292	-	840,312	4,806,377	-	(3,380,050)	-	25,275,137
-	-	-	178,504,771	-	-	-	178,504,771
-	-	-	2,294,427	-	-	-	2,294,427
-	-	-	(195,000)	-	-	-	(195,000)
-	-	-	180,604,198	-	-	-	180,604,198
4,227,292	-	840,312	185,410,575	-	(3,380,050)	-	205,879,335
-	-	-	-	-	-	-	29,258,652
-	-	-	-	-	-	-	29,258,652
4,227,292	-	840,312	185,410,575	-	(3,380,050)	-	235,137,987
-	-	-	(178,547,682)	210,673,456	-	-	32,216,404
-	-	-	(5,076,679)	-	-	-	16,241,168
-	-	-	-	-	-	-	3,549,757
-	-	-	-	-	-	-	2,343,908
-	-	-	-	-	-	-	125,150
-	-	-	-	-	-	-	3,856,607
-	-	-	183,047	-	-	-	183,047
-	4,014,363	-	-	-	-	-	4,014,363
3,843,576	370,920	-	(1,611,187)	-	-	-	64,908,275
\$ 3,843,576	\$ 4,385,283	\$ -	\$ (185,052,501)	\$ 210,673,456	\$ -	\$ -	\$ 127,438,679

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION, BY SUBFUND**

For the Year Ended June 30, 2016

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
OPERATING REVENUES					
Student tuition and fees	\$ 23,830,413	\$ -	\$ 675	\$ -	\$ -
Chargeback revenue	29,341	-	-	-	-
Auxiliary enterprises revenue	-	-	-	-	-
Other operating revenue	282,400	271,683	31,454	-	-
Total operating revenues	24,142,154	271,683	32,129	-	-
OPERATING EXPENSES					
Instruction	42,975,751	-	660,677	-	-
Academic support	10,792,864	-	7,257	-	-
Student services	7,707,953	-	4,320	-	-
Public services	506,951	-	75,206	-	-
Auxiliary services	-	-	-	-	-
Scholarships and student grants	88,368	-	11,154	-	-
Operation and maintenance of plant	2,170,419	8,662,727	27,622	-	648,320
Institutional support	18,487,753	1,990,036	14,353	123,085	1,656,862
Depreciation	-	-	-	-	-
Total operating expenses	82,730,059	10,652,763	800,589	123,085	2,305,182
OPERATING INCOME (LOSS)	(58,587,905)	(10,381,080)	(768,460)	(123,085)	(2,305,182)
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts	25,818,455	-	603,692	-	-
Property taxes	33,644,389	9,845,177	-	136,834	2,566,594
Personal property replacement tax	481,466	-	-	-	-
Federal grants and contracts	-	-	56,017	-	-
Local grants and contracts	756,062	68,721	108,751	-	-
Debt service	-	-	-	-	-
Transfers in	-	2,738,000	-	-	-
Transfers (out)	(3,699,802)	(1,500,000)	-	-	-
Investment income	446,144	-	-	-	-
Total non-operating revenues (expenses)	57,446,714	11,151,898	768,460	136,834	2,566,594
CHANGE IN NET POSITION	(1,141,191)	770,818	-	13,749	261,412
NET POSITION (DEFICIT), JULY 1	49,686,284	11,960,022	2,343,908	111,401	3,595,195
NET POSITION (DEFICIT), JUNE 30	\$ 48,545,093	\$ 12,730,840	\$ 2,343,908	\$ 125,150	\$ 3,856,607

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	1,320,811	3,679,278	427,762
-	-	-	-	-	-	-	-
-	-	-	-	-	1,320,811	3,679,278	427,762
-	-	-	-	-	-	-	-
-	691,421	-	-	-	-	-	-
-	-	-	-	-	-	-	-
161,357	1,729,334	-	-	-	-	-	-
-	75,429	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,529,788	70,939	-	-	-	1,488,340	3,337,812	648,053
-	-	-	-	-	-	-	-
-	229	-	834,261	11,378,159	-	-	-
-	-	-	-	-	-	7,392	-
13,691,145	2,567,352	-	834,261	11,378,159	1,488,340	3,345,204	648,053
(13,691,145)	(2,567,352)	-	(834,261)	(11,378,159)	(167,529)	334,074	(220,291)
-	-	-	-	-	-	-	-
-	-	13,590,311	-	-	-	-	-
-	-	-	-	-	-	-	-
13,691,145	2,567,352	778,762	1,427,168	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(15,255,159)	-	-	-	-	-
-	-	-	1,500,000	-	167,529	-	220,291
-	-	-	-	-	-	(334,074)	-
-	-	-	-	12,689	-	-	-
13,691,145	2,567,352	(886,086)	2,927,168	12,689	167,529	(334,074)	220,291
-	-	(886,086)	2,092,907	(11,365,470)	-	-	-
-	-	4,435,843	13,529,555	17,060,855	-	-	-
\$ -	\$ -	\$ 3,549,757	\$ 15,622,462	\$ 5,695,385	\$ -	\$ -	\$ -

(This schedule is continued on the following pages.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION, BY SUBFUND (Continued)

For the Year Ended June 30, 2016

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning	Employee Benefits
OPERATING REVENUES					
Student tuition and fees	\$ -	\$ -	\$ -	\$ 409,606	\$ -
Chargeback revenue	-	-	-	-	-
Auxiliary enterprises revenue	642,156	543,185	8,577	300	-
Other operating revenue	-	-	-	-	-
Total operating revenues	642,156	543,185	8,577	409,906	-
OPERATING EXPENSES					
Instruction	-	-	-	-	(326,407)
Academic support	-	-	-	-	(115,927)
Student services	-	-	749,979	-	(86,819)
Public services	-	-	-	-	(9,054)
Auxiliary services	464,249	514,094	-	575,426	(47,636)
Scholarships and student grants	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	(94,268)
Institutional support	-	-	-	-	(236,376)
Depreciation	2,002	35,938	-	1,134	-
Total operating expenses	466,251	550,032	749,979	576,560	(916,487)
OPERATING INCOME (LOSS)	175,905	(6,847)	(741,402)	(166,654)	916,487
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts	-	-	-	-	-
Property taxes	-	-	-	-	-
Personal property replacement tax	-	-	-	-	-
Federal grants and contracts	-	-	-	-	-
Local grants and contracts	-	-	-	-	-
Debt service	-	-	-	-	-
Transfers in	-	-	741,402	166,654	-
Transfers (out)	-	-	-	-	-
Investment income	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	741,402	166,654	-
CHANGE IN NET POSITION	175,905	(6,847)	-	-	916,487
NET POSITION (DEFICIT), JULY 1	573,290	329,250	48,065	-	2,927,089
NET POSITION (DEFICIT), JUNE 30	\$ 749,195	\$ 322,403	\$ 48,065	\$ -	\$ 3,843,576

Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ (5,561,223)	\$ -	\$ 18,679,471
-	-	-	-	-	-	29,341
-	-	-	-	(1,174,911)	-	5,447,158
-	-	-	-	-	-	585,537
-	-	-	-	(6,736,134)	-	24,741,507
-	-	-	(451,646)	-	-	43,549,796
-	-	-	(5,890)	-	-	10,678,304
-	-	-	-	-	-	10,266,124
-	-	-	-	-	-	648,532
-	-	-	-	-	-	6,980,338
-	-	-	-	(6,115,327)	-	7,584,922
-	-	-	(125,475)	-	-	11,289,345
-	-	(17,492)	(11,149,044)	(620,807)	-	22,461,019
-	-	-	9,235,328	-	-	9,281,794
-	-	(17,492)	(2,496,727)	(6,736,134)	-	122,740,174
-	-	17,492	2,496,727	-	-	(97,998,667)
-	-	-	-	-	-	26,422,147
-	-	-	-	-	-	59,783,305
-	-	-	-	-	-	481,466
-	-	-	-	-	-	18,520,444
-	-	-	-	-	-	933,534
-	-	6,542,024	-	-	-	(8,713,135)
-	-	-	-	(5,533,876)	-	-
-	-	-	-	5,533,876	-	-
19,800	-	-	-	-	-	478,633
19,800	-	6,542,024	-	-	-	97,906,394
19,800	-	6,559,516	2,496,727	-	-	(92,273)
4,365,483	-	(191,612,017)	208,176,729	-	-	127,530,952
\$ 4,385,283	\$ -	\$ (185,052,501)	\$ 210,673,456	\$ -	\$ -	\$ 127,438,679

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Elgin Community College District Number 509's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	50-53
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	54-58
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	59-63
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	64-66
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	67-69

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**FINANCIAL TRENDS
NET POSITION BY COMPONENT**

Last Ten Fiscal Years

Fiscal Year	2016	2015	2014	2013
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 32,216,404	\$ 35,206,436	\$ 34,543,852	\$ 32,352,291
Restricted				
Capital projects	16,241,168	13,832,563	11,960,223	10,999,277
Debt service	3,549,757	4,435,843	4,610,459	5,419,398
Specific purposes	6,508,712	6,216,059	6,831,512	6,728,355
Working cash	4,014,363	4,014,363	4,014,363	4,353,938
Unrestricted	64,908,275	63,825,688	58,909,689	54,972,930
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 127,438,679	\$ 127,530,952	\$ 120,870,098	\$ 114,826,189

Data Source

Audited Financial Statements

	2012		2011		2010		2009		2008		2007
\$	33,909,175	\$	34,777,999	\$	35,356,731	\$	36,295,009	\$	31,952,634	\$	32,096,227
	9,783,970		10,469,259		3,240,150		2,674,068		1,915,843		1,453,068
	4,303,754		5,090,051		6,404,530		3,561,560		3,367,149		3,585,042
	6,514,932		6,492,477		6,396,307		6,082,634		5,485,795		4,413,838
	4,346,941		4,339,812		4,330,373		4,309,690		4,217,364		4,014,566
	50,477,632		41,435,573		34,203,085		32,364,664		32,772,280		27,426,045
\$	109,336,404	\$	102,605,171	\$	89,931,176	\$	85,287,625	\$	79,711,065	\$	72,988,786

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**FINANCIAL TRENDS
CHANGES IN NET POSITION**

Last Ten Fiscal Years

Fiscal Year	2016	2015	2014	2013
OPERATING REVENUES				
Student tuition and fees	\$ 18,679,471	\$ 17,854,603	\$ 17,601,837	\$ 17,796,951
Chargeback revenue	29,341	20,193	4,080	19,240
Auxiliary enterprises revenue	5,447,158	5,842,478	6,058,778	6,190,318
Other operating revenue	585,537	572,867	587,439	484,396
Total operating revenues	24,741,507	24,290,141	24,252,134	24,490,905
OPERATING EXPENSES				
Instruction	43,549,796	41,133,232	40,342,156	38,138,301
Academic support	10,678,304	10,541,916	9,729,192	9,390,437
Student services	10,266,124	9,840,585	9,858,311	9,603,280
Public services	648,532	637,014	585,054	548,452
Auxiliary services	6,980,338	7,640,448	8,033,825	8,132,120
Scholarships and student grants	7,584,922	8,465,310	9,529,773	10,842,872
Operation and maintenance of plant	11,289,345	11,020,170	11,088,637	10,495,422
Institutional support	22,461,019	20,478,735	18,053,287	19,733,213
Depreciation	9,281,794	7,849,474	7,141,073	6,614,370
Total operating expenses	122,740,174	117,606,884	114,361,308	113,498,467
OPERATING INCOME (LOSS)	(97,998,667)	(93,316,743)	(90,109,174)	(89,007,562)
NON-OPERATING REVENUES (EXPENSES)				
State grants and contracts	26,422,147	26,494,242	23,680,818	22,465,643
Property taxes	59,783,305	60,113,167	59,334,287	57,315,417
Personal property replacement tax	481,466	599,265	572,570	546,332
Federal grants and contracts	18,520,444	19,884,290	21,279,900	22,578,078
Local grants and contracts	933,534	914,404	91,305	125,511
Interest expense and fiscal charges	(8,713,135)	(8,977,871)	(9,296,498)	(8,247,538)
Gain (loss) on disposal of capital assets	-	-	-	(413,297)
Miscellaneous	-	-	-	-
Investment income	478,633	334,156	164,601	127,201
Total non-operating revenues (expenses)	97,906,394	99,361,653	95,826,983	94,497,347
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	(92,273)	6,044,910	5,717,809	5,489,785
Capital contributions	-	615,944	326,100	-
Special item	-	-	-	-
CHANGE IN NET POSITION	\$ (92,273)	\$ 6,660,854	\$ 6,043,909	\$ 5,489,785

Note: The District is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of 5% or the consumer price index for the state as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

Data Source

Audited Financial Statements

	2012	2011	2010	2009	2008	2007
\$	17,392,850	\$ 17,281,365	\$ 15,924,226	\$ 16,129,872	\$ 15,501,046	\$ 15,149,925
	9,481	32,185	32,717	14,761	28,689	55,298
	6,228,893	6,459,463	7,388,451	6,439,037	6,034,837	5,764,400
	591,736	710,734	651,973	655,019	596,629	567,299
	24,222,960	24,483,747	23,997,367	23,238,689	22,161,201	21,536,922
	35,603,159	33,364,067	31,148,537	27,042,791	24,491,956	22,287,157
	8,784,072	8,537,599	7,477,019	6,572,369	5,759,904	5,035,064
	9,662,520	9,754,645	9,173,240	7,901,374	7,590,398	7,024,067
	659,724	695,987	794,065	649,359	945,445	878,092
	8,568,546	8,603,717	8,958,317	8,175,955	7,694,561	7,362,002
	11,748,883	13,047,275	10,720,251	6,614,469	4,418,325	3,889,622
	10,134,567	10,053,689	9,982,871	10,420,075	9,158,729	8,303,039
	16,486,280	18,459,040	16,212,172	15,969,082	14,413,243	17,925,692
	5,915,072	4,687,560	4,224,350	3,927,467	3,486,829	3,452,654
	107,562,823	107,203,579	98,690,822	87,272,941	77,959,390	76,157,389
	(83,339,863)	(82,719,832)	(74,693,455)	(64,034,252)	(55,798,189)	(54,620,467)
	17,899,680	15,855,838	13,598,021	10,737,235	9,858,290	9,205,546
	56,483,841	55,000,588	49,166,923	46,745,497	42,396,336	43,149,997
	516,189	585,266	474,436	571,390	651,785	591,305
	24,316,611	24,549,217	18,682,097	11,332,557	8,567,331	7,672,373
	109,896	4,540,393	154,136	1,217,541	99,931	39,061
	(8,760,298)	(7,796,814)	(3,797,616)	(3,014,476)	(2,297,126)	(2,769,871)
	-	-	26,815	-	-	(8,800)
	-	-	-	-	-	-
	595,085	964,702	1,032,194	2,021,068	3,243,921	2,920,406
	91,161,004	93,699,190	79,337,006	69,610,812	62,520,468	60,800,017
	7,821,141	10,979,358	4,643,551	5,576,560	6,722,279	6,179,550
	-	-	-	-	-	-
	-	1,694,637	-	-	-	-
\$	7,821,141	\$ 12,673,995	\$ 4,643,551	\$ 5,576,560	\$ 6,722,279	\$ 6,179,550

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

REVENUE CAPACITY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total (3) Direct Tax Rate	Estimated Actual Value	Percent of Actual Value
2015	\$ 8,021,583,140	\$ 1,375,433,234	\$ 786,896,718	\$ 126,856,214	\$ 15,203,323	\$ 10,325,972,629	0.5609	\$ 30,977,917,887	33.333%
2014	7,817,399,738	1,344,366,737	725,146,492	125,264,126	14,263,453	10,026,440,546	0.6076	30,079,321,638	33.333%
2013	7,901,834,539	1,405,460,072	738,683,961	126,425,315	12,769,290	10,185,173,177	0.5709	30,555,519,531	33.333%
2012	8,738,910,381	1,510,917,164	748,948,364	131,613,809	12,821,928	11,143,211,646	0.5215	33,429,634,938	33.333%
2011	9,836,129,935	1,624,365,385	857,790,627	138,766,141	11,259,792	12,468,311,880	0.4454	37,404,935,640	33.333%
2010	10,786,831,708	1,679,684,175	829,083,264	144,750,820	10,883,734	13,451,233,701	0.4407	40,353,701,103	33.333%
2009	11,283,832,554	1,762,867,709	864,117,476	148,989,272	8,917,103	14,068,724,114	0.3833	42,206,172,342	33.333%
2008	11,323,919,097	1,746,686,868	910,480,162	147,838,172	8,763,523	14,137,687,822	0.3293	42,413,063,466	33.333%
2007	10,792,392,928	1,626,069,105	867,887,364	139,454,697	7,797,168	13,433,601,262	0.3280	40,300,803,786	33.333%
2006	9,792,084,153	1,452,644,550	759,825,058	131,251,314	6,361,477	12,142,166,552	0.3399	36,426,499,656	33.333%

(1) Property in the District is reassessed each year.

(2) Property is assessed at 33% of actual value.

(3) The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation bonds and the Public Building Commission Rental Funds.

Data Sources

Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

REVENUE CAPACITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	Legal Limit 2015	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
TAX RATES (1)											
District Rates											
Education	0.2350	0.3192	0.3304	0.3119	0.2868	0.2539	0.2379	0.2129	0.2092	0.1981	0.2093
Operations and maintenance	0.0750	0.0976	0.0980	0.1018	0.0953	0.0850	0.0796	0.0664	0.0700	0.0644	0.0658
Liability insurance	None	0.0168	0.0167	0.0151	0.0151	0.0129	0.0126	0.0129	0.0099	0.0251	0.0191
Audit	0.0500	0.0013	0.0014	0.0012	0.0011	0.0009	0.0006	0.0006	0.0004	0.0006	0.0009
Debt Service Fund	None	0.1172	0.1444	0.1426	0.1123	0.1018	0.0973	0.0808	0.0392	0.0313	0.0354
Bond and Interest Fund	None	0.0078	0.0081	0.0071	0.0071	0.0053	0.0046	0.0043	0.0036	0.0098	0.0053
Prior period adjustment		0.0009	0.0086	-0.0088	0.0038	-0.0144	0.0081	0.0054	-0.0030	-0.0013	0.0041
Total district rates (1)		0.5609	0.6076	0.5709	0.5215	0.4454	0.4407	0.3833	0.3293	0.3280	0.3399
Others											
Kane County		0.4479	0.4684	0.4623	0.4336	0.3990	0.3730	0.3398	0.3336	0.3322	0.3452
Kane County Forest Preserve		0.2944	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974	0.1747
Elgin Township and Road Funds		0.1950	0.2053	0.1972	0.1758	0.1550	0.1364	0.1230	0.1207	0.1208	0.1246
Gail Borden Library District		0.5294	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111	0.3378
Fox River Water Reclamation		0.0339	0.0409	0.0370	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246	0.0270
City of Elgin		2.4110	2.3218	2.1668	1.9344	1.9836	1.9214	1.9202	1.9200	1.9200	1.9200
School District No. 46		7.1238	8.0229	5.9395	6.3706	5.5589	5.2661	4.5494	4.2066	4.3659	4.6954
Total rates		11.0354	11.9515	10.1861	10.2204	9.2410	8.7500	7.8783	7.4448	7.6002	7.9646

(1) Property tax rates are per \$100 of assessed valuation.

Data Sources

Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

REVENUE CAPACITY
PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Ten Years Ago

Taxpayer	Type of Business	2015 Levy Year			2006 Levy Year		
		Assessed Value	Rank	Percentage of Total District Assessed Valuation	Assessed Value (000s)	Rank	Percentage of Total District Assessed Valuation
Target	Retail	\$ 22,982,451	1	0.22%	\$ 20,085,279	3	0.16%
Wal-Mart	Department Store	20,862,413	2	0.20%	18,158,360	5	0.15%
New Plan Excel Realty (1)	Real Property	18,345,120	3	0.18%	19,068,114	4	0.16%
Poplar Creek Crossing	Real Property	16,934,992	4	0.16%	-	-	-
Aboretum Mall LLC	Mall	16,483,776	5	0.16%	-	-	-
Q Center LLC	Training Center	16,165,049	6	0.16%	-	-	-
Algonquin Commons	Real Property	16,031,158	7	0.16%	-	-	-
John B. Sanfilippo and Son, Inc	Snack Food	15,916,743	8	0.15%	-	-	-
Springhill Mall, LLC	Commerical Shopping Center	15,874,067	9	0.15%	26,427,696	1	0.22%
Cabelas	Real Property	14,294,266	10	0.14%	-	-	-
Transamerica Comm. Fin.	Real Property	-	-	-	17,129,635	6	0.14%
CNC	Real Property	-	-	-	22,703,153	2	0.19%
Park Place Apartments (BVF II)	Real Property	-	-	-	14,903,134	8	0.12%
Arthur Anderson & Company	Traing Center	-	-	-	14,794,823	9	0.12%
The John Buck Company	Real Property	-	-	-	14,952,968	7	0.12%
Dividend Capital Op Partnership	Real Property	-	-	-	12,948,410	10	0.11%
		<u>\$ 173,890,035</u>		<u>1.68%</u>	<u>\$ 171,541,955</u>		<u>1.41%</u>

(1) Previously Bradley Operation Limited.

Note: Excludes \$5,224,196 of EAV (Frozen TIF Value for Sears Roebuck National Headquarters). The actual 2015 value of the Sears property in the TIF district is \$131,860,169

Data Sources

Kane, DuPage and Cook Counties

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Assessed Valuation	Direct Tax Rate (1)(2)	Taxes Extended (3)	Total Collected Through June 30, 2015	Collected During Year Ended 6/30/2016 (6)	Total Collected Through June 30, 2016 (4)	Percent of Taxes Extended Collected Through June 30, 2016	Tax Cap Limit (5)
2015	\$ 10,325,972,629	0.5609	\$ 59,544,514	\$ -	\$ 30,028,482	\$ 30,028,482	50.43%	0.80%
2014	10,026,440,546	0.6076	60,820,489	30,459,393	30,008,610	60,468,003	99.42%	1.50%
2013	10,185,173,177	0.5709	60,245,707	59,911,793	19,188	59,911,793	99.45%	1.70%
2012	11,143,211,646	0.5215	58,907,754	58,474,867	(54,198)	58,474,867	99.27%	3.00%
2011	12,468,311,880	0.4454	55,920,678	55,644,304	(28,516)	55,644,304	99.51%	1.50%
2010	13,451,233,701	0.4407	57,158,288	56,632,812	-	56,632,812	99.08%	2.70%
2009	14,068,724,114	0.3833	53,478,493	53,186,861	-	53,186,861	99.45%	0.10%
2008	14,137,687,822	0.3293	46,110,628	45,806,809	-	45,806,809	99.34%	4.10%
2007	13,433,601,262	0.3280	45,388,804	44,901,099	-	44,901,099	98.93%	2.50%
2006	12,142,166,552	0.3399	41,434,225	41,297,610	-	41,297,610	99.67%	3.40%

(1) The direct tax rates reported for the District are blended rates based on the total taxes and the total assessed valuations for all counties combined.

(2) The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation Bonds and the Public Building Commission Rental Funds.

(3) Due to differences in the computational methods followed by the five counties, portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.

(4) Taxes are generally due on June 1st and September 1st of the calendar year subsequent to the levy year.

(5) The District is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of 5% or the consumer price index (CPI) for the state as

(6) Tax adjustments are due to tax objections and changes in assessments.

Data Sources

District property tax records

Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

REVENUE CAPACITY
ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS CLAIMED AND TUITION AND FEE REVENUE

Last Ten Fiscal Years

Fiscal Year	Fall Term 10th Day Enrollment		Tuition and Fee Rates			Total Credit Hours Claimed	Net Tuition and Fee Revenue Education Fund (1)
	FTE Credit Courses	Headcount Credit Courses	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		
2016	6,052	10,336	119.00	434.49	497.79	189,445	24,375,575
2015	6,396	10,937	114.00	381.10	497.79	195,829	23,837,806
2014	6,675	11,285	109.00	354.81	480.93	197,308	24,949,044
2013	6,757	11,554	105.00	361.53	472.54	207,401	23,610,849
2012	6,862	11,811	99.00	336.02	445.27	214,909	22,523,433
2011	7,009	12,214	91.00	343.43	436.49	216,117	21,121,716
2010	6,666	11,704	91.00	358.08	442.65	210,405	19,907,208
2009	5,616	9,821	91.00	349.61	461.55	180,895	17,510,359
2008	5,195	9,613	91.00	440.94	472.46	164,353	15,969,523
2007	5,269	10,072	84.00	359.30	437.22	165,523	14,918,139

(1) Net Tuition and Fee Revenue for the Education Fund is net of bad debt expense and tuition waivers.

Data Source

District records

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds (1)	Capital Lease Obligations	Due to Other Governments	Total Outstanding Debt (2)	District Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Total Outstanding Debt Per Capita	Total Outstanding Debt as a Percentage of Personal Income
2016	\$ 185,049,198	\$ -	\$ -	\$ 185,049,198	\$ 10,325,972,629	1.79%	450,687	\$ 410.59	1.14%
2015	191,609,968	-	-	191,609,968	10,026,440,546	1.89%	441,850	433.65	1.20%
2014	198,547,590	-	-	198,547,590	10,185,173,177	1.92%	433,186	458.34	1.28%
2013	204,489,519	-	-	204,489,519	11,143,211,646	1.81%	429,981	475.58	1.36%
2012	159,504,345	-	-	159,504,345	12,468,311,880	1.28%	426,733	373.78	1.11%
2011	176,039,262	-	-	176,039,262	13,451,233,701	1.31%	423,097	416.07	1.26%
2010	105,200,229	1,665,000	-	106,865,229	14,068,724,114	0.76%	427,685	249.87	0.79%
2009	59,761,121	4,495,000	-	64,256,121	14,137,687,822	0.45%	415,613	154.61	0.49%
2008	59,288,541	7,215,000	-	66,503,541	13,433,601,262	0.50%	407,301	163.28	0.52%
2007	48,416,769	9,840,000	-	58,256,769	12,142,166,552	0.48%	399,155	145.95	0.47%

(1) Balances include current and noncurrent portions of bond principal outstanding net of bond premiums and discounts

(2) Details of the District's outstanding debt can be found in the notes to financial statements

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEBT CAPACITY
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted for Debt Service (2)	Net General Bonded Debt	District Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Net General Bonded Debt Per Capita
2016	\$ 185,049,198	\$ 3,549,757	\$ 181,499,441	\$ 10,325,972,629	1.76%	450,687	\$ 410.59
2015	191,609,968	4,435,843	187,174,125	10,026,440,546	1.89%	441,850	433.65
2014	198,547,590	4,610,459	193,937,131	10,185,173,177	1.88%	433,186	458.34
2013	204,489,519	5,419,398	199,070,121	11,143,211,646	1.76%	429,981	475.58
2012	159,504,345	4,303,754	155,200,591	12,468,311,880	1.24%	426,733	373.78
2011	176,039,262	15,069,660	160,969,602	13,451,233,701	1.20%	423,097	416.07
2010	105,200,229	24,488,649	80,711,580	14,068,724,114	0.57%	427,685	249.87
2009	59,761,121	23,492,836	36,268,285	14,137,687,822	0.00%	415,613	154.61
2008	59,288,541	20,853,851	38,434,690	13,433,601,262	0.29%	407,301	163.28
2007	48,416,769	13,504,436	34,912,333	12,142,166,552	0.29%	399,155	145.95

- (1) Balances include current and noncurrent portions of bond principal outstanding
(2) Amounts equal net position restricted for debt service per the College's Bond and Interest Fund.
(3) Details of the District's outstanding debt can be found in the notes to financial statements

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEBT CAPACITY
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT**

June 30, 2016

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
Elgin Community College	\$ 185,049,198	100.00%	\$ 185,049,198
SCHOOLS			
School District Number 54	-	2.18%	-
High School District Number 211	6,230,000	1.31%	81,613
Unit School District Number 46	300,649,211	100.00%	300,649,211
Unit School District Number 158	86,990,103	0.03%	26,097
Unit School District Number 300	280,341,266	73.16%	205,097,670
Unit School District Number 301	36,201,352	98.78%	35,759,696
Unit School District Number 303	63,115,000	99.57%	62,843,606
Unit School District Number 427	55,968,029	0.36%	201,486
Total schools			604,659,378
OTHERS			
Counties and large units			
Kane County	44,335,000	55.23%	24,486,221
Kane County Forest Preserve District	150,780,000	55.23%	83,275,794
Cook County	3,477,526,750	1.36%	47,294,364
Cook County Forest Preserve District	163,117,000	1.36%	2,218,391
Metropolitan Water Reclamation District	2,845,466,902	1.11%	31,584,683
DuPage County	178,415,000	3.31%	5,905,537
DuPage County Forest Preserve District	141,098,676	3.31%	4,670,366
DuPage Water Commission	-	1.20%	-
Total counties and large units			199,435,355
Cities and Villages			
Village of Algonquin	8,815,000	27.12%	2,390,628
Village of Bartlett	24,275,000	100.00%	24,275,000
Village of Burlington	-	99.34%	-
Village of Campton Hills	-	6.04%	-
Campton Township	36,030,000	90.76%	32,700,828
Village of Carpentersville	45,895,000	90.90%	41,718,555
Village of East Dundee	14,765,000	100.00%	14,765,000
City of Elgin	99,950,000	100.00%	99,950,000
Village of Gilberts	1,230,000	99.82%	1,227,786
Village of Hampshire	3,260,000	85.42%	2,784,692
Village of Hanover Park	18,670,000	38.95%	7,271,965
Village of Hoffman Estates	104,800,000	15.98%	16,747,040
City of St. Charles	80,210,000	98.33%	78,870,493
Village of Schaumburg	311,510,000	2.87%	8,940,337
Village of South Elgin	8,510,000	100.00%	8,510,000
Village of South Barrington	4,600,000	6.26%	287,960
Village of Streamwood	5,565,000	99.93%	5,561,105
City of West Chicago	-	18.74%	-
Village of West Dundee	9,115,000	94.21%	8,587,242
Total cities and villages			354,588,630

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

DEBT CAPACITY
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT (Continued)

June 30,2016

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
OTHERS (Continued)			
Library Districts			
Algonquin Public Library District	\$ 2,385,000	2.73%	\$ 65,111
Barrington Public Library District	-	1.34%	-
Bartlett Public Library District	-	100.00%	-
Gail Borden Public Library	14,005,000	100.00%	14,005,000
Huntley Public Library District	-	2.47%	-
Poplar Creek Library District	17,765,000	81.96%	14,560,194
Schaumburg Public Library District	-	2.23%	-
Town and Country Public Library District	600,000	26.01%	156,060
West Chicago Public Library District	-	7.12%	-
Park Districts			
Bartlett Park District	26,655,000	100.00%	26,655,000
Carol Stream Park District	51,526,966	7.38%	3,802,690
Dundee Township Park District	19,894,000	96.75%	19,247,445
Hampshire Park District	1,890,000	100.00%	1,890,000
Hanover Park Park District	3,330,000	42.06%	1,400,598
Hoffman Estates Park District	65,520,000	15.62%	10,234,224
Huntley Park District	6,380,000	1.53%	97,614
Schaumburg Park District	23,375,000	3.12%	729,300
South Barrington Park District	6,865,000	4.42%	303,433
St. Charles Park District	27,125,000	99.83%	27,078,888
Streamwood Park District	4,309,000	95.20%	4,102,168
West Chicago Park District	24,205,000	15.47%	3,744,514
West Chicago Fire Protection District	7,585,000	20.32%	1,541,272
Special Service Areas			
Carpentersville Special Service Area Numbers 6, 7, 10, 11 and 17	-	100.00%	-
Gilberts Special Service Area Number 10	16,631,000	100.00%	16,631,000
Gilberts Special Service Area Number 19	-	100.00%	-
Hanover Park Special Service Area Number 2	-	100.00%	-
Hampshire Special Service Area Nmber 9	1,445,000	100.00%	1,445,000
Pingree Grove Special Service Area Number 1	-	100.00%	-
St. Charles TIF 2	675,000	100.00%	675,000
Streamwood Special Service Area Number 3	-	100.00%	-
West Chicago Special Service Area Number 2	-	30.39%	-
Total others			148,364,510
Total schools and others			753,023,888
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 938,073,086

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEBT CAPACITY
LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value Debt Limit Rate)	Net Debt Applicable to Debt Limit (1)	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2016	\$ 10,325,972,629	2.875%	\$ 296,871,713	\$ 185,049,198	\$ 111,822,515	62.33%
2015	10,026,440,546	2.875%	288,260,166	191,609,968	98,979,311	65.66%
2014	10,185,173,177	2.875%	292,823,729	198,547,590	96,850,318	66.93%
2013	11,143,211,646	2.875%	320,367,335	204,489,519	118,604,024	62.98%
2012	12,468,311,880	2.875%	358,463,967	159,504,345	198,959,622	44.50%
2011	13,451,233,701	2.875%	386,689,821	176,039,262	210,650,559	45.52%
2010	14,068,724,114	2.875%	407,324,271	105,200,229	302,124,042	25.83%
2009	14,137,687,822	2.875%	401,731,411	59,761,121	341,970,290	14.88%
2008	13,433,601,262	2.875%	386,216,036	59,288,541	326,927,495	15.35%
2007	12,142,166,552	2.875%	349,087,288	51,049,722	298,037,566	14.62%

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME PER CAPITA**

Last Ten Fiscal Years

Fiscal Year	Population (Estimate)	Personal Income (1)	Per Capita Personal Income	Unemployment Rate (2)
2016	450,687	\$ 16,191,376,268	\$ 35,926	5.2%
2015	441,850	15,719,782,784	32,236	5.5%
2014	433,186	15,261,925,033	31,923	6.6%
2013	429,981	14,817,402,945	31,614	9.8%
2012	426,733	14,385,828,102	31,307	8.7%
2011	423,097	13,966,823,400	31,003	10.2%
2010	427,685	13,560,022,718	30,702	9.7%
2009	415,613	13,165,070,600	27,784	9.7%
2008	407,301	12,719,874,976	27,381	7.3%
2007	399,155	12,289,734,276	26,984	4.8%

(1) Personal income level is based on the 2000 Census for 2000 and estimated going forward.

(2) Population estimate is based on the American Community Survey data.

(3) The unemployment rate is for the Chicago-Naperville-Joliet, IL Metropolitan Division of which all counties within the District are included.

Data Sources

Illinois Department of Employment Security
Census Bureau

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS**

Current Year and Ten Years Ago

2016			2006		
Employer	Rank	Estimated Employees	Employer	Rank	Estimated Employees
Sears Holding Corp	1	5,000	Sears Roebuck Company	1	6,000
Northwest Community Hospital	2	4,000	Unit School District Number 46	2	5,000
AT&T Services, Inc.	3	2,500	Motorola, Inc	3	4,450
Zurich North American Commercial	4	2,500	Northwest Community Healthcare	4	3,300
Advocate Sherman Hospital	5	2,200	AT&T	5	2,700
St. Alexius Medical Center	6	2,045	Bank One/First U.S.A	6	2,500
Northrop Grumman Corporation	7	1,900	Northrop Grumman Corporation	7	2,000
Motorola, Inc.	8	1,570	Broadwing Communications, LLC	8	2,000
Presence St. Joseph Hospital	9	1,300	Sherman Hospital	9	1,700
John B. Sanfilippo & Son, Inc	10	1,200	Zurich American Insurance Company	10	1,700
Clearbrook	11	1,000	St. Alexius Medical Center	11	1,650
Catamaran, LLC	12	800	Experian Information Solutions Inc	12	1,500
Nation Pizza Products	13	700	Elgin Mental Health Center	13	1,300
American NTN Bearing Mfg. Corp.	14	675	Elgin Riverboat Resort	14	1,200
Verizon Wireless, Inc	15	670	IXN International Ink Company	15	1,200
The Neilsen Company	16	650	Provena St. Joseph Hospital	16	900
CDK Global (1)	17	600	Daily Herald	17	900
Experian Information Solutions, Inc.	18	600	IBM Global Services	18	800

(1) Previously ADP Dealer Services

Data Source

2016 Illinois Manufacturers Directory, 2016 Illinois Services Directory and a selected telephone survey.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business Occupational	Technical Occupational	Health Occupational	Remedial Development	Adult Basic Secondary Education	Total Claimed Credit Hours
2016	111,979	11,333	16,132	11,945	15,481	22,575	189,445
2015	112,957	12,203	17,198	12,040	16,826	24,605	195,829
2014	115,845	12,900	18,953	12,196	17,271	20,143	197,308
2013	117,315	13,074	19,588	12,698	18,573	26,153	207,401
2012	119,163	14,877	21,055	13,468	20,142	26,204	214,909
2011	118,824	15,722	21,573	15,158	20,480	24,360	216,117
2010	114,554	14,204	20,862	14,419	19,254	27,112	210,405
2009	99,377	12,561	17,724	12,366	16,764	22,103	180,895
2008	90,401	11,801	17,578	10,483	14,828	19,262	164,353
2007	89,541	12,486	18,122	10,200	14,027	21,147	165,523

Data Source

District records

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**OPERATING INFORMATION
FULL-TIME EQUIVALENT EMPLOYEES AND EMPLOYEE HEADCOUNT BY EMPLOYEE GROUP**

Last Ten Fiscal Years

Employee Group	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty										
Full-time FTE	135	133	132	130	132	134	131	127	119	118
Part-time FTE	195	205	219	209	200	198	172	143	151	146
Total FTE	330	338	351	339	332	332	303	270	270	264
Headcount	577	601	615	598	620	608	549	499	484	476
Administrators										
Full-time FTE	45	44	43	43	40	33	34	33	32	27
Part-time FTE	0	0	0	0	0	0	0	0	0	-
Total FTE	45	44	43	43	40	33	34	33	32	27
Headcount	45	44	43	43	40	33	34	33	32	27
Nonteaching Professional Staff										
Full-time FTE	194	189	166	171	180	193	179	171	166	156
Part-time FTE	48	48	51	49	51	76	74	75	48	54
Total FTE	242	237	217	220	231	269	253	246	214	210
Headcount	289	285	267	269	282	345	326	321	262	263
Classified Staff										
Full-time FTE	107	102	112	107	111	110	111	110	110	102
Part-time FTE	63	69	75	69	66	65	65	63	57	56
Total FTE	170	171	187	176	177	175	176	173	167	158
Headcount	233	239	261	244	242	239	240	235	223	213

Notes

The above statistics reflect employment numbers for the fall semester of the year listed as reported to the ICCB in our annual salary submission.

The College reclassified its tutors in 2009. Tutors are now included in nonteaching professional staff.

The College reclassified its tutors in 2012. Tutors are now considered contingent employees and are no longer included in this report.

Data Source:

ICCB C1/C2 submissions

**ELGIN COMMUNITY COLLEGE
COLLEGE DISTRICT 509
ELGIN, ILLINOIS**

**OPERATING INFORMATION
DEGREES AND CERTIFICATES AWARDED**

Last Ten Fiscal Years

Degrees and Certificates Awarded	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (1)
General studies degrees										
Associate degrees										
Arts	522	529	466	524	496	393	427	374	345	323
Sciences	256	231	196	197	145	136	108	88	106	77
Engineering science	26	19	14	14	15	2	8	3	7	-
Fine arts	5	9	11	7	3	1	5	5	7	-
Liberal studies and general education	23	42	41	43	75	62	53	43	35	34
Occupational degrees										
Associate degree in applied science	384	369	359	387	411	344	313	303	268	257
Occupational certificates										
One year or more	321	299	286	292	329	307	258	201	194	156
Less than one year	819	1,087	880	1,019	1028	977	1188	912	796	423
TOTAL DEGREES AND CERTIFICATES AWARDED	2,356	2,585	2,253	2,483	2,502	2,222	2,360	1,929	1,758	1,270

(1) Degree audit hasn't been implemented in our new student system thus resulting in a drop in basic occupational certificates in 2007.

Data Source

District records

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

OPERATING INFORMATION
CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Main Campus										
Size of campus in acres	211.5	211.5	211.5	168.5	181.5	174.4	179.1	157.5	157.5	157.5
Number of buildings	18	18	18	18	18	18	17	16	16	14
Gross square footage	1,121,671	1,121,671	1,121,671	1,122,508	1,093,083	1,090,908	947,055	913,325	913,325	839,798
Number of parking lots	18	18	18	18	16	18	19	22	22	22
Number of parking spaces	4,349	4,337	4,337	4,326	4,000	4,085	4,067	3,641	3,641	3,641
Burlington Facility										
Size of facility in acres	120	0	0	0	0	0	0	0	0	0
Number of buildings	4	0	0	0	0	0	0	0	0	0
Number of rooms	80	0	0	0	0	0	0	0	0	0
Gross square footage	37,622	0	0	0	0	0	0	0	0	0
Number of parking lots	3	0	0	0	0	0	0	0	0	0
Number of parking spaces	233	0	0	0	0	0	0	0	0	0
Fountain Square Campus										
Size of campus	0	0	0	0	0	0	2.1 acres	2.1 acres	2.1 acres	2.1 acres
Number of buildings	0	0	0	0	0	0	1	1	1	1
Number of rooms	0	0	0	0	0	0	119	119	119	124
Gross square footage	0	0	0	0	0	0	75,635	75,635	75,635	75,244
Number of parking lots	0	0	0	0	0	0	1	1	1	1
Number of parking spaces	0	0	0	0	0	0	38	38	38	38
Hanover Park Education and Work Center										
Number of buildings	1	1	1	0	0	0	0	0	0	0
Number of rooms	16	16	16	0	0	0	0	0	0	0
Gross square footage	10,848	9,274	9,274	0	0	0	0	0	0	0
Municipal parking lots	1	0	0	0	0	0	0	0	0	0
Streamwood Village Hall Campus										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Number of rooms	3	3	3	3	3	3	7	7	7	7
Gross square footage	3,224	3,224	3,224	3,224	3,234	3,234	3,234	3,234	3,234	3,243
Municipal parking lots	2	2	2	2	2	2	2	2	2	2

Data Source

District records

SPECIAL REPORTS

SUPPLEMENTAL FINANCIAL INFORMATION

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

CERTIFICATE OF CHARGEBACK REIMBURSEMENT

For the Fiscal Year Ended June 30, 2016

**ALL NONCAPITAL AUDITED OPERATING EXPENDITURES
FOR FISCAL YEAR 2016 FROM ALL REVENUE SOURCES**

Education fund	\$ 58,341,626
Operations and maintenance fund	10,518,049
Bond and interest fund	
Restricted purposes fund	772,924
Federal financial aid fund	13,691,145
Federal grants fund	2,458,235
Audit fund	123,085
Liability, protection and settlement fund	2,305,182
Auxiliary enterprises fund (subsidy only)	<u>961,802</u>

Total noncapital audited operating expenditures	89,172,048
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Plus depreciation on capital outlay expenditures (equipment, buildings and fixed equipment) paid from sources other than state and federal funds	<u>9,136,878</u>
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Equals total costs included	<u><u>\$ 98,308,926</u></u>
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TOTAL CERTIFIED SEMESTER CREDIT HOURS	<u><u>189,445.0</u></u>
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PER CAPITA COST	<u><u>\$ 518.93</u></u>
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(This schedule is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

CERTIFICATE OF CHARGEBACK REIMBURSEMENT (Continued)

For the Fiscal Year Ended June 30, 2016

All fiscal year 2016 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 15,666,810</u>
Fiscal year 2016 state and federal grants per semester credit hour	82.70
District's average ICCB grant rate for fiscal year 2017	24.63
District's student tuition and fee rate per semester credit 7 hour for fiscal year 2016	<u>119.00</u>
EQUALS CHARGEBACK REIMBURSEMENT PER SEMESTER CREDIT HOUR	<u><u>\$ 292.60</u></u>

(See independent auditor's report.)

UNIFORM FINANCIAL STATEMENTS

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2016

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprise Funds	Restricted Purposes Fund	Federal Financial Aid Fund	Working Cash Fund
FUND BALANCES, JULY 1, 2015	\$ 49,686,284	\$ 11,960,022	\$ 13,529,555	\$ 4,435,843	\$ 3,877,694	\$ 2,343,908	\$ -	\$ 4,365,483
REVENUES								
Local tax revenue	34,125,856	9,845,177	-	13,590,311	-	-	-	-
All other local revenue	29,341	-	-	-	-	-	-	-
ICCB grants	1,778,547	-	-	-	-	597,078	-	-
All other state revenue	-	-	-	-	-	-	-	-
Federal revenue	-	-	1,427,168	778,762	-	56,017	13,691,145	-
Student tuition and fees	23,830,413	-	-	-	409,606	675	-	-
All other revenue	1,484,604	340,404	-	-	6,622,069	146,819	-	19,800
Total revenues	61,248,761	10,185,581	1,427,168	14,369,073	7,031,675	800,589	13,691,145	19,800
EXPENDITURES								
Instruction	30,421,647	-	-	-	-	660,677	-	-
Academic support	8,057,016	-	-	-	-	7,257	-	-
Student services	5,561,372	-	-	-	749,979	4,320	161,357	-
Public service/continuing education	250,934	-	-	-	-	75,206	-	-
Auxiliary services	-	-	-	-	6,157,953	-	-	-
Operations and maintenance	-	8,662,727	-	-	-	27,622	-	-
Institutional support	14,330,500	1,990,036	834,261	15,255,159	-	14,353	-	-
Scholarships, grants and waivers	68,681	-	-	-	-	11,154	13,529,788	-
Total expenditures	58,690,150	10,652,763	834,261	15,255,159	6,907,932	800,589	13,691,145	-
NET TRANSFERS	(3,699,802)	1,238,000	1,500,000	-	961,802	-	-	-
FUND BALANCES, JUNE 30, 2016	\$ 48,545,093	\$ 12,730,840	\$ 15,622,462	\$ 3,549,757	\$ 4,963,239	\$ 2,343,908	\$ -	\$ 4,385,283

(This schedule is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1 (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	Audit Fund	Liability, Protection Settlement Fund	Building Bond Proceeds Fund	Federal Grants Fund	Total
FUND BALANCES, JULY 1, 2015	\$ 111,401	\$ 3,595,195	\$ 17,060,855	\$ -	\$ 110,966,240
REVENUES					
Local tax revenue	136,834	2,566,594	-	-	60,264,772
All other local revenue	-	-	-	-	29,341
ICCB grants	-	-	-	1,029,479	3,405,104
All other state revenue	-	-	-	-	-
Federal revenue	-	-	-	1,537,873	17,490,965
Student tuition and fees	-	-	-	-	24,240,694
All other revenue	-	-	12,689	-	8,626,385
Total revenues	136,834	2,566,594	12,689	2,567,352	114,057,261
EXPENDITURES					
Instruction	-	-	-	691,421	31,773,745
Academic support	-	-	-	-	8,064,273
Student services	-	-	-	1,729,334	8,206,362
Public service/continuing education	-	-	-	75,429	401,569
Auxiliary services	-	-	-	-	6,157,953
Operations and maintenance	-	648,320	-	-	9,338,669
Institutional support	123,085	1,656,862	11,378,159	229	45,582,644
Scholarships, grants, waivers	-	-	-	70,939	13,680,562
Total expenditures	123,085	2,305,182	11,378,159	2,567,352	123,205,777
NET TRANSFERS	-	-	-	-	-
FUND BALANCES, JUNE 30, 2016	\$ 125,150	\$ 3,856,607	\$ 5,695,385	\$ -	\$ 101,817,724

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2016

	Fixed Asset/Debt Account Groups June 30, 2015	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2016
CAPITAL ASSETS				
Sites and improvements	\$ 30,606,310	\$ 13,026,178	\$ -	\$ 43,632,488
Buildings, additions and improvements	221,871,960	14,801,554	-	236,673,514
Equipment	11,781,847	1,495,662	-	13,277,509
Other capital assets	19,062,843	11,656,376	(29,247,715)	1,471,504
Accumulated depreciation	75,146,231	9,235,328	-	84,381,559
TOTAL CAPITAL ASSETS	\$ 208,176,729	\$ 31,744,442	\$ (29,247,715)	\$ 210,673,456
FIXED LIABILITIES				
Bonds payable	\$ 189,280,905	\$ 128,866	\$ (6,460,000)	\$ 182,949,771
Other fixed liabilities	-	-	-	-
TOTAL FIXED LIABILITIES	\$ 189,280,905	\$ 128,866	\$ (6,460,000)	\$ 182,949,771
	<u>Outstanding July 1, 2015</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding June 30, 2016</u>
EDUCATION FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
OPERATIONS AND MAINTENANCE FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
BOND AND INTEREST FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
AUDIT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
LIABILITY, PROTECTION AND SETTLEMENT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2016

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local government			
Local taxes	\$ 33,644,390	\$ 9,845,177	\$ 43,489,567
Chargeback revenue	29,341	-	29,341
Corporate Personal Property replacement tax	481,466	-	481,466
Other	-	-	-
Total local government	34,155,197	9,845,177	44,000,374
State government			
ICCB base operating grants	1,778,547	-	1,778,547
ICCB equalization grants	-	-	-
ICCB career & technical education	-	-	-
ICCB adult education	-	-	-
Other ICCB grants not listed above	-	-	-
Department of Corrections	-	-	-
Dept. of Veteran Affairs	-	-	-
Illinois Student Assistance Commission	-	-	-
Other (include other ICCB grants not above)	-	-	-
Total state government	1,778,547	-	1,778,547
Federal government			
Department of Education	-	-	-
Department of Labor	-	-	-
Department of Health and Human Services	-	-	-
Other	-	-	-
Total federal government	-	-	-
Student tuition and fees			
Tuition	20,459,487	-	20,459,487
Fees	3,370,926	-	3,370,926
Other student assessments	-	-	-
Total student tuition and fees	23,830,413	-	23,830,413
Other sources			
Sales and service fees	-	-	-
Facilities revenue	-	68,721	68,721
Investment revenue	446,144	-	446,144
Nongovernmental grants	-	-	-
Other	1,038,460	271,683	1,310,143
Total other sources	1,484,604	340,404	1,825,008
Total revenues	61,248,761	10,185,581	71,434,342
Less non-operating items			
Tuition chargeback revenue	(29,341)	-	(29,341)
Instructional service contracts	-	-	-
ADJUSTED REVENUE	\$ 61,219,420	\$ 10,185,581	\$ 71,405,001

(This statement is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 30,421,647	\$ -	\$ 30,421,647
Academic support	8,057,016	-	8,057,016
Student services	5,561,372	-	5,561,372
Public service/continuing education	250,934	-	250,934
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	8,662,727	8,662,727
Institutional support	14,330,500	1,990,036	16,320,536
Scholarships, student grants, waivers	68,681	-	68,681
Total expenditures	58,690,150	10,652,763	69,342,913
Less non-operating items			
Tuition chargeback	(52,303)	-	(52,303)
Instructional service contracts	-	-	-
Transfers	3,699,802	(1,238,000)	2,461,802
ADJUSTED EXPENDITURES	\$ 62,337,649	\$ 9,414,763	\$ 71,752,412
BY OBJECT			
Salaries	\$ 42,753,765	\$ 4,740,677	\$ 47,494,442
Employee benefits	7,031,993	937,166	7,969,159
Contractual services	2,252,735	1,659,162	3,911,897
General materials and supplies	3,429,099	159,149	3,588,248
Library materials**	387,420	-	387,420
Conference and meeting expenses	620,986	3,237	624,223
Fixed charges	257,277	697,512	954,789
Utilities	-	2,230,546	2,230,546
Capital outlay	1,192,941	225,314	1,418,255
Other	1,151,354	-	1,151,354
Student grants and scholarships**	15,470	-	15,470
Total expenditures	58,690,150	10,652,763	69,342,913
Less non-operating items			
Tuition chargeback	(52,303)	-	(52,303)
Instructional service contracts	-	-	-
Transfers	3,699,802	(1,238,000)	2,461,802
ADJUSTED EXPENDITURES	\$ 62,337,649	\$ 9,414,763	\$ 71,752,412

**Non Add Line

Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES BY SOURCE

Total local government	<u>\$ 108,751</u>
State government	
ICCB - Workforce Development-Business/Industry Grants	-
ICCB - Student Success Grant	-
ICCB - Retirees Health Insurance Grant	-
ICCB - Special Initiatives Grants	-
ICCB - Program Improvement Grant	-
ICCB - Adult Education	596,924
ICCB - Other	-
Dept. of Corrections	-
Illinois Student Assistance Commission	-
Other (attach itemization)	<u>154</u>
Total state government	<u>597,078</u>
Federal government	
Department of Education	14,594,491
Department of Labor	445,433
Department of Health and Human Services	74,905
Other	<u>1,199,685</u>
Total federal government	<u>16,314,514</u>
Other sources	
Tuition and fees	675
Other	<u>38,068</u>
Total other sources	<u>38,743</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 17,059,086</u></u>

(This statement is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2016**

EXPENDITURES BY PROGRAM

Instruction	\$ 1,352,098
Academic support	7,257
Student services	1,895,011
Public service/continuing education	150,635
Organized research	-
Auxiliary services	-
Operations and maintenance	27,622
Institutional support	14,582
Scholarships, grants, waivers	<u>13,611,881</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES

\$ 17,059,086

EXPENDITURES BY OBJECT

Salaries	\$ 2,432,380
Employee benefits	386,869
Contractual services	43,623
Student financial aid	-
General materials and supplies	108,640
*Library materials	-
Travel and conference/meeting expenses	167,022
Fixed charges	-
Utilities	-
Capital outlay	158,199
Other	13,671,001
*Scholarships, grants, waivers	<u>13,603,335</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES

\$ 16,967,734

* Non add line

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2016**

INSTRUCTION

Instructional programs	\$ 29,954,172
Other	<u>1,128,152</u>
Total instruction	<u>31,082,324</u>

ACADEMIC SUPPORT

Library Center	1,619,109
Instructional Materials Center	787,803
Educational Media Services	1,311,201
Academic computing support	-
Academic administration and planning	4,207,913
Other	<u>138,247</u>
Total academic support	<u>8,064,273</u>

STUDENT SERVICES SUPPORT

Admissions and records	1,435,882
Counseling and career guidance	1,256,098
Financial aid administration	1,006,190
Administration	695,837
Social and cultural development	325
Other	<u>1,921,339</u>
Total student services support	<u>6,315,671</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community education	-
Customized training (instructional)	-
Community services	315,714
Other	<u>10,426</u>
Total public service/continuing education	<u>326,140</u>

ORGANIZED RESEARCH

AUXILIARY SERVICES

6,157,953

(This statement is continued on the following page.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2016**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 1,611,306
Custodial services	2,362,421
Grounds	773,929
Campus security	1,576,726
Transportation	-
Utilities	2,362,863
Administration	623,803
Other	27,621

Total operations and maintenance of plant	9,338,669
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INSTITUTIONAL SUPPORT

Executive management	1,750,826
Fiscal operations	1,242,117
Community relations	790,161
Administrative support services	5,795,687
Board of trustees	71,314
General institution	3,562,272
Institutional research	340,245
Administrative data processing	2,738,347
Other	1,823,867

Total institutional support	18,114,836
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SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS	79,835
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TOTAL CURRENT FUNDS EXPENDITURES	\$ 79,479,701
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(See independent auditor's report.)



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have audited the accompanying balance sheet of Elgin Community College District Number 509's (the District) State Adult Education and Family Literacy Grant Program as of June 30, 2016, and the related statements of revenues, expenditures and changes in fund balance for the year then ended and the notes to financial statements - state grants programs.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the District's management. 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also reviewed the compliance with the provisions of the agreement between the District and the Illinois Community College Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Elgin Community College District Number 509's State Adult Education and Family Literacy Grant Program of Elgin Community College District Number 509 as of June 30, 2016, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the District's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the balance sheet of the State Adult Education and Family Literacy Grant Program as of June 30, 2016, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. The schedule of expenditure amounts and percentages for ICCB Grant Funds Only is presented for purposes of additional analysis and is not a required part of these financial statements. The schedule of expenditure amounts and percentages for ICCB Grant Funds Only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements. The information has been subjected to the auditing procedures applied in the audit of these 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 information is fairly stated in all material respects in relation to these financial statements as a whole.

Other Matters

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the terms, covenants, provisions, or conditions of the agreements, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters.

Sikich LLP

Naperville, Illinois
October 3, 2016

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
BALANCE SHEET**

June 30, 2016

	State Basic	State Performance	Total
<hr/>			
ASSETS			
Receivable	\$ 420,113	\$ 176,811	\$ 596,924
<hr/>			
TOTAL ASSETS	\$ 420,113	\$ 176,811	\$ 596,924
<hr/>			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 420,113	\$ 176,811	\$ 596,924
<hr/>			
Total liabilities	420,113	176,811	596,924
<hr/>			
FUND BALANCES			
None	-	-	-
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 420,113	\$ 176,811	\$ 596,924
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(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2016

	State Basic	State Performance	Total
REVENUES			
State sources	\$ 420,113	\$ 176,811	\$ 596,924
Total revenues	420,113	176,811	596,924
EXPENDITURES			
Instructional and student services			
Instruction	420,113	147,636	567,749
Guidance services	-	9,696	9,696
Social work services	-	2,899	2,899
Assessment and testing	-	9,696	9,696
Total instructional and student services	420,113	169,927	590,040
Program support			
Improvement of instructional services	-	6,884	6,884
General administration	-	-	-
Workforce coordination	-	-	-
Total program support	-	6,884	6,884
Total expenditures	420,113	176,811	596,924
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, JULY 1, 2015	-	-	-
FUND BALANCE, JUNE 30, 2016	\$ -	\$ -	\$ -

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
SCHEDULE OF EXPENDITURE AMOUNTS AND
PERCENTAGES FOR ICCB GRANT FUNDS ONLY**

For the Year Ended June 30, 2016

	Audited Expenditure Amount	Audited Expenditure Percentage
STATE BASIC		
Instruction (45% minimum required)	\$ 420,113	100%
General administration (9% maximum allowed)	-	0%

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Elgin Community College District Number 509 (the District) conform to accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

a. General

The accompanying statements include transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Grant. These transactions have been accounted for in the Restricted Purposes Subfund.

b. Basis of Accounting

The statements have been prepared on the accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2016. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

c. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay and are capitalized in the basic financial statements.

2. PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

ELGIN COMMUNITY COLLEGE

DISTRICT NUMBER 509

ELGIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS (Continued)

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

a. Unrestricted Grants

Base 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.

b. Restricted Adult Education Grants/State

State Basic

Grants awarded to State 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.

Performance

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



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

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Elgin Community College District Number 509 (the District) for the year ended June 30, 2016.

Management's Responsibility

The Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed is the responsibility of the District's management. Management's responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with statutory requirements.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and the reconciliation of semester credit hours of Elgin Community College District Number 509 as of June 30, 2016, in conformity with the Illinois Community College Board's *Fiscal Management Manual*.

Sikich LLP

Naperville, Illinois
October 3, 2016

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

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

For the Year Ended June 30, 2016

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
CATEGORIES								
Baccalaureate	13,447.5	33.0	50,227.0	-	48,271.5	-	111,946.0	33.0
Business occupational	1,408.0	-	5,214.0	-	4,711.0	-	11,333.0	-
Technical occupational	750.0	-	7,750.5	-	7,631.0	-	16,131.5	-
Health occupational	907.5	-	5,535.0	-	5,503.0	-	11,945.5	-
Remedial developmental	1,231.0	-	8,341.0	-	5,909.0	-	15,481.0	-
Adult basic education/adult secondary education	6,147.0	-	545.0	8,002.5	1,632.5	6,248.0	8,324.5	14,250.5
TOTAL CREDIT HOURS VERIFIED	23,891.0	33.0	77,612.5	8,002.5	73,658.0	6,248.0	175,161.5	14,283.5

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable semester credit hours	180,041.0	2,573.0	182,614.0

	Dual Credit	Dual Enrollment	Total
Reimbursable semester credit hours	1,509.5	2,801.5	4,311.0

The District requires that all credit students provide documentation to verify their permanent residence.

This information is used to determine their residency for both tuition calculation and submission of reports for state funding purposes.

In order to prove residency, a student must submit, to either the Office of Admissions or the Registration and Records Office, the following documentation:

- A valid Illinois driver's license or a pre-printed renewal application
- An Illinois state identification card
- Two current bank statements or utility bills addressed to the student
- An in-district high school transcript issued within the last two years

A student must reside within the district for at least 30 days prior to the start of semester classes in order to meet the residency requirements.

A student may also qualify for in-district tuition rates if he/she is employed full-time at a company within the district and utilizing the Business Education Service Contract.

DISTRICT'S 2015 EQUALIZED ASSESSED VALUATION \$ 10,325,972,929

(See independent auditor's report.)

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2016

	Total Unrestricted Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	111,946.0	111,946.0	-	33.0	33.0	-
Business occupational	11,333.0	11,333.0	-	-	-	-
Technical occupational	16,131.5	16,131.5	-	-	-	-
Health occupational	11,945.5	11,945.5	-	-	-	-
Remedial developmental	15,481.0	15,481.0	-	-	-	-
Adult basic education/adult secondary education	8,324.5	8,324.5	-	14,250.5	14,250.5	-
TOTAL	175,161.5	175,161.5	-	14,283.5	14,283.5	-

	Total Attending	Total Attending Certified to the ICCB	Difference
In-District Residents	180,041.0	180,041.0	-
Chargeback/Contractual Agreement	2,573.0	2,573.0	-

	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual Credit	1,509.5	1,509.5	-
Dual Enrollment	2,801.5	2,801.5	-

(See independent auditor's report.)

(June 30, 2017). The goals encompass 6 key areas which include: student success (Goals 1 and 2), cultural competency and equity (Goal 3), operational/process improvements (Goal 4), community service goals (Goal 5), and employee training and development (Goal 6). Within these goals, strategic objectives provide specificity on the nature of work to be performed. For example, within Goal 1 (Foster a learning-centered environment), the college commits to expand supplemental instruction techniques, teach student skills in self-assessment, expand active learning pedagogies, ensure consistency between the curricula at the College and area high schools, and build a comprehensive approach to student advising. The strategic plan is as follows:

MISSION

The mission of Elgin Community College is to improve people's lives through learning.

VISION

We pursue our mission by focusing all our efforts on making Elgin Community College one of the best centers of learning in the United States. In recognition of our role as a comprehensive community college, we will strive to create high-quality learning opportunities that respond to the needs of the residents of our district.

SHARED VALUES

Excellence

All college functions and services must strive for the highest level of excellence to successfully achieve our mission. Learning activities must be of the highest quality to help students achieve their goals.

Freedom of Inquiry

We believe a learning community is most engaging and viable when a spirit of free inquiry exists, allowing everyone the freedom to explore new and diverse ideas and to express their interests and attitudes.

Equity

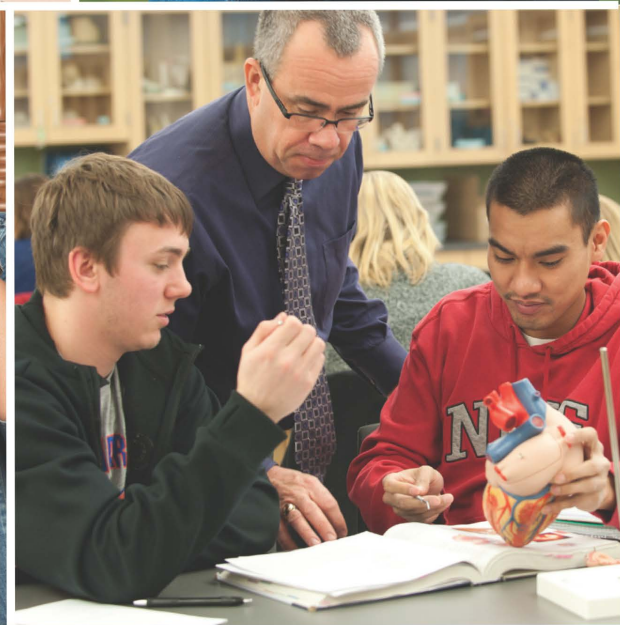
We believe that everyone must have an equal opportunity to grow through learning and pledge to provide all who take part in our learning activities with the opportunities and supports needed for success.

Ethical Practices

As we strive to develop our learning community, we will maintain at all times the highest level of honesty, communication, cooperation and credibility in all relationships.

Accountability

As a public institution, we believe we must assume responsibility for all our decisions and actions, and we must also be open and honest in all our affairs and always ensure that we are making the best use of our resources.



Elgin
Community
College

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